



Dave Yost • Auditor of State

**FORT MEIGS UNION CEMETERY
WOOD COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Statement of Receipts, Disbursements, and Changes in Fund Cash Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2013	3
Statement of Receipts, Disbursements, and Changes in Fund Cash Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2012	4
Notes to the Financial Statements	5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11
Schedule of Findings	13

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Fort Meigs Union Cemetery
Wood County
620 West Indiana Avenue
Perrysburg, Ohio 43551-1244

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Fort Meigs Union Cemetery, Wood County, Ohio (the Cemetery) as of and for the years ended December 31, 2013 and 2012.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Cemetery's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Cemetery's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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

As described in Note 1B of the financial statements, the Cemetery prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy these requirements.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Cemetery as of December 31, 2013 and 2012, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of Fort Meigs Union Cemetery, Wood County, Ohio as of December 31, 2013 and 2012, and its cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1B.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2014, on our consideration of the Cemetery's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cemetery's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

October 2, 2014

**FORT MEIGS UNION CEMETERY
WOOD COUNTY**

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

	<u>All Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Charges for Services	\$84,476		\$84,476
Licenses, Permits, and Fees	200		200
Intergovernmental	322,889		322,889
Earnings on Investments	6,016		6,016
Miscellaneous	60,284		60,284
Total Cash Receipts	<u>473,865</u>		<u>473,865</u>
Cash Disbursements:			
Current Disbursements:			
General Government	52,132		52,132
Health	335,781		335,781
Capital Outlay	31,378		31,378
Debt Service			
Principal Retirement	312,980		312,980
Interest and Fiscal Charges	9,270		9,270
Total Cash Disbursements	<u>741,541</u>		<u>741,541</u>
Excess of Disbursements over Receipts	<u>(267,676)</u>		<u>(267,676)</u>
Other Financing Receipts:			
Note Proceeds	190,000		190,000
Net Change in Fund Cash Balances	(77,676)		(77,676)
Fund Cash Balances, January 1	435,371	\$200,000	635,371
Fund Cash Balances, December 31			
Nonspendable		200,000	200,000
Unassigned	357,695		357,695
<i>Fund Cash Balances, December 31</i>	<u>\$357,695</u>	<u>\$200,000</u>	<u>\$557,695</u>

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

**FORT MEIGS UNION CEMETERY
WOOD COUNTY**

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

	<u>All Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Charges for Services	\$81,431		\$81,431
Licenses, Permits, and Fees	100		100
Intergovernmental	317,668		317,668
Earnings on Investments	6,209		6,209
Miscellaneous	79,348		79,348
Total Cash Receipts	<u>484,756</u>		<u>484,756</u>
Cash Disbursements:			
Current Disbursements:			
General Government	41,862		41,862
Health	335,182		335,182
Capital Outlay	18,533		18,533
Debt Service			
Principal Retirement	20,204		20,204
Interest and Fiscal Charges	15,556		15,556
Total Cash Disbursements	<u>431,337</u>		<u>431,337</u>
Net Change in Fund Cash Balances	53,419		53,419
Fund Cash Balances, January 1	<u>381,952</u>	<u>\$200,000</u>	<u>581,952</u>
Fund Cash Balances, December 31			
Nonspendable		200,000	200,000
Unassigned	<u>435,371</u>		<u>435,371</u>
<i>Fund Cash Balances, December 31</i>	<u>\$435,371</u>	<u>\$200,000</u>	<u>\$635,371</u>

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

**FORT MEIGS UNION CEMETERY
WOOD COUNTY**

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

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Fort Meigs Union Cemetery, Wood County, (the Cemetery) as a body corporate and politic. The Cemetery is directed by an appointed three-member Board of Trustees. The Board is appointed by the City of Perrysburg and Perrysburg Township. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. The accompanying financial statement presents this funding as Intergovernmental Receipts. The Cemetery provides grounds maintenance, opening and closing of graves, and the sale of grave lots.

The Cemetery's management believes these financial statements present all activities for which the Cemetery is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Cemetery recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Deposits and Investments

The Cemetery records certificates of deposit at cost.

D. Fund Accounting

The Cemetery uses fund accounting to segregate cash and investments that are restricted as to use. The Cemetery classifies its funds into the following types:

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

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 significant Special Revenue Fund:

**FORT MEIGS UNION CEMETERY
WOOD COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

Perpetual Care Fund - This fund receives a portion of the receipts from all grave sales. The fund's resources finance Cemetery Maintenance costs after all grave lots have been sold. This fund has discontinued collection after May 2005, however; is required to maintain a balance of \$200,000.

E. Budgetary Process

The Cemetery's Board budgets each fund annually.

