



Dave Yost • Auditor of State

**ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Rock Creek Union Cemetery
Ashtabula County
PO Box 49
Rock Creek, Ohio 44084

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 Rock Creek Union Cemetery, Ashtabula County, Ohio (the Cemetery) as of and for the years ended December 31, 2017 and 2016.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 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 determinable, we presume they are material.

Though the Cemetery does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Cemetery as of December 31, 2017 and 2016, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Rock Creek Union Cemetery, Ashtabula County as of December 31, 2017 and 2016, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2018, on our consideration of the Cemetery's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cemetery's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

November 26, 2018

**ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Governmental Funds</u>		<u>Fiduciary</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Private Purpose Trust</u>	
Cash Receipts:				
Property and Other Local Taxes	\$39,144	\$0	\$0	\$39,144
Charges for Services	8,075			8,075
Sale of Lots	5,600			5,600
Earnings on Investments		2	23	25
Miscellaneous	7,824			7,824
Total Cash Receipts	<u>60,643</u>	<u>2</u>	<u>23</u>	<u>60,668</u>
Cash Disbursements:				
Current Disbursements:				
Salaries and Benefits	16,818			16,818
Supplies and Equipment	4,817			4,817
Land and Buildings	1,235			1,235
Professional Services	2,964			2,964
Miscellaneous	7,603			7,603
Total Cash Disbursements	<u>33,437</u>	<u>0</u>	<u>0</u>	<u>33,437</u>
Excess Receipts Over (Under) Disbursements	<u>27,206</u>	<u>2</u>	<u>23</u>	<u>27,231</u>
Fund Cash Balances, January 1	<u>32,688</u>	<u>16,149</u>	<u>\$37,951</u>	<u>86,788</u>
Fund Cash Balances, December 31	<u>59,894</u>	<u>16,151</u>	<u>\$37,974</u>	<u>\$114,019</u>
Committed	-	16,151		
Unassigned (Deficit)	<u>59,894</u>	<u>-</u>		
Fund Cash Balances, December 31	<u>\$59,894</u>	<u>\$16,151</u>		

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

Rock Creek Union Cemetery
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges for the Rock Creek Union Cemetery, Ashtabula County, (the Cemetery). Morgan Township, the Village of Rock Creek and the Village of Roaming Shores, appoint a three-member Board of Trustees to direct cemetery operations. These three entities provide the funding for operation through inside millage on behalf of the cemetery to meet the Cemetery's operating costs under the agreement which established the Cemetery. 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.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Cemetery's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental and fiduciary 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.

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 significant capital project funds:

Chapel Fund - This fund is for the purpose of maintenance of the chapel in the cemetery. It accounts for the donations received for this purpose.

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

The Cemetery's private purpose trust funds are for the benefit of Sacred Heart Catholic Church section of the Cemetery and certain individual bequests to maintain gravesites.

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 (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. 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 (D) permit.

Rock Creek Union Cemetery
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2017

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.

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

	2017
Demand deposits	<u>\$59,894</u>
Certificates of deposit	20,112
Other time deposits (savings accounts)	34,014
Total deposits	<u>\$114,019</u>

Deposits are insured by the Federal Deposit Insurance Corporation

Rock Creek Union Cemetery
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 4 – Risk Management

The cemetery participates as part of Morgan Township which belongs to the Ohio Township Association Risk Management Authority (OTARMA) in a risk-sharing pool available to Ohio Townships. OTARMA provides property and casualty coverage for its members.

Risk Pool Membership

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

The Cemetery participates as part of Morgan Township which belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. The Cemetery reimbursed Morgan Township \$612 (3.9% of Morgan Township premium) for its share of premiums in 2017.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2017, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA’s primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2017.

	2017
Assets	\$40,010,732
Liabilities	8,675,465
Net Position	\$31,335,267

At December 31, 2017 the liabilities above include approximately \$8.0 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,016 member governments in the future, as of December 31, 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, Morgan Township’s share of these unpaid claims collectible in future years is approximately \$7,000

Rock Creek Union Cemetery
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>2017 Contributions to OTARMA</u>
\$15,866

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 5 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

3 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% 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, 2017.

Note 6 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016, and 1.0 percent during calendar year 2017.

**ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Governmental Funds</u>		<u>Fiduciary</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	<u>Private Purpose Trust</u>	
Cash Receipts:				
Property and Other Local Taxes	\$16,004	\$0	\$0	\$16,004
Charges for Services	7,025			7,025
Sale of Lots	2,650			2,650
Earnings on Investments	0	1	16	17
Miscellaneous	1,353			1,353
<i>Total Cash Receipts</i>	<u>27,032</u>	<u>1</u>	<u>16</u>	<u>27,049</u>
Cash Disbursements:				
Current Disbursements:				
Salaries and Benefits	14,686			14,686
Supplies and Equipment	1,859			1,859
Land and Buildings	1,289			1,289
Professional Services	4,503			4,503
Miscellaneous	1,447			1,447
<i>Total Cash Disbursements</i>	<u>23,784</u>	<u>0</u>	<u>0</u>	<u>23,784</u>
<i>Excess Receipts Over (Under) Disbursements</i>	<u>3,248</u>	<u>1</u>	<u>16</u>	<u>3,265</u>
Fund Cash Balances, January 1	<u>29,440</u>	<u>16,148</u>	<u>37,935</u>	<u>83,523</u>
Fund Cash Balances, December 31	<u>32,688</u>	<u>16,149</u>	<u>\$37,951</u>	<u>\$86,788</u>
Committed	-	16,149		
Unassigned (Deficit)	<u>32,688</u>	<u>-</u>		
Fund Cash Balances, December 31	<u>\$32,688</u>	<u>\$16,149</u>		

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

Rock Creek Union Cemetery
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges for the Rock Creek Union Cemetery, Ashtabula County, (the Cemetery). Morgan Township, the Village of Rock Creek and the Village of Roaming Shores, appoint a three-member Board of Trustees to direct cemetery operations. These three entities provide the funding for operation through inside millage on behalf of the cemetery to meet the Cemetery's operating costs under the agreement which established the Cemetery. 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.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

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Chapel Fund - This fund is for the purpose of maintenance of the chapel in the cemetery. It accounts for the donations received for this purpose.

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

The Cemetery's private purpose trust funds are for the benefit of the Sacred Heart Catholic Church section of the Cemetery and certain individual bequests to maintain gravesites.

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 (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. 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 (D) permit.

Rock Creek Union Cemetery
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2016

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.

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

	2016
Demand deposits	\$32,688
Certificates of deposit	20,090
Other time deposits (savings accounts)	34,010
Total deposits	\$86,788

Deposits are insured by the Federal Deposit Insurance Corporation;

Rock Creek Union Cemetery
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 4 – Risk Management

The Cemetery participates as part of Morgan Township which belongs to the Ohio Township Association Risk Management Authority (OTARMA) in a risk -sharing pool available to Ohio Townships OTARMA provides property and casualty coverage for its members.

Risk Pool Membership

The Cemetery is exposed to various risks of property and casualty losses, and injuries to employees.

The Cemetery insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

The Cemetery participates as part of Morgan Township which belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. The Cemetery reimbursed Morgan Township \$624 (4.2% of Morgan Township premium) per year for its share of premiums in 2016.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2016, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA’s primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2016.

	2016
Assets	\$38,473,283
Liabilities	8,244,140
Net Position	\$30,229,143

At December 31, 2016 the liabilities above include approximately \$7.4 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,010 member governments in the future, as of December 31, 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, Morgan Township’s share of these unpaid claims collectible in future years is approximately \$7,000.

Rock Creek Union Cemetery
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>2016 Contributions to OTARMA</u>
--

\$14,768

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 5 – Defined Benefit Pension Plans

Ohio Public Employees 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. OPERS members contributed 10% of their gross salaries and the Cemetery contributed an amount equaling 14%, of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2016

Post-employment benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016, and 1.0 percent during calendar year 2017.

Note 6 – Subsequent Events

Fiscal Officer Debra Rockwell was terminated on August 30, 2016 for not fulfilling her duties. Newly hired former Fiscal Officer Linda White discovered a discrepancy in the receipt book and subsequent examination of 2016 bank statements concurred that the missing \$950.00 cash had never been deposited.

The Sheriff Department was notified and theft charges were filed. A preliminary hearing was held on January 18, 2017 which included the repayment of \$950 in missing cash. An additional hearing was scheduled for March 6, 2017. On February 27, 2017, Trustee Bob Martin and Fiscal Officer Linda White met at the court house with an Assistant County Prosecutor, and Debra Rockwell's attorney. An agreement to reimburse Cemetery expenses was reached to dismiss the case and drop the charges; \$7,000 in total was paid to the Cemetery and posted in 2017 as miscellaneous revenue.



Dave Yost • Auditor of State

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

Rock Creek Union Cemetery
Ashtabula County
PO Box 49
Rock Creek, Ohio 44084

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' Government Auditing Standards, the financial statements of the cash balances, receipts, and disbursements by fund type of the Rock Creek Union Cemetery, Ashtabula County, (the Cemetery) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated November 26, 2018 wherein we noted the Cemetery followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Dave Yost
Auditor of State
Columbus, Ohio

November 26, 2018

**Union Cemetery
Rock Creek/Morgan
PO BOX 49
Rock Creek, OH 44184**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2017 AND 2016**

Finding Number	Finding Summary	Status	Additional Information
2015-001	Ohio Admin. Code §117-2-02(A) and Ohio Admin. Code §117-2-02(D) maintaining required accounting records.	Partially corrected, was not fully corrected until January 2017.	Management Letter comment for 2016.

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Dave Yost • Auditor of State

ROCK CREEK UNION CEMETERY

ASHTABULA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 20, 2018**