



Dave Yost • Auditor of State

**WAUSEON UNION CEMETERY
FULTON COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Wauseon Union Cemetery
Fulton County
5736 County Road 15-1
Wauseon, Ohio 43567

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

Management's Responsibility for the Financial Statements

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

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

As described in Note 2 in 2016 and Note 1B in 2015, of the financial statements, the Cemetery prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Cemetery as of December 31, 2016 and 2015, 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 combined cash balances of Wauseon Union Cemetery, Fulton County, Ohio, as of December 31, 2016 and 2015, and its combined 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 2 and Note 1B.

Emphasis of Matter

As discussed in Note 1E to the 2015 financial statements, during 2015, the Cemetery adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2017 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

July 18, 2017

Wauseon Union Cemetery
Fulton County
Combined Statement of Receipts, Disbursements and
Changes In Fund Balances (Regulatory Cash Basis)
All Governmental and Fiduciary Fund Types
For the Year Ended December 31, 2016

	All Fund Types		Totals (Memorandum Only)
	General	Permanent	
Cash Receipts			
Property and Other Local Taxes	\$115,340		\$115,340
Charges for Services	23,740		23,740
Sale of Lots	13,650		13,650
Intergovernmental	11,090		11,090
Earnings on Investments	32	\$27	59
Miscellaneous	1,776		1,776
Total Cash Receipts	165,628	27	165,655
Cash Disbursements			
Current Disbursements:			
Salaries	68,073		68,073
Supplies	9,311		9,311
Equipment	16,348		16,348
Tax Collection Fees	2,654		2,654
Contracts - Services	10,163		10,163
Public Employees' Retirement	8,586		8,586
Workers' Compensation	3,674		3,674
Unemployment Compensation	62		62
Miscellaneous	16,526	27	16,553
Debt Service	22,867		22,867
Total Cash Disbursements	158,264	27	158,291
Excess Receipts Over Disbursements	7,364		7,364
Fund Cash Balances, January 1	35,309	12,840	48,149
Fund Cash Balances, December 31			
Nonspendable		12,820	12,820
Restricted		20	20
Unassigned	42,673		42,673
Fund Cash Balances, December 31	\$42,673	\$12,840	\$55,513

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

Wauseon Union Cemetery
Fulton 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 Wauseon Union Cemetery, Fulton County, (the Cemetery). The City of Wauseon and Clinton Township appoint a three-member Board of Trustees to direct cemetery operations. Clinton Township levies a property tax on behalf of the Cemetery to meet the Cemetery's operating costs through a .24 mill levy and a .50 mill levy, dedicated to 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 fund types which is organized on a fund type basis.

Fund Accounting

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

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

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Cemetery had the following significant permanent fund:

Cemetery Maintenance Fund - The principal of the fund is to be maintained (non-spendable) and the revenue to be used for cemetery maintenance.

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.

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.

Wauseon Union Cemetery
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

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 records certificates of deposit at cost.

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.

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.

Wauseon Union Cemetery
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

Note 3 – 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, 2016 was as follows:

	2016
Demand deposits	\$40,636
Certificates of deposit	12,840
Other time deposits (savings and NOW accounts)	2,037
Total deposits	\$55,513

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

Note 4 – Property Taxes

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

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the taxing authority.

Note 5 – Risk Management

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

Commercial Insurance

The Cemetery has obtained commercial insurance for the following risks:

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

Note 6 - Defined Benefit Pension Plan

Ohio Public Employees Retirement System

All 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.

Wauseon Union Cemetery
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

Note 7 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.

Note 8 – Debt

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
Bank Loan	\$62,960	4.95%
General Obligation Notes	2,376	4.84%
Total	\$65,336	

The Cemetery is obligated for a note payable to Farmers & Merchants State Bank from the construction of a storage building. The note is payable over a period of five years at \$11,433.61 per half year. The rate disclosed above is a fixed rate. Tax receipts from a .24 mill levy collateralize the note.

The Cemetery is also obligated to Wells Fargo Vendor Financial Service from the purchase of a Bobcat 3400 utility vehicle. The financing was issued in June 2014 with a term of 36 months. Cash and tax receipts are the source of quarterly payments in the amount of \$1,209.51 until June 2017.

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

	Bank Loan	General Obligation Note
Year ending December 31:		
2017	\$22,867	\$2,419
2018	22,867	
2019	22,867	
2020	10	
Total	\$68,611	\$2,419

Lease

The Cemetery has an "Equipment Use Agreement" with Clinton Township for the use of an excavator. The Cemetery makes an annual payment of \$2,500, which is due by October 15. The use agreement term is through the year 2022.

Wauseon Union Cemetery
Fulton County
Combined Statement of Receipts, Disbursements and
Changes In Fund Balances (Regulatory Cash Basis)
All Governmental and Fiduciary Fund Types
For the Year Ended December 31, 2015

