



**MAPLE GROVE UNION CEMETERY
CHAMPAIGN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004



**Auditor of State
Betty Montgomery**

MAPLE GROVE UNION CEMETERY
CHAMPAIGN COUNTY

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**Auditor of State
Betty Montgomery**

Maple Grove Union Cemetery
Champaign County
6150 State Route 187
Mechanicsburg, Ohio 43044

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

August 15, 2006

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Maple Grove Union Cemetery
Champaign County
6150 State Route 187
Mechanicsburg, Ohio 43044

To the Board of Trustees:

We have audited the accompanying financial statements of Maple Grove Union Cemetery, Champaign 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 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 fund cash balances of Maple Grove Union Cemetery, Champaign County, 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 August 15, 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

August 15, 2006

**MAPLE GROVE UNION CEMETERY
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND AND NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>General</u>	<u>Non-Expendable Trust</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Local Taxes	\$53,076		\$53,076
Intergovernmental	7,226		7,226
Charges for Services	7,900		7,900
Sale of Lots	8,025		8,025
Donations and Contributions	1,565		1,565
Interest	2,210	\$330	2,540
Miscellaneous	10		10
	<hr/>		<hr/>
Total Cash Receipts	80,012	330	80,342
Cash Disbursements:			
Current:			
Salaries	40,553	330	40,883
Supplies	2,253		2,253
Equipment	28,160		28,160
Contracts - Services	10,851		10,851
Miscellaneous	115		115
Capital Outlay	2,831		2,831
	<hr/>		<hr/>
Total Disbursements	84,763	330	85,093
	<hr/>		<hr/>
Total Receipts Over/(Under) Disbursements	(4,751)		(4,751)
	<hr/>		<hr/>
Fund Cash Balances, January 1	158,856	19,613	178,469
	<hr/>		<hr/>
Fund Cash Balances, December 31	<u>\$154,105</u>	<u>\$19,613</u>	<u>\$173,718</u>

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

**MAPLE GROVE UNION CEMETERY
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND AND NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>General</u>	<u>Non-Expendable Trust</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Local Taxes	\$50,418		\$50,418
Intergovernmental	6,545		6,545
Charges for Services	12,500		12,500
Sale of Lots	7,900		7,900
Donations and Contributions	98,826		98,826
Interest	1,307	\$259	1,566
Miscellaneous	110		110
	<hr/>		<hr/>
Total Cash Receipts	177,606	259	177,865
	<hr/>		<hr/>
Cash Disbursements:			
Current:			
Salaries	41,610	259	41,869
Supplies	760		760
Equipment	6,071		6,071
Contracts - Services	14,566		14,566
Miscellaneous	412		412
Capital Outlay	62,531		62,531
	<hr/>		<hr/>
Total Disbursements	125,950	259	126,209
	<hr/>		<hr/>
Total Receipts Over/(Under) Disbursements	51,656		51,656
	<hr/>		<hr/>
Fund Cash Balances, January 1	107,200	19,613	126,813
	<hr/>		<hr/>
Fund Cash Balances, December 31	<u>\$158,856</u>	<u>\$19,613</u>	<u>\$178,469</u>

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

**MAPLE GROVE UNION CEMETERY
CHAMPAIGN 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 Maple Grove Union Cemetery, Champaign County, (the Cemetery) as a body corporate and politic. The Village of Mechanicsburg and Goshen 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. 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 has no investments.

The Cemetery records certificates of deposit at cost.

D. Fund Accounting

The Cemetery uses fund accounting to segregate cash that is 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.

**MAPLE GROVE UNION CEMETERY
CHAMPAIGN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fiduciary Fund

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

Cemetery Endowment Fund (Non-Expendable Trust) - This fund is used to account for endowment funds received from two estates. The Mary McIntire endowment requires that interest earned be used for the permanent improvement and maintenance of two grave sites. The Dohron Wilson endowment allows interest to be used for the general maintenance of the cemetery.

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. 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.

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.

