



OHIO AUDITOR OF STATE
KEITH FABER



**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY
DECEMBER 31, 2022 AND 2021**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2022	5
Statement of Additions, Deductions, and Change in Fund Balance (Regulatory Cash Basis) - Fiduciary Fund Type - For the Year Ended December 31, 2022	6
Notes to the Financial Statements For the Year Ended December 31, 2022	7
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2021	13
Statement of Additions, Deductions, and Change in Fund Balance (Regulatory Cash Basis) - Fiduciary Fund Type - For the Year Ended December 31, 2021	14
Notes to the Financial Statements For the Year Ended December 31, 2021	15
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	21

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

Grove Cemetery Association
Hardin County
15443 State Route 309
Kenton, Ohio 43326

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Grove Cemetery Association, Hardin County, Ohio (the Cemetery), which comprises the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2022 and 2021, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Cemetery, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that 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 financial statements are prepared by the Cemetery on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cemetery's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cemetery's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2023, 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. 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.



Keith Faber
Auditor of State
Columbus, Ohio

October 24, 2023

This page intentionally left blank.

GROVE CEMETERY ASSOCIATION, HARDIN COUNTY

Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
 For the Year Ended December 31, 2022

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:				
Charges for Services	\$92,884			\$92,884
Licenses, Permits and Fees	390			390
Intergovernmental	236,808			236,808
Earnings on Investments	6,131			6,131
Miscellaneous	28,510		\$3,000	31,510
<i>Total Cash Receipts</i>	<u>364,723</u>		<u>3,000</u>	<u>367,723</u>
Cash Disbursements				
Current:				
General Government	286,400		48,551	334,951
Other			18,190	18,190
Capital Outlay	7,819			7,819
<i>Total Cash Disbursements</i>	<u>294,219</u>		<u>66,741</u>	<u>360,960</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>70,504</u>		<u>(63,741)</u>	<u>6,763</u>
Other Financing Receipts (Disbursements):				
Sale of Capital Assets	1,786		68,894	70,680
Transfers In			50,000	50,000
Transfers Out	(50,000)			(50,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(48,214)</u>		<u>118,894</u>	<u>70,680</u>
<i>Net Change in Fund Cash Balances</i>	22,290		55,153	77,443
<i>Fund Cash Balances, January 1</i>	<u>165,324</u>	<u>\$19,076</u>	<u>269,137</u>	<u>453,537</u>
<i>Fund Cash Balances, December 31</i>	<u>\$187,614</u>	<u>\$19,076</u>	<u>\$324,290</u>	<u>\$530,980</u>

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

GROVE CEMETERY ASSOCIATION, HARDIN COUNTY

**Statement of Additions, Deductions and
Change in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2022**

	Private Purpose Trust
Additions	
Earnings on Investments	\$1,905
<i>Total Additions</i>	<u>1,905</u>
Deductions	
Other Distributions	750
<i>Total Deductions</i>	<u>750</u>
<i>Net Change in Fund Cash Balance</i>	1,155
<i>Fund Cash Balance, January 1</i>	<u>157,605</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$158,760</u></u>

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

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

1. REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges for the Grove Cemetery Association, Hardin County, (the Cemetery). Buck, Pleasant and Goshen Townships and the City of Kenton appoint a Board of Trustees to direct cemetery operations. Three of the Trustees are the voting members and the fourth is the non-voting President. 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. Fees and charges are also assessed by the Cemetery for operations of the Cemetery. The accompanying financial statements classify the tax levy 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The Cemetery's financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) all governmental fund types and a statement of additions, deductions and change in fund balances (regulatory cash basis) fiduciary fund type which are organized on a fund type basis.

B. 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:

1. 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

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Cemetery had the following Special Revenue Fund:

Retirement Obligation Fund – This fund receives transfers from the General Fund for the payment of retirement and resignation severance expenses as provided in the Cemetery's Employee Handbook.

3. Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Cemetery had the following capital project funds:

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Buildings – The fund receives transfers from the General Fund and makes expenditures for repairs and maintenance to buildings.

Road and Water – This fund receives transfers from the General Fund and makes expenditures for repairs to drives and the water system.

Equipment – This fund receives transfers from the General Fund and makes disbursements for the purchase of Cemetery equipment.

Tree Replacement – This fund receives transfers from the General Fund and donations and makes disbursements for the purchase of trees planted in the Cemetery.

