



**GREENWOOD UNION CEMETERY  
LOGAN COUNTY**

**REGULAR AUDIT**

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



**Auditor of State  
Betty Montgomery**



**GREENWOOD UNION CEMETERY  
LOGAN COUNTY**

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**Auditor of State  
Betty Montgomery**

Greenwood Union Cemetery  
Logan County  
P.O. Box 51  
DeGraff, Ohio 43318

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 black ink that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

November 6, 2006

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Greenwood Union Cemetery  
Logan County  
P.O. Box 51  
DeGraff, Ohio 43318

To the Board of Trustees:

We have audited the accompanying financial statements of Greenwood Union Cemetery, Logan County, (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 combined funds the accompanying financial statements present 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 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 the Cemetery, as of December 31, 2005 and 2004, and its combined 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 November 6, 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

November 6, 2006



**GREENWOOD UNION CEMETERY  
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

<b>Cash Receipts:</b>	
Sale of Plots	\$7,300
Burials	14,900
Intergovernmental	17,972
Foundations	2,653
Interest	170
Land Rent	300
Miscellaneous	<u>1,033</u>
 Total Cash Receipts	 <u>44,328</u>
 <b>Cash Disbursements:</b>	
Current:	
Salaries/Benefits Expense	28,535
Foundation Expense	1,810
Operating Expenses	2,882
Utilities	2,013
Insurance	<u>3,781</u>
 Total Disbursements	 <u>39,021</u>
 Total Receipts Over Disbursements	 5,307
 Fund Cash Balance, January 1	 <u>20,412</u>
 <b>Fund Cash Balance, December 31</b>	 <u><u>\$25,719</u></u>

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

**GREENWOOD UNION CEMETERY  
LOGAN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
NONEXPENDABLE TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

<b>Operating Cash Receipts</b>	\$0
<b>Operating Cash Disbursements</b>	<u>0</u>
Receipts Over Under Under Disbursements	0
Fund Cash Balances, January 1	<u>1,701</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$1,701</u></u>

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

**GREENWOOD UNION CEMETERY  
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

<b>Cash Receipts:</b>	
Sale of Plots	\$15,845
Burials	10,650
Intergovernmental	12,684
Foundations	1,672
Interest	153
Miscellaneous	<u>755</u>
 Total Cash Receipts	 <u>41,759</u>
 <b>Cash Disbursements:</b>	
Current:	
Salaries/Benefits Expense	31,399
Foundation Expense	762
Operating Expenses	1,685
Utilities	1,253
Insurance	4,673
Capital Expenses	<u>4,125</u>
 Total Disbursements	 <u>43,897</u>
 Total Receipts (Under) Disbursements	 (2,138)
 Fund Cash Balance, January 1	 <u>22,550</u>
 <b>Fund Cash Balance, December 31</b>	 <u><u>\$20,412</u></u>

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

**GREENWOOD UNION CEMETERY  
LOGAN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
NONEXPENDABLE TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

<b>Operating Cash Receipts</b>	\$0
<b>Operating Cash Disbursements</b>	<u>0</u>
Receipts Over (Under) Disbursements	0
Fund Cash Balances, January 1	<u>1,701</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$1,701</u></u>

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

**GREENWOOD UNION  
LOGAN 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 Greenwood Union Cemetery, Logan County, (the Cemetery), as a body corporate and politic. The Cemetery is directed by a three-member Board of Trustees appointed by the Village of DeGraff and Pleasant Township in Logan County. These entities also provide funding, through voted tax levies, 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.

**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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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 savings accounts 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.

**2. Non-expendable Trust Fund**

These funds are used to account for resources restricted by legally binding trust agreements. The Cemetery had the following Non-expendable Trust Funds:

**Hosteller Memorial Fund and Loffer Memorial Fund** – The interest earned on these funds is used to maintain grave sites

**GREENWOOD UNION  
LOGAN COUNTY**

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

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

**E. Budgetary Process**

The Cemetery's Board budgets each fund annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control. The Board annually approves appropriation measures and subsequent amendments. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

**3. Encumbrances**

The Cemetery reserves (encumbers) appropriations when it makes commitments. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2005 and 2004 budgetary activity appears in Note 3.

