



Mary Taylor, CPA
Auditor of State

**GREENVILLE UNION CEMETERY
DARKE COUNTY**

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Mary Taylor, CPA

Auditor of State

Greenville Union Cemetery
Darke County
205 West Street
Greenville, Ohio 45331-2218

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.

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Mary Taylor, CPA
Auditor of State

May 29, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Greenville Union Cemetery
Darke County
205 West Street
Greenville, Ohio 45331-2218

To the Board of Trustees:

We have audited the accompanying financial statements of Greenville Union Cemetery, Darke County, (the Cemetery), as of and for the years ended December 31, 2007 and 2006. 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.

Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also to present the Cemetery's larger (i.e. major) funds separately. 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. 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, 2007 and 2006, 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, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Greenville Union Cemetery, Darke County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 May 29, 2008, 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.

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

Mary Taylor, CPA
Auditor of State

May 29, 2008

**GREENVILLE UNION CEMETERY
DARKE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Permanent Funds</u>	
Cash Receipts:			
Sale of Lots, Lot Markers	\$50,367		\$50,367
Interment Fees	42,900		42,900
Charges for Services	13,974		13,974
Earnings on Investments	4,821	\$6,124	10,945
Miscellaneous	284		284
Total Cash Receipts	<u>112,346</u>	<u>6,124</u>	<u>118,470</u>
Cash Disbursements:			
Salaries and Benefits	63,614	8,569	72,183
Maintenance and Repairs	16,242	1,558	17,800
Supplies and Materials	20,971	125	21,096
Legal and Accounting Fees	1,665	1,665	3,330
Utilities	3,088	163	3,251
Other Operating Cash Disbursements	1,808	2,701	4,509
Total Cash Disbursements	<u>107,388</u>	<u>14,781</u>	<u>122,169</u>
Total Receipts Over/(Under) Disbursements	4,958	(8,657)	(3,699)
Fund Cash Balances, January 1	<u>72,070</u>	<u>110,839</u>	<u>182,909</u>
Fund Cash Balances, December 31	<u>\$77,028</u>	<u>\$102,182</u>	<u>\$179,210</u>

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

**GREENVILLE UNION CEMETERY
DARKE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Private Purpose Trust</u>
Operating Cash Receipts:	
Earnings on Investments	<u>\$12,091</u>
Total Operating Cash Receipts	<u>12,091</u>
Operating Income/(Loss)	12,091
Fund Cash Balances, January 1	<u>168,696</u>
Fund Cash Balances, December 31	<u><u>\$180,787</u></u>

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

**GREENVILLE UNION CEMETERY
DARKE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Permanent Funds</u>	
Cash Receipts:			
Sale of Lots, Lot Markers	\$36,750		\$36,750
Interment Fees	39,581		39,581
Charges for Services	10,323		10,323
Earnings on Investments	3,331	\$2,143	5,474
Miscellaneous	1,247		1,247
Total Cash Receipts	<u>91,232</u>	<u>2,143</u>	<u>93,375</u>
Cash Disbursements:			
Salaries and Benefits	65,496	8,524	74,020
Maintenance and Repairs	19,601	1,949	21,550
Supplies and Materials	16,050	83	16,133
Legal and Accounting Fees	1,953	1,952	3,905
Utilities	3,029	159	3,188
Capital Outlay		4,032	4,032
Other Operating Cash Disbursements	3,824	3,862	7,686
Total Cash Disbursements	<u>109,953</u>	<u>20,561</u>	<u>130,514</u>
Total Receipts Over/(Under) Disbursements	(18,721)	(18,418)	(37,139)
Fund Cash Balances, January 1	<u>90,791</u>	<u>129,257</u>	<u>220,048</u>
Fund Cash Balances, December 31	<u><u>\$72,070</u></u>	<u><u>\$110,839</u></u>	<u><u>\$182,909</u></u>

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

**GREENVILLE UNION CEMETERY
DARKE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Private Purpose Trust</u>
Operating Cash Receipts:	
Earnings on Investments	\$11,961
Total Operating Cash Receipts	<u>11,961</u>
Operating Income/(Loss)	11,961
Fund Cash Balances, January 1	<u>156,735</u>
Fund Cash Balances, December 31	<u><u>\$168,696</u></u>

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

**GREENVILLE UNION CEMETERY
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Greenville Union Cemetery, Darke County, (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. The Cemetery is a Union Cemetery formed by the City of Greenville and Greenville Township. The Cemetery is directed by an appointed three-member Board of Trustees. The Board is appointed by the City of Greenville Council and Greenville Township Trustees. 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 and Investments

The Cemetery includes investments as assets. The Cemetery does not report purchases of investments as disbursements or investment sales as receipts. The Cemetery recognizes gains or losses at the time of sale as receipts or disbursements, respectively.