Niche Wall – This fund was established in 2017. It receives a pre-determined portion of all Niche Wall receipts. Disbursements from this fund are the purchase of another Columbarium Niche Wall when the current wall is full or nearly full.

4. Fiduciary Funds

Fiduciary funds include private purpose trust funds and custodial 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 has no custodial funds. The Cemetery had the following private purpose trust fund:

Endowment Fund - The fund receives interest receipts and donations from endowments. The interest earned on the principal is to maintain grave sites.

C. Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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. 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 Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

D. 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 maintains a Star Ohio account as the only investment. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets

The Cemetery records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these 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 include a liability for unpaid leave.

G. 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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Cemetery and the nonspendable portion of the corpus in permanent funds.

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)**

3. 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, 2022 was as follows:

Demand deposits	\$114,785
Certificate of deposit	100,000
Total deposits	214,785
STAR Ohio	474,955
Total investments	474,955
Total deposits and investments	\$689,740

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

4. RETIREMENT SYSTEM

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 post-retirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2022 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, 2022.

5. POST EMPLOYMENT 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 2022. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2022.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)**

6. RISK MANAGEMENT

Risk Pool Membership

The Cemetery belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	\$ 3,503,940

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

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.

7. RELATED PARTY TRANSACTIONS

Buck Township is a member entity of the Cemetery. The Fiscal Officer for Buck Township is Roger E. Crowe. Mr. Crowe is also the Fiscal Officer for the Cemetery, a part time employee position.

8. TRANSFERS

During 2022, transfers totaling \$50,000 were made from the General Fund to the Capital Projects Road and Water Fund (\$20,000) and to the Capital Projects Buildings Fund (\$30,000).

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)**

9. PROPERTY SALE

During 2022, the Cemetery sold the house that had been used by the Superintendent. The sale was approved by all entities of the Association and was conducted by sealed bid. The total bid was \$71,150 of which the Cemetery netted \$70,680 after fees. The General Fund was reimbursed \$1,786 for expenses in maintaining the house once it was vacant and the balance of \$68,894 was deposited in the Capital Projects – Building Fund including reimbursements of \$17,179 for expenses related to installation of a new septic system prior to sale.

10. FUND BALANCES

Included in fund balance are amounts the Cemetery cannot spend. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	\$0	\$0	\$2,000	\$2,000
Total	<u>\$0</u>	<u>\$0</u>	<u>\$2,000</u>	<u>\$2,000</u>

The fund balance of special revenue and capital projects funds are restricted, committed, or assigned. In the general fund, outstanding encumbrances are considered assigned.

GROVE CEMETERY ASSOCIATION, HARDIN COUNTY

Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
 For the Year Ended December 31, 2021

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:				
Charges for Services	\$104,067			\$104,067
Licenses, Permits and Fees	1,590			1,590
Intergovernmental	240,173			240,173
Earnings on Investments	326			326
Miscellaneous	47,648		\$1,070	48,718
<i>Total Cash Receipts</i>	<u>393,804</u>		<u>1,070</u>	<u>394,874</u>
Cash Disbursements				
Current:				
General Government	282,359		6,265	288,624
Other			13,640	13,640
Capital Outlay	11,298		73,457	84,755
<i>Total Cash Disbursements</i>	<u>293,657</u>		<u>93,362</u>	<u>387,019</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>100,147</u>		<u>(92,292)</u>	<u>7,855</u>
Other Financing Receipts (Disbursements):				
Sale of Capital Assets	8,837			8,837
Transfers In	1,814		50,000	51,814
Transfers Out	(50,000)		(1,814)	(51,814)
Other Financing Sources	(309)			(309)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(39,658)</u>		<u>48,186</u>	<u>8,528</u>
<i>Net Change in Fund Cash Balances</i>	60,489		(44,106)	16,383
<i>Fund Cash Balances, January 1</i>	<u>104,835</u>	<u>19,076</u>	<u>313,243</u>	<u>437,154</u>
<i>Fund Cash Balances, December 31</i>	<u>\$165,324</u>	<u>\$19,076</u>	<u>\$269,137</u>	<u>\$453,537</u>

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

GROVE CEMETERY ASSOCIATION, HARDIN COUNTY

**Statement of Additions, Deductions and
Change in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2021**

	Private Purpose Trust
Additions	
Earnings on Investments	\$116
<i>Total Additions</i>	<u>116</u>
Deductions	
Other Distributions	900
<i>Total Deductions</i>	<u>900</u>
<i>Net Change in Fund Cash Balance</i>	(784)
<i>Fund Cash Balance, January 1</i>	<u>158,389</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$157,605</u></u>

