



**GNADENHUTTEN-CLAY UNION CEMETERY  
TUSCARAWAS COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2005-2004**



**Auditor of State  
Betty Montgomery**



**GNADENHUTTEN-CLAY UNION CEMETERY  
TUSCARAWAS COUNTY**

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**Auditor of State  
Betty Montgomery**

Gnadenhutten-Clay Union Cemetery  
Tuscarawas County  
156 Spring Street  
Gnadenhutten, Ohio 44629

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 government 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 cursive script that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

June 19, 2006

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Gnadenhutten-Clay Union Cemetery  
Tuscarawas County  
156 Spring Street  
Gnadenhutten, Ohio 44629

To the Board of Trustees:

We have audited the accompanying financial statements of the Gnadenhutten-Clay Union Cemetery, Tuscarawas County, Ohio, (the Cemetery) as of and for the years ended December 31, 2005 and 2004. 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 years ended December 31, 2005 and 2004. Instead of the fund the accompanying financial statements presents for 2005 and 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005 and 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 years ended December 31, 2005 and 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, 2005 and 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 the Gnadenhutzen-Clay Union Cemetery, Tuscarawas County, Ohio, as of December 31, 2005 and 2004, 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 years ended December 31, 2005 and 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 report dated June 19, 2006, 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

June 19, 2006



**GNADENHUTTEN-CLAY UNION CEMETERY  
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GENERAL FUND  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

	<b>2005</b>	<b>2004</b>
<b>Cash Receipts:</b>		
Local Taxes		\$9,543
Intergovernmental		1,016
Interment	\$5,700	6,350
Sale of Lots	4,750	1,950
Rental Income	940	2,175
Interest	18	28
Grants and Donations		126
Total Cash Receipts	11,408	21,188
<b>Cash Disbursements:</b>		
Current:		
Salaries	860	12,710
Supplies	20	254
Equipment	150	2,553
Public Employees' Retirement		1,552
Workers' Compensation		350
Medicare		166
Auditor's Fees	2,485	
Election Expense	1,317	
Insurance	939	
Miscellaneous	1,883	3,749
Debt Service:		
Principal		1,326
Total Cash Disbursements	7,654	22,660
Total Cash Receipts Over/(Under) Cash Disbursements	3,754	(1,472)
Fund Cash Balances, January 1	5,577	7,049
<b>Fund Cash Balances, December 31</b>	<b>\$9,331</b>	<b>\$5,577</b>

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

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**GNADENHUTTEN-CLAY UNION CEMETERY  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004**

**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 Gnadenhutzen-Clay Union Cemetery, Tuscarawas County, (the Cemetery) as a body corporate and politic. The Village of Gnadenhutzen and Clay Township appoint a three-member Board of Trustees to direct cemetery operations. 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 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**

All cash is maintained in interest-bearing checking accounts.

**D. Fund Accounting**

The Cemetery uses fund accounting. The General Fund is the general operating fund. It is used to account for all financial resources.

**E. Budgetary Process**

Union Cemeteries are not required to follow budgetary regulations under the Ohio Revised Code.

**F. 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. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash and investments at December 31 follows:

	<u>2005</u>	<u>2004</u>
Total deposits	\$9,331	\$5,577

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

**GNADENHUTTEN-CLAY UNION CEMETERY  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**3. DEBT**

In 1999, a note was entered into the Village of Gnadenhutten and Indian Village Community Bank in the amount of \$31,000 to pay the balance owed on property purchased for the Gnadenhutten-Clay Union Cemetery. All the land of the Cemetery is in the name of the Village of Gnadenhutten, but the Cemetery is responsible for paying off the note from their monies.

The above loan was paid off by the Cemetery in 2004.

**4. RISK MANAGEMENT**

**Commercial Insurance**

The Gnadenhutten-Clay Union Cemetery has obtained commercial insurance for the following risks:

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



**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**

Gnadenhutten-Clay Union Cemetery  
Tuscarawas County  
156 Spring Street  
Gnadenhutten, Ohio 44629

To the Board of Trustees:

We have audited the financial statements of the Gnadenhutten-Clay Union Cemetery, Tuscarawas County, Ohio, (the Cemetery) as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated June 19, 2006, 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Cemetery's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2005-001.

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. However, we believe the reportable condition described above is not a material weakness. In a separate letter to the Cemetery's management dated June 19, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

### **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 one instance of noncompliance or other matters we must report under *Government Auditing Standards*. The citation is described in the accompanying Schedule of Findings as item 2005-002. In a separate letter to the Cemetery's management dated June 19, 2006, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of management and the Board. It is not intended for anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

June 19, 2006

**GNADENHUTTEN-CLAY UNION CEMETERY  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 AND 2004**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2005-001**

**Reportable Condition**

**Lot Purchases**

The Cemetery does not have a map of the Cemetery that shows the dates the lots were purchased, the lot/deed number, name of the deed holder, and the date of sale. The Cemetery also does not keep a journal that shows those residents/nonresidents who are making payments on the purchase of a lot. This could lead to discrepancies with residents/nonresidents about cemetery lots and the amounts paid toward them.

The Cemetery should have better record keeping for cemetery lots sold (updated maps, etc.) and cemetery lots being paid on. This will help ensure amounts are properly recorded and lots sold are properly documented.

**FINDING NUMBER 2005-002**

**Citation**

**Ohio Rev. Code Section 9.38** indicates that monies should be deposited with the Cemetery Clerk or designated depository within 24 hours of collection and requires that monies be deposited on the next business day if the daily receipt amounts exceed \$1,000. If daily receipts do not exceed \$1,000 and the receipts can be safeguarded, the public office may adopt a policy permitting their officials who receive money to hold it past the next business day, but the deposit must be made no later than 3 business days after receiving it.

For 2005, 5 out of 10 (50%) and for fiscal year 2004, 2 out of 10 (20%) of the receipts related to charges for services and rental income were not deposited with the designated depository for a period ranging between 4 to 10 days after initial receipt of the money. Delays of this nature could cause Cemetery daily receipts to be lost or misplaced without being detected in a timely manner. The Cemetery should properly safeguard receipts and implement Ohio Rev Code Section 9.38 relative to depositing requirements and procedures.

**Officials' Response:** We did not receive a response from officials to the findings reported above.

**GNADENHUTTEN-CLAY UNION CEMETERY  
TUSCARAWAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2005 AND 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2003-001	A map of the Cemetery indicating dates lots were purchased, lot/deed number, and name of deed holder were not maintained, as well as, those residents/non-residents who are making payments on the purchase of lost were not maintained.	No.	Not Corrected. See Finding 2005-001.





**Auditor of State  
Betty Montgomery**

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**GNADENHUTTEN-CLAY UNION CEMETERY**

**TUSCARAWAS 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 10, 2006**