**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.

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. The financial statements do not report unpaid vacation and sick leave as liabilities.

**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:

	<u>2005</u>	<u>2004</u>
Demand deposits	\$21,356	\$16,049
Certificates of deposit	6,064	6,064
Total deposits	<u>\$27,420</u>	<u>\$22,113</u>

**GREENWOOD UNION  
LOGAN COUNTY**

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2005 and December 31, 2004 follows:

**2005 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$40,000	\$44,328	\$4,328

**2005 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$56,493	\$39,021	\$17,472

**2004 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$35,000	\$41,759	\$6,759

**2004 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$56,493	\$43,897	\$12,596

**4. 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 2005 and 2004, 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, 2005.

**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.

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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***

Greenwood Union Cemetery  
Logan County  
P.O. Box 51  
DeGraff, Ohio 43318

To the Board of Trustees:

We have audited the financial statements of the Greenwood Union Cemetery (the Cemetery) as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated November 6, 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 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 management's assertions in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2005-002.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable condition described above is material weakness. In a separate letter to the Cemetery's management dated November 6, 2006, we reported other matters involving internal control over financial reporting which 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 an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-001. In a separate letter to the Cemetery's management dated November 6, 2006, we reported another matter related to noncompliance we deemed immaterial

We intend this report solely for the information and use of the 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

November 6, 2006

**GREENWOOD UNION CEMETERY  
LOGAN 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**

**Findings For Recovery / Repaid Under Audit**

**Ohio Rev. Code Section 117.28** authorizes the Auditor of State to report a *finding for recovery* in audit reports when legal action may be appropriate to recover public money or property. **Ohio Rev. Code Section 117.01 (C)** defines *public money* as "any money received, collected by, or due a public official under color of office, as well as any money collected by any individual on behalf of a public office or as a purported representative or agent of a public office." Under **Ohio Rev. Code Sections 9.24(H)(3) and 117.28**, a finding for recovery may exist for public money collected but unaccounted for.

The Village of DeGraff (the Village) supports the Cemetery through a voted tax levy. This levy money, along with the related homestead and rollback revenue, is received by the Village and then distributed to the Cemetery. During 2004, the Village failed to distribute \$5,922.77 of tax levy and homestead and rollback receipts to the Cemetery.

In accordance with the foregoing facts, and pursuant to **Ohio Rev. Code Section 117.28**, a Finding for Recovery for public money collected but unaccounted for, is hereby rendered against the Village of DeGraff, in the amount of five thousand, nine hundred and twenty-two dollars and seventy-seven cents (\$5,922.77), and in favor of the Cemetery's General Fund.

On October 26, 2006, the Village issued check number 26595, in the amount of \$5,922.77, to the Cemetery.

**FINDING NUMBER 2005-002**

**Reportable Condition**

**Review of Budget versus Actual Reports**

To assist in the effective management of financial resources a governing body should periodically review financial reports that present budget versus actual revenues and expenditures. The Cemetery's Board did not receive budget versus actual reports during 2005 and 2004. The failure to review budget versus actual activity inhibits the Board's ability to identify negative financial trends, identify shortages in revenue or unusual expenditures, or may result in deficit spending.

The Board should periodically review and approve monthly budget versus actual reports. Evidence of the review and approval of budget versus actual reports and other reports should be documented in the minutes and/or on the reports.

**OFFICIAL'S RESPONSE**

We did not receive responses from Officials to these findings.

**GREENWOOD UNION CEMETERY  
LOGAN 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	ORC Sec. 117.38 – The Cemetery did not file timely annual financial statements.	No	Significant improvement, repeated in the management letter.



**Auditor of State  
Betty Montgomery**

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**GREENWOOD UNION CEMETERY**

**LOGAN 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  
DECEMBER 7, 2006**