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

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

1. REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges for the Grove Cemetery Association, Hardin County, (the Cemetery). Buck, Pleasant and Goshen Townships and the City of Kenton appoint a Board of Trustees to direct cemetery operations. Three of the Trustees are the voting members and the fourth is the non-voting President. 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. Fees and charges are also assessed by the Cemetery for operations of the Cemetery. The accompanying financial statements classify the tax levy 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The Cemetery's financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) all governmental fund types and a statement of additions, deductions and change in fund balance (regulatory cash basis) fiduciary fund type which are organized on a fund type basis.

B. 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:

1. 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

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Cemetery had the following Special Revenue Fund:

Retirement Obligation Fund – This fund receives transfers from the General Fund for the payment of retirement and resignation severance expenses as provided in the Cemetery's Employee Handbook.

3. Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Cemetery had the following capital project funds:

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Buildings – The fund receives transfers from the General Fund and makes disbursements for repairs and maintenance to buildings.

Road and Water – This fund receives transfers from the General Fund and makes disbursements for repairs to drives and the water system.

Equipment – This fund receives transfers from the General Fund and makes disbursements for the purchase of Cemetery equipment.

Tree Replacement – This fund receives transfers from the General Fund and donations and makes disbursements for the purchase of trees planted in the Cemetery.

Niche Wall – This fund was established in 2017. It receives a pre-determined portion of all Niche Wall receipts. Disbursements from this fund are the purchase of another Columbarium Niche Wall when the current wall is full or nearly full.

4. Fiduciary Funds

Fiduciary funds include private purpose trust funds and custodial 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 has no custodial funds. The Cemetery had the following private purpose trust fund:

Endowment Fund - The fund receives interest receipts and donations from endowments. The interest earned on the principal is to maintain grave sites.

C. Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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. 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 Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

D. 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 maintains a Star Ohio account as the only investment. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets

The Cemetery records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these 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 include a liability for unpaid leave.

G. 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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Cemetery and the nonspendable portion of the corpus in permanent funds.

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)**

3. 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, 2021 was as follows:

Demand deposits	<u>\$144,176</u>
Total deposits	<u>144,176</u>
STAR Ohio	<u>466,966</u>
Total investments	<u>466,966</u>
Total deposits and investments	<u><u>\$611,142</u></u>

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

4. RETIREMENT SYSTEM

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 post-retirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2021, 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, 2021.

5. POST EMPLOYMENT 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 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2021.

6. RISK MANAGEMENT

Risk Pool Membership

The Cemetery belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)**

6. RISK MANAGEMENT (Continued)

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%.

Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$ 21,777,439
Liabilities	<u>(15,037,383)</u>
Members' Equity	<u>\$ 6,740,056</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

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.

7. RELATED PARTY TRANSACTIONS

Buck Township is a member entity of the Cemetery. The Fiscal Officer for Buck Township is Roger E. Crowe. Mr. Crowe is also the Fiscal Officer for the Cemetery, a part time employee position.

8. TRANSFERS

During 2021, transfers totaling \$50,000 were made from the General Fund to the Capital Projects Equipment Fund (\$30,000) and to the Capital Projects Buildings Fund (\$20,000).

There was also a transfer in the amount of \$1,814 from the Capital Projects Road and Water Fund to the General Fund to reimburse the General Fund for a water line project.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)**

9. FUND BALANCES

Included in fund balance are amounts the Cemetery cannot spend. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	\$9,269	\$0	\$24,506	\$33,775
Total	\$9,269	\$0	\$24,506	\$33,775

The fund balance of special revenue and capital projects funds are restricted, committed, or assigned. In the general fund, outstanding encumbrances are considered assigned.

OHIO AUDITOR OF STATE KEITH FABER



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

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

Grove Cemetery Association
Hardin County
15443 State Route 309
Kenton, Ohio 43326

To the Board of Trustees:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Grove Cemetery Association, Hardin County, (the Cemetery) and have issued our report thereon dated October 24, 2023, wherein we noted the Cemetery followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on 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) as a basis for designing audit procedures that are 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cemetery's financial statements are free from 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 financial statements. 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*.

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.



Keith Faber
Auditor of State
Columbus, Ohio

October 24, 2023

OHIO AUDITOR OF STATE KEITH FABER



GROVE CEMETERY ASSOCIATION

HARDIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/5/2023

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

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