	All Fund Types		Totals (Memorandum Only)
	General	Permanent	
Cash Receipts			
Property and Other Local Taxes	\$114,621		\$114,621
Charges for Services	23,155		23,155
Sale of Lots	18,600		18,600
Intergovernmental	11,770		11,770
Earnings on Investments	15	\$29	44
Miscellaneous	676		676
Total Cash Receipts	168,837	29	168,866
Cash Disbursements			
Current Disbursements:			
Salaries	68,618		68,618
Supplies	6,449		6,449
Equipment	8,841		8,841
Tax Collection Fees	2,663		2,663
Contracts - Services	72,940		72,940
Public Employees' Retirement	8,657		8,657
Workers' Compensation	2,020		2,020
Miscellaneous	9,181	9	9,190
Debt Service	22,867		22,867
Total Cash Disbursements	202,236	9	202,245
Excess Receipts Over (Under) Disbursements	(33,399)	20	(33,379)
Fund Cash Balances, January 1	68,708	12,820	81,528
Fund Cash Balances, December 31			
Nonspendable		12,820	12,820
Restricted		20	20
Unassigned	35,309		35,309
Fund Cash Balances, December 31	\$35,309	\$12,840	\$48,149

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

WAUSEON UNION CEMETERY
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2015

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 for the Wauseon Union Cemetery, Fulton County, (the Cemetery). The City of Wauseon and Clinton Township appoint a three-member Board of Trustees to direct cemetery operations. Clinton Township levies a property tax on behalf of the Cemetery to meet the Cemetery's operating costs through a .24 mill levy and a .50 mill levy dedicated to 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

B. 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.

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.

C. 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 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. Permanent Funds

These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting cemetery's programs (for the benefit of the cemetery or its citizenry). The Cemetery had the following significant Permanent Fund:

Cemetery Maintenance Fund - The principal of the fund is to be maintained (non-spendable) and the revenue to be used for cemetery maintenance.

WAUSEON UNION CEMETERY
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2015
(Continued)

E. Fund Balance

In 2015, the Cemetery implemented Governmental Accounting Standards Board (GASB) No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," which had no effect on fund balances. Under GASB 54, 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.

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.

F. 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.

WAUSEON UNION CEMETERY
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2015

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, 2015 was as follows:

	2015
Demand deposits	\$33,273
Other time deposits (savings and NOW accounts)	2,036
Certificate of Deposit	12,840
Total deposits	\$48,149

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

3. PROPERTY TAX

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

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the taxing authority.

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 postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2015, OPERS members contributed 10% of their gross salaries and the Cemetery contributed an amount equally 14% of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2015

5. RISK MANAGEMENT

Commercial Insurance

The Cemetery has obtained commercial insurance for the following risks:

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

6. DEBT

Debt outstanding at December 31, 2015 was as follows:

WAUSEON UNION CEMETERY
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2015
(Continued)

	Principal	Interest Rate
Bank Loan	\$81,938	4.95%
General Obligation Notes	6,959	4.84%
Total	\$88,897	

The Cemetery is obligated for a note payable to Farmers & Merchants State Bank from the construction of a storage building. The note is payable over a period of five years at \$11,433.61 per half year. The rate disclosed above is a fixed rate. Tax receipts from a .24 mill levy collateralize the note.

The Cemetery is also obligated through a general obligation note to GE Capital from the purchase of a Bobcat 3400 utility vehicle. The financing was issued in June 2014 with a term of 36 months. Cash and tax receipts are the source of quarterly payments in the amount of \$1,209.51.

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

	Bank Loan	General Obligation Note
Year ending December 31:		
2016	\$22,867	\$4,838
2017	22,867	2,419
2018	22,867	
2019	22,867	
2020	10	
Total	\$91,479	\$7,257

Lease

The Cemetery has an "Equipment Use Agreement" with Clinton Township for the use of an excavator. The Cemetery makes an annual payment of \$2500, which is due by October 15. The use agreement term is through the year 2022.



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*

Wauseon Union Cemetery
Fulton County
5736 County Road 15-1
Wauseon, Ohio 43567

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 Wauseon Union Cemetery, Fulton County, Ohio (the Cemetery) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, and have issued our report thereon dated July 18, 2017, wherein we noted the Cemetery followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the Cemetery adopted Governmental Accounting Standards Board Statement No. 54 in 2015.

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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses and significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2016-001 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*.

Entity's Response to Findings

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

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

July 18, 2017

**WAUSEON UNION CEMETERY
FULTON COUNTY**

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

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

FINDING NUMBER 2016-001

Material Weakness – Monitoring of Financial Activity

Sound financial reporting is the responsibility of the Fiscal Officer and the Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. Inaccurate posting of transactions impedes the ability of the Board of trustees to accurately assess the financial status of the Cemetery. We identified the following errors requiring adjustments:

- A loan received and disbursed to construct a building at the Cemetery in 2014 was recorded as Debt Proceeds and expenditures of \$100,000 in 2016.
- Debt payments of \$22,867 were incorrectly reported as Capital Outlay in 2016 and Miscellaneous disbursements in 2015 rather than Debt Service.

As a result, the financial statements did not correctly reflect the financial activity of the Cemetery. Adjustments were made to the financial statements to correct these errors. A final review of financial reports may have detected these errors.

The Cemetery should adopt policies and procedures including a final review of the financial statements by the Board of Trustees to help ensure errors and omissions are detected and corrected.

Officials' Response

These errors have been noted and corrections have been made.

**WAUSEON UNION CEMETERY
FULTON COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2016 AND 2015**

Finding Number	Finding Summary	Status	Additional Information
2014-001	Material Weakness due to not implementing GASB Statement 54	Partially Corrected and repeated in the Management Letter.	The 2015 information was corrected to include GASB Statement No. 54 and it was properly implemented 2016.
2014-002	Material Weakness due to loan proceeds not being recorded on the financial statements	Fully Corrected.	



Dave Yost • Auditor of State

WAUSEON UNION CEMETERY

FULTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 1, 2017**