1. Appropriations

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

2. Estimated Resources

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

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Cemetery must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

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

2. Restricted

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

3. Committed

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

**FORT MEIGS UNION CEMETERY
WOOD COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Cemetery Trustees or a Cemetery official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Cemetery applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. Property, Plant, and Equipment

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

H. Accumulated Leave

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

2. Equity in Pooled Deposits

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

	2013	2012
Demand deposits	\$357,695	\$435,371
Certificates of deposit	200,000	200,000
Total deposits	\$557,695	\$635,371

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

**FORT MEIGS UNION CEMETERY
WOOD COUNTY**

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

3. Budgetary Activity

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

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$473,251	\$663,865	\$190,614

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$896,580	\$741,541	\$155,039

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$449,203	\$484,756	\$35,553

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$829,775	\$431,337	\$398,438

4. Debt

Debt outstanding at December 31, 2013 was as follows:

	Principal	Interest Rate
Loan for Land Purchase	\$172,050	2.50%

The Cemetery issued the above debt to purchase land for the future expansion of the Cemetery. The loan was issued on March 21, 2002, in the amount of \$700,000 and was being repaid in monthly installments of \$7,510 over 10 years. The loan was refinanced in February 2006, in the amount of \$475,917. The loan was being amortized over five years and was being repaid in monthly installments of \$5,109 with a balloon payment due at the end of the period in the amount of \$259,533. In 2013, the Board sought to refinance the loan but was not satisfied with the high interest rate at their current bank. Subsequently, a smaller loan in the amount of \$190,000, to be repaid in 60 monthly installments of \$3,372 each, was made with Perrysburg Township. The proceeds of the loan from Perrysburg Township, along with \$97,118 of General Fund money, were used to pay off the prior bank loan.

**FORT MEIGS UNION CEMETERY
WOOD COUNTY**

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

4. Debt (Continued)

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

Year ending December 31:	General Obligation Notes
2014	\$40,464
2015	40,464
2016	40,464
2017	40,464
2018	20,232
Total	\$182,088

5. 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 postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, OPERS members contributed 10% of their gross salaries and the Cemetery contributed an amount equaling 14% of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2013.

6. Risk Management

The Cemetery belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (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.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 767 and 774 members as of December 31, 2012 and 2013 respectively.

**FORT MEIGS UNION CEMETERY
WOOD COUNTY**

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

6. Risk Management (Continued)

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2012 and 2013.

	2012	2013
Assets	\$13,100,381	\$13,774,304
Liabilities	(6,687,193)	(7,968,395)
Members' Equity	\$6,413,188	\$5,805,909

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

7. Miscellaneous Revenue

Miscellaneous revenues consisted of the following for 2013 and 2012:

Revenue Source	2013	2012
Sale of Lots	\$56,400	\$71,510
Sale of Fixed Assets		6,515
Other Miscellaneous	3,884	1,323
Total Miscellaenous Revenue	\$60,284	\$79,348



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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

Fort Meigs Union Cemetery
Wood County
620 West Indiana Avenue
Perrysburg, Ohio 43551-1244

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 Fort Meigs Union Cemetery, Wood County, Ohio (the Cemetery) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated October 2, 2014 wherein we noted the Cemetery followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Cemetery's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Cemetery's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Cemetery's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2013-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Cemetery's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Cemetery's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Cemetery's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

October 2, 2014

**FORT MEIGS UNION CEMETERY
WOOD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012**

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

FINDING NUMBER 2013-001

Material Weakness – Financial Reporting

Accurate financial reporting is the responsibility of the Fiscal Officer and Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. For example, the following reclassifications were included in the accompanying financial statements and, where applicable, the Cemetery’s accounting records:

<u>Fund</u>	<u>Year</u>	<u>Amount</u>	<u>Cemetery Classification</u>	<u>Correct Classification per UAN Manual</u>
General	2013	\$190,000	Miscellaneous	Note Proceeds
General	2012	435,371	Restricted Fund Balance	Unassigned Fund Balance

The Cemetery also had the following classification errors which were not adjusted in the accompanying financial statements:

<u>Fund</u>	<u>Year</u>	<u>Amount</u>	<u>Cemetery Classification</u>	<u>Correct Classification per UAN Manual</u>
General	2012	\$6,515	Miscellaneous	Sale of Fixed Assets

The failure to correctly classify financial activity in the accounting records and financial statements may impact, a user's understanding of the financial operations, the ability to make sound financial decisions, the ability to comply with budgetary laws, and may result in the material misstatement of the financial statements. In addition, such undetected errors may result in irregularities not being detected in a timely manner by the Trustees.

Officials’ Response:

We did not receive a response from Officials to this finding.

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FORT MEIGS UNION CEMETERY

WOOD 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
OCTOBER 14, 2014**