



**GLENDALE UNION CEMETERY  
MORROW COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**



**Mary Taylor, CPA**  
Auditor of State



**GLENDALE UNION CEMETERY  
MORROW COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Cover Letter .....	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Fund Types - For the Year Ended December 31, 2009.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Fund Types - For the Year Ended December 31, 2008.....	6
Notes to the Financial Statements .....	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	11
Schedule of Prior Audit Findings .....	13

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# Mary Taylor, CPA

Auditor of State

Glendale Union Cemetery  
Morrow County  
P.O. Box 86  
Cardington, Ohio 43315

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 an 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 adverse 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.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

October 15, 2010

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Glendale Union Cemetery  
Morrow County  
P.O. Box 86  
Cardington, Ohio 43315

To the Board of Trustees:

We have audited the accompanying financial statements of Glendale Union Cemetery, Morrow County, Ohio, (the Cemetery) as of and for the years ended December 31, 2009 and 2008. 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. The Cemetery processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Cemetery because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(A) mandates the Auditor of State to audit Ohio governments. 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 require presenting entity wide statements and also presenting 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 GAAP presentation requirements. The Auditor of State permits, but does not require Cemeteries to reformat their statements. The Cemetery has elected not to follow GAAP statement formatting requirements. 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, 2009 and 2008 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, 2009 and 2008, 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 Glendale Union Cemetery, Morrow County, Ohio, as of December 31, 2009 and 2008, 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 October 15, 2010, 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.



**Mary Taylor, CPA**  
Auditor of State

October 15, 2010



**GLENDALE UNION CEMETERY  
MORROW COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent Fund</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>					
Intergovernmental	\$ 96,236	\$ 6,308	\$ -	\$ -	\$ 102,544
Charges for Services	3,143	-	-	-	3,143
Licenses, Permits and Fees	15,750	-	-	-	15,750
Earnings on Investments	3,561	-	98	372	4,031
Miscellaneous	14,428	-	-	-	14,428
	<u>133,118</u>	<u>6,308</u>	<u>98</u>	<u>372</u>	<u>139,896</u>
<b>Total Cash Receipts</b>					
<b>Cash Disbursements:</b>					
Current:					
Salaries and Benefits	115,555	-	-	-	115,555
Supplies	7,332	-	-	-	7,332
Contracts - Services	1,420	-	-	-	1,420
Miscellaneous	13,979	4,873	27	253	19,132
Capital Outlay	6,009	-	-	-	6,009
	<u>144,294</u>	<u>4,873</u>	<u>27</u>	<u>253</u>	<u>149,447</u>
<b>Total Disbursements</b>					
Total Receipts Over/(Under) Disbursements	(11,176)	1,435	71	119	(9,551)
Fund Cash Balances, January 1	<u>175,740</u>	<u>-</u>	<u>2,736</u>	<u>9,684</u>	<u>188,160</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$ 164,564</b></u>	<u><b>\$ 1,435</b></u>	<u><b>\$ 2,807</b></u>	<u><b>\$ 9,803</b></u>	<u><b>\$ 178,609</b></u>

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

**GLENDALE UNION CEMETERY  
MORROW COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Permanent</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>				
Intergovernmental	\$ 97,789	\$ -	\$ -	\$ 97,789
Charges for Services	5,073	-	-	5,073
Licenses, Permits, and Fees	21,875	-	-	21,875
Earning on Investments	6,080	-	79	6,159
Miscellaneous	10,288	-	-	10,288
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	141,105	-	79	141,184
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>				
Current:				
Salaries	109,717	-	-	109,717
Supplies	9,852	-	-	9,852
Contracts - Services	3,766	-	-	3,766
Miscellaneous	14,773	-	-	14,773
Capital Outlay	12,461	-	-	12,461
	<hr/>	<hr/>	<hr/>	<hr/>
Total Disbursements	150,569	-	-	150,569
	<hr/>	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(9,464)	-	79	(9,385)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	185,204	2,736	9,605	197,545
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 175,740</u></b>	<b><u>\$ 2,736</u></b>	<b><u>\$ 9,684</u></b>	<b><u>\$ 188,160</u></b>

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

**GLENDALE UNION CEMETERY  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008**

**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 Glendale Union Cemetery, Morrow County, Ohio, (the Cemetery). Cardington Township Trustees and Cardington Village Council 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. 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 and Money market mutual funds are recorded at share values the mutual fund reports.

**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. Special Revenue Fund**

This fund accounts for proceeds from specific sources (other than for private-purpose trusts) that are restricted to expenditure for specific purposes. The Cemetery had the following significant Special Revenue Fund:

**GLENDALE UNION CEMETERY  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Fund (Continued)**

*FEMA* - This fund received grant money for damages from a 2007 storm to repair and clean up downed trees.

**3. Permanent Fund**

This fund accounts for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Cemetery's programs. The Cemetery had the following permanent fund:

*Zent Trust*: This fund receives contributions and interest earned, wherein only the income earned may be spent on general upkeep of the Cemetery.

**4. Fiduciary Funds (Trust Funds)**

Fiduciary funds include private purpose trust 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 certain individuals.

**E. 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.

**F. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

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

	<u>2009</u>	<u>2008</u>
Demand deposits	\$20,478	\$16,500
Certificates of deposit	158,131	171,660
Total deposits	<u>178,609</u>	<u>188,160</u>

**GLENDALE UNION CEMETERY  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS (Continued)**

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Cemetery.

**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 2009 and 2008, OPERS employee members contributed 10 percent of their gross salaries. The Cemetery contributes an amount equal to 14 percent of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2009.

**4. RISK MANAGEMENT**

**Commercial Insurance**

The Cemetery has obtained commercial insurance for the following risks:

- General Liability
- Official's Liability
- Vehicles
- Property

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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

Glendale Union Cemetery  
Morrow County  
P.O. Box 86  
Cardington, Ohio 43315

To the Board of Trustees:

We have audited the financial statements of Glendale Union Cemetery, Morrow County, Ohio (the Cemetery) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated October 15, 2010 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 also noted the Cemetery uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Glendale Union Cemetery because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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.

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 more than a reasonable possibility that a material misstatement of the Cemetery's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **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 matters not requiring inclusion in this report that we reported to the Cemetery's management in a separate letter dated October 15, 2010.

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

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

October 15, 2010



**GLENDALE UNION CEMETERY  
MORROW COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain</b></i>
2007-001	Ohio Revised Code 135.21 and 135.351 - allocating interest among funds	Yes	
2007-002	ORC 517.15 - Maintaining the corpus of a trust fund	Yes	
2007-003	<b>Significant Deficiency</b> – Posting of receipts in accordance with the UAN handbook	Yes	
2007-004	<b>Significant Deficiency</b> – AOS Bulletin 2005-005 – Reclassify any expendable or non-expendable trust funds to either permanent or private purpose trust funds	Yes	

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**Mary Taylor, CPA**  
Auditor of State

**GLENDALE UNION CEMETERY**

**MORROW 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  
NOVEMBER 4, 2010**