



**Auditor of State
Betty Montgomery**

**ASHLEY UNION CEMETERY
DELAWARE COUNTY**

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**Auditor of State
Betty Montgomery**

Ashley Union Cemetery
Delaware County
8191 Ashley Road
Ashley, Ohio 43003

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Cemetery to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

August 24, 2005

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Ashley Union Cemetery
Delaware County
8191 Ashley Road
Ashley, Ohio 43003

To the Board of Trustees:

We have audited the accompanying financial statements of Ashley Union Cemetery, Delaware County, Ohio, (the Cemetery) as of and for the years ended December 31, 2004 and December 31, 2003. These financial statements are the responsibility of the Cemetery's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Cemetery has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Cemetery to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Cemetery does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Cemetery has elected not to reformat its statements. Since this Cemetery does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Cemetery as of December 31, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of Ashley Union Cemetery, Delaware County, Ohio as of December 31, 2004 and 2003, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Cemetery to include Management's Discussion and Analysis for the year ended December 31, 2004. The Cemetery has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our August 24, 2005, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

August 24, 2005

**ASHLEY UNION CEMETERY
DELAWARE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Fiduciary Fund</u>	
Cash Receipts:				
Intergovernmental	\$23,145	\$0	\$0	\$23,145
Charges for Services	7,570	0	0	7,570
Sale of Lots	0	2,925	0	2,925
Donations	1,000	0	0	1,000
Interest	264	0	107	371
Miscellaneous	34	0	0	34
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	32,013	2,925	107	35,045
	<hr/>	<hr/>	<hr/>	<hr/>
Cash Disbursements:				
Current:				
Salaries	13,527	0	0	13,527
Supplies	1,625	0	0	1,625
Contracts - Services	4,072	0	0	4,072
Public Employees' Retirement	1,833	0	0	1,833
Insurance	1,266	0	0	1,266
Utilities	444	0	0	444
Miscellaneous	126	0	7	133
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	22,893	0	7	22,900
	<hr/>	<hr/>	<hr/>	<hr/>
Total Receipts Over Disbursements	9,120	2,925	100	12,145
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	10,598	35,112	4,175	49,885
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$19,718</u>	<u>\$38,037</u>	<u>\$4,275</u>	<u>\$62,030</u>

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

**ASHLEY UNION CEMETERY
DELAWARE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	<u>Fiduciary Fund</u>	
Cash Receipts:				
Intergovernmental	\$23,515	\$0	\$0	\$23,515
Charges for Services	9,215	0	0	9,215
Sale of Lots	0	1,500	0	1,500
Donations	2,000	0	0	2,000
Interest	178	0	483	661
Miscellaneous	75	0	0	75
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	34,983	1,500	483	36,966
	<hr/>	<hr/>	<hr/>	<hr/>
Cash Disbursements:				
Current:				
Salaries	13,816	0	0	13,816
Supplies	1,387	0	0	1,387
Contracts - Services	5,910	0	0	5,910
Public Employees' Retirement	1,873	0	0	1,873
Insurance	1,291	0	0	1,291
Utilities	449	0	0	449
Miscellaneous	1,184	0	50	1,234
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	25,910	0	50	25,960
	<hr/>	<hr/>	<hr/>	<hr/>
Total Receipts Over Disbursements	9,073	1,500	433	11,006
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	1,525	33,612	3,742	38,879
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$10,598</u>	<u>\$35,112</u>	<u>\$4,175</u>	<u>\$49,885</u>

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

**ASHLEY UNION CEMETERY
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 and 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Ashley Union Cemetery, Delaware County, Ohio (the Cemetery) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio as established under Ohio Revised Code Sections 759.27 and 759.48. The Cemetery is directed by an appointed three-member Board of Trustees. The Board is appointed by the legislative authorities of Oxford Township and the Village of Ashley. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. The accompanying financial statements present 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.

The Cemetery is considered a blended component unit of Oxford Township due to the Township appointing a majority of the Cemetery's Board and providing the Cemetery with financial support.

The Cemetery is considered a related organization of the Village of Ashley due to the Village appointing a member of the Cemetery's Board and providing the Cemetery with financial support.

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements basis of accounting. This basis 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 Auditor of State prescribes or permits.

C. Cash 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 is the general operating fund. It presents all financial resources except those required to be accounted for in another fund.

**ASHLEY UNION CEMETERY
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Capital Projects Fund

This fund presents receipts restricted to acquiring or constructing major capital projects (except those financed through trust funds). The Cemetery had the following significant Capital Projects Fund:

Sale of Lots Fund- This fund receives all sale of lot receipts. This fund is to be used to pay for Cemetery Improvements and for purchase of additional Cemetery land.

3. Fiduciary Fund (Trust Fund)

This fund accounts for resources restricted by legally binding trust agreements. The Cemetery had the following significant Fiduciary Fund:

Wolstaff Memorial Fund - This fund receives interest from fund investments. Proceeds are used to maintain grave sites.

E. Property, Plant, and Equipment

The financial statements report acquisitions of property, plant, and equipment as capital outlay disbursements when paid. The financial statements do not report these items as assets.

2. EQUITY IN POOLED CASH

The Cemetery maintains a cash pool used by all funds except the fiduciary non-expendable trust fund. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 follows:

	2004	2003
Demand deposits	\$57,030	\$44,885
Certificates of deposit	5,000	5,000
Total deposits	\$62,030	\$49,885

Deposits are insured by the Federal Depository Insurance Corporation.

3. RETIREMENT SYSTEM

The Cemetery's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as the Ohio Revised Code prescribes.

**ASHLEY UNION CEMETERY
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

3. RETIREMENT SYSTEM (Continued)

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, OPERS employee members contributed 8.5 percent of their gross salaries. The Cemetery contributes an amount equal to 13.55 percent of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2004.

4. RISK MANAGEMENT

The Ashley Union Cemetery has obtained commercial insurance for the following risks:

- Comprehensive property damage
- Employee dishonesty

5. MARY REBO TESTAMENTARY TRUST

This Trust was established in 1970 to be used as a perpetual fund for the upkeep and maintenance of the Cemetery. This Trust stipulates that only the income from the Trust can be used. A Trustee appointed by the Delaware County Probate Court approves all expenditures from the Trust. The Trustees of the Cemetery have to make a request for release of funds. As of December 31, 2004, the Trust had \$70,183 in assets.

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**Auditor of State
Betty Montgomery**

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

Ashley Union Cemetery
Delaware County
8191 Ashley Road
Ashley, Ohio 43003

To the Board of Trustees:

We have audited the financial statements of the Ashley Union Cemetery, Delaware County, Ohio (the Cemetery), as of and for the years ended December 31, 2004, and December 31, 2003, and have issued our report thereon dated August 24, 2005, wherein we noted the Cemetery followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Cemetery's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Cemetery's management dated August 24, 2005, we reported a matter involving internal control over financial reporting we did not deem a reportable condition.

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, providing an opinion 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*.

Ashley Union Cemetery
Delaware County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
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We intend this report solely for the information and use of management and the Board of Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

August 24, 2005



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

**ASHLEY UNION CEMETERY
DELAWARE 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
SEPTEMBER 22, 2005**