2. EQUITY IN POOLED CASH

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

	<u>2005</u>	<u>2004</u>
Demand deposits	\$64,605	\$108,856
Certificates of deposit	109,113	69,613
Total deposits	<u>173,718</u>	<u>178,469</u>

**MAPLE GROVE UNION CEMETERY
CHAMPAIGN COUNTY**

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

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

3. BUDGETARY ACTIVITY

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

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$80,100	\$80,012	(\$88)
Non-Expendable Trust	0	330	330
Total	\$80,100	\$80,342	\$242

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$70,870	\$84,763	(\$13,893)
Non-Expendable Trust	330	330	0
Total	\$71,200	\$85,093	(\$13,893)

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$84,500	\$177,606	\$93,106
Non-Expendable Trust	300	259	(41)
Total	\$84,800	\$177,865	\$93,065

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$126,941	\$125,950	\$991
Non-Expendable Trust	259	259	0
Total	\$127,200	\$126,209	\$991

The Cemetery's budgetary expenditures exceeded appropriation authority in the General Fund by \$13,893 for the year ended December 31, 2005.

**MAPLE GROVE UNION CEMETERY
CHAMPAIGN COUNTY**

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

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.

6. PRIOR PERIOD ADJUSTMENT

The 2004 beginning fund balances of the General and Non-Expendable Trust Funds were restated to account for interest expended for cemetery upkeep and maintenance salaries as required by the trust agreements.

	General	Non-Expendable Trust
Fund Balance previously reported, Dec 31, 2003	\$ 106,201	\$ 20,612
Prior Period Interest and Salaries Expense	999	(999)
Fund Balance as restated, Jan 1, 2004	\$ 107,200	\$ 19,613



**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***

Maple Grove Union Cemetery
Champaign County
6150 State Route 187
Mechanicsburg, Ohio 43044

To the Board of Trustees:

We have audited the financial statements of the Maple Grove Union Cemetery, Champaign County, (the Cemetery), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated August 15, 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 in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider reportable conditions. 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. Reportable conditions are described in the accompanying schedule of findings as items 2005-002, 2005-003, and 2005-004.

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 conditions described above are material weaknesses. In a separate letter to the Cemetery's management dated August 15, 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 matters 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 August 15, 2006, we reported other matters related to noncompliance we deemed immaterial.



Betty Montgomery
Auditor of State

August 15, 2006

**MAPLE GROVE UNION CEMETERY
CHAMPAIGN COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2005-001

Finding for Recovery

2004 Cemetery Sexton Salary

Jay Bogard's salary as Sexton for 2004 was set at \$390 per week until he became unable to work in that position. On July 13, 2004, the Board re-defined his role from Sexton to Consultant with an approved salary of \$50 per week until September 31, 2004. However, the Clerk, Rick Anderson, continued to pay Mr. Bogard the Sexton salary of \$390 per week until August 27, 2004, as detailed in the table below.

Week Ending	Gross Paid	Board Approved Pay
7/23/2004	390.00	50.00
7/30/2004	390.00	50.00
8/6/2004	390.00	50.00
8/13/2004	390.00	50.00
8/20/2004	390.00	50.00
8/27/2004	390.00	50.00
9/3/2004	-	50.00
9/10/2004	-	50.00
9/17/2004	-	50.00
9/24/2004	-	50.00
10/1/2004	-	50.00
	2,340.00	550.00

Mr. Bogard was overpaid in the amount of one thousand, seven hundred ninety dollars (\$1,790) during this period.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against the Clerk, Rick Anderson, the Western Surety Company, his bonding company, and Jay Bogard, jointly and severally, in favor of Maple Grove Union Cemetery's General Fund for the amount of One Thousand Seven Hundred Ninety Dollars (\$1,790).

Client Response:

We acknowledge the overpayment and plan to take steps to correct it.