The Cemetery records certificates of deposit and common stock at cost or fair value when donated.

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.

2. Permanent Fund

This fund is made up of endowments for the maintenance and upkeep of the Cemetery. The bequests do not put a restriction on the use of the principal or interest.

3. Fiduciary Funds (Trust and Agency Funds)

These funds account for resources restricted by legally binding trust agreements and funds for which the Cemetery is acting in an agency capacity. The Cemetery had the following significant Fiduciary Funds:

**GREENVILLE UNION CEMETERY
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Private Purpose Trust Fund – Koop Trust – This fund is a bequest for specific maintenance and upkeep of the Koop Mausoleum in the Cemetery. The principal is restricted while the interest is to be used for upkeep of the Mausoleum.

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 AND INVESTMENTS

The Cemetery maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	2007	2006
Demand deposits	\$36,765	\$9,023
Certificates of deposit	255,859	275,209
Total deposits	292,624	284,232
Common stock (at fair value when donated, market value was \$212,197 and \$311,502 at December 31, 2007 and 2006, respectively.)	67,373	67,373
Total investments	67,373	67,373
Total deposits and investments	\$359,997	\$351,605

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

Investments: The Cemetery has 3,338 shares of Park National Company (exchange symbol PRK) stock. The stock is publicly traded on the American Stock Exchange (AMEX). At December 31, 2007 and 2006, the market value of each share was \$63.57 and \$93.32, respectively and the total value of the stock shares was \$212,197 and \$311,502 at December 31, 2007 and 2006, respectively.

3. RETIREMENT SYSTEMS

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.

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS employee members contributed 9.5% and 9.0%, respectively, of their gross salaries. The Cemetery contributes an amount equal to 13.85% and 13.70%, respectively, of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2007.

**GREENVILLE UNION CEMETERY
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

4. RISK MANAGEMENT

Commercial Insurance

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

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

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Mary Taylor, CPA

Auditor of State

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

Greenville Union Cemetery
Darke County
205 West Street
Greenville, Ohio 45331-2218

To the Board of Trustees:

We have audited the financial statements of Greenville Union Cemetery, Darke County, (the Cemetery), as of and for the years ended December 31 2007 and 2006, and have issued our report thereon dated May 29, 2008, 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 as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Cemetery's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Cemetery's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Cemetery's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Cemetery's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2007-001.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Cemetery's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, we believe finding number 2007-001 is also a material weakness.

We also noted certain internal control matters that we reported to the Cemetery's management in a separate letter dated May 29, 2008.

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*.

We did note certain noncompliance or other matters that we reported to the Cemetery's management in a separate letter dated May 29, 2008.

We intend this report solely for the information and use of the audit committee, management, and Board of Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

May 29, 2008

**GREENVILLE UNION CEMETERY
DARKE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

FINDING 2007-001

MATERIAL WEAKNESS

Financial Reporting

Auditor of State Bulletin 2005-005 requires cash basis entities to present their Permanent Funds as governmental funds and Private Purpose Trust Funds as fiduciary funds for financial report presentation. The annual reports submitted for the years ended December 31, 2007 and 2006, failed to present separately Permanent Funds (previously expendable trust funds) from the Private Purpose Trust Funds (previously nonexpendable trust funds).

The Cemetery's failure to correctly classify the Permanent Fund activity resulted in the fiduciary funds ending cash balances being overstated and the governmental funds ending cash balances being understated by \$102,182 and \$110,839 in 2007 and 2006, respectively. The accompanying financial statements include the required adjustments to present the Permanent Funds activity separately for both years.

The Cemetery should review the requirements for financial reporting presented in Auditor of State Bulletin 2005-005 when preparing financial reports.

Officials Response:

We received no response from officials regarding finding 2007-001 above.



Mary Taylor, CPA
Auditor of State

GREENVILLE UNION CEMETERY

DARKE 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
JULY 1, 2008**