FINDING NUMBER 2005-002

Reportable Condition

Cemetery Records and Receipt Procedures

The Cemetery receives various types of revenue throughout the year including lot sales and opening/closing fees. We found the following weaknesses with regards to record keeping and receipt procedures:

- Non-sequential, incomplete and/or erasable deed receipts
- Non-numbered, non-sequential, and unused receipts
- Non-descriptive deposit slips and ledgers
- Inadequate support for deposits to Clerk from Sexton
- Cemetery revenue records contained variances between deed receipts, receipt books, deposits, and ledger.
- Vague or unclear documentation of grave activity in minutes

The Cemetery Board should develop additional policies and procedures to improve monitoring, financial reporting, record keeping, and receipt procedures. These procedures should include the following:

- Preparation of pre-numbered duplicate receipts in sequential order by both the Sexton and Clerk for all revenue received
- Sequential completion, in permanent ink, of pre-numbered deeds and deed receipts by the Sexton
- Descriptive preparation of deposit slips and ledgers to include payee/deceased, amount, and purpose of receipt
- Presentation to Clerk of Sexton' receipt copies supporting revenue and deposits
- Agreement of cemetery records including deed receipts, payee receipts, Sexton's sales list, deposits, and ledgers
- Identification of sales versus transfers in the minutes

Client Response:

As you have recommended I expect the Board to adopt a policy to require the Sexton and Clerk to prepare a receipt for all revenues through a prenumbered sequential receipt book.

FINDING NUMBER 2005-003

Reportable Condition

Expenditures Exceeding Appropriations

Although not subject to Ohio Revised Code Section 5705, the Cemetery Board approves budgetary documents including tax budgets, appropriations, and estimated receipts each year to help prevent overspending. In 2005, the Board approved \$70,870 in appropriations for the General Fund and the fund reported expenditures of \$84,763. This resulted in expenditures exceeding appropriations by \$13,893 for the General Fund.

The Clerk-Treasurer as well as the Board of Trustees should carefully review the Clerk-Treasurer's monthly reports showing budget versus actual data to determine if expenditures will exceed appropriations. In instances where it appears appropriations are insufficient to meet projected needs, the Board of Trustees should pass a resolution to amend appropriations. These procedures will improve monitoring procedures and help prevent excessive spending.

Client Response:

As noted the cemetery expenditures exceeded appropriations in 2005 by \$13,893. The board is made aware of the expenditures through my monthly financial report. We did make two large equipment purchases that were not planned but should be noted in the minutes that they were approved, a truck and a mower. In the future when expenditures exceed appropriations it will be noted in the minutes.

FINDING NUMBER 2005-004

Reportable Condition

Payroll

The Cemetery employs several individuals throughout the year for part-time and full-time cemetery maintenance and upkeep help. With respect to personnel and payroll preparation, we found the following weaknesses, which could lead to unapproved expenditures and incorrect financial statements:

- Minutes did not indicate all new hires and rates or changes of pay
- W-2s did not include PERS contributions
- Part-time employees pays were posted to building site improvements rather than payroll
- Time cards were not initialed or signed by Sexton showing pay approval
- Time cards were not provided to Clerk for verification of hours worked
- Estimated pay was provided to employees while Clerk was on vacation
- Employee pays were not provided to Trustees for approval

The Cemetery should implement procedures and controls to provide for the inadequate segregation of duties for payroll. These procedures should include the following:

- Trustees approving all new hires and rates or changes of pay
- Trustees indicating acceptance of employee resignations
- Trustees reviewing employee paychecks with other disbursements
- Clerk properly completing all applicable areas of W-2s
- Clerk appropriately posting all payroll wages to payroll account
- Sexton signing or initialing time cards indicating approval
- Clerk receiving time cards for pay verification
- Trustees and Clerk developing method of payment when Clerk is on vacation

The recommendations above will allow for enhanced monitoring of payroll expenditures as well as improved financial reporting thus decreasing the chances for unapproved and/or excessive expenditures.

Client Response:

I would expect the Board to adopt a policy for approving all new hires and wage to be paid in the future.

MAPLE GROVE UNION CEMETERY
CHAMPAIGN 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; <i>Explain</i>
2003-001	Receipt Procedures	No	Partially corrected. Remaining conditions were re-issued as finding 2005-002.



**Auditor of State
Betty Montgomery**

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MAPLE GROVE UNION CEMETERY

CHAMPAIGN 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
OCTOBER 5, 2006**