



**ROCK CREEK UNION CEMETERY  
ASHTABULA COUNTY**

**REGULAR AUDIT  
FOR THE YEARS ENDED  
DECEMBER 31, 2007 & 2006**





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
Rock Creek Union Cemetery  
P.O. Box 49  
Rock Creek, OH 44084

We have reviewed the *Independent Accountants' Report* of the Rock Creek Union Cemetery, Ashtabula County, prepared by Canter and Company, for the audit period January 1 2006 to December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Rock Creek Union Cemetery is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

May 4, 2009

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**ROCK CREEK UNION CEMETERY  
ASHTABULA COUNTY**

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## INDEPENDENT ACCOUNTANTS' REPORT

Rock Creek Union Cemetery  
Ashtabula County  
P.O. Box 49  
Rock Creek, Ohio 44084

To the Board of Trustees:

We have audited the accompanying financial statements of the Rock Creek Union Cemetery, Ashtabula 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.

Revisions to GAAP would require the Cemetery to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2007 and 2006. Instead of the combined funds the accompanying financial statements present for 2007 (and 2006), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2007 and 2006. 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, 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 the Rock Creek Union Cemetery, Ashtabula 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 aforementioned revision to generally accepted accounting principles also requires the Cemetery to include Management's Discussion and Analysis for the years ended December 31, 2007 and 2006. 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 April 15, 2009, 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.



**Canter and Company**

April 15, 2009

**ROCK CREEK UNION CEMETERY  
ASHTABULA COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund</u>	<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Capital Projects</u>	<u>Private Purpose Trust</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$23,449	\$0	\$0	\$23,449
Charges for Services	5,500	0	0	5,500
Donations	0	5,180	0	5,180
Interest	0	41	916	957
Miscellaneous	2,744	0	0	2,744
	<u>31,693</u>	<u>5,221</u>	<u>916</u>	<u>37,830</u>
<b>Total Cash Receipts</b>	<u>31,693</u>	<u>5,221</u>	<u>916</u>	<u>37,830</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries and Wages	13,800	0	0	13,800
Tools and Equipment	459	0	0	459
Supplies and Materials	727	0	0	727
Contracts - Services	9,040	0	0	9,040
Land and Building	11,512	0	0	11,512
Insurance	660	0	0	660
PERS	1,917	0	0	1,917
Workers Compensation	456	0	0	456
Miscellaneous	883	0	0	883
	<u>39,454</u>	<u>0</u>	<u>0</u>	<u>39,454</u>
<b>Total Cash Disbursements</b>	<u>39,454</u>	<u>0</u>	<u>0</u>	<u>39,454</u>
<b>Total Receipts Over/(Under) Disbursements</b>	(7,761)	5,221	916	(1,624)
<b>Fund Cash Balances, January 1</b>	<u>26,219</u>	<u>8,303</u>	<u>35,892</u>	<u>70,414</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$18,458</u></u>	<u><u>\$13,524</u></u>	<u><u>\$36,808</u></u>	<u><u>\$68,790</u></u>

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



**ROCK CREEK UNION CEMETERY  
ASHTABULA COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund</u>	<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Capital Projects</u>	<u>Private Purpose Trust</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$24,349	\$0	\$0	\$24,349
Charges for Services	2,505	0	0	2,505
Donations	0	390	0	390
Interest	0	28	380	408
Lawsuit Settlement	6,500	0	0	6,500
Miscellaneous	2,394	0	0	2,394
<b>Total Cash Receipts</b>	<u>35,748</u>	<u>418</u>	<u>380</u>	<u>36,546</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries and Wages	13,800	0	0	13,800
Supplies and Materials	522	0	0	522
Contracts - Services	4,088	0	0	4,088
Land and Building	1,150	0	0	1,150
Insurance	660	0	0	660
PERS	1,934	0	0	1,934
Workers Compensation	442	0	0	442
Miscellaneous	5,078	0	0	5,078
<b>Total Cash Disbursements</b>	<u>27,674</u>	<u>0</u>	<u>0</u>	<u>27,674</u>
<b>Total Receipts Over/(Under) Disbursements</b>	8,074	418	380	8,872
<b>Fund Cash Balances, January 1</b>	<u>18,145</u>	<u>7,885</u>	<u>35,512</u>	<u>61,542</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$26,219</u></u>	<u><u>\$8,303</u></u>	<u><u>\$35,892</u></u>	<u><u>\$70,414</u></u>

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

**ROCK CREEK UNION CEMETERY**  
**ASHTABULA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

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**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 Rock Creek Union Cemetery, Ashtabula County, (the Cemetery) as a body corporate and politic. The Cemetery is directed by an appointed three-member Board of Trustees to direct cemetery operations. The Board is appointed by the Village of Rock Creek and Morgan Township. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. 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.

Certificate of deposits are valued 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.

**ROCK CREEK UNION CEMETERY**  
**ASHTABULA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

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

**2. Capital Projects Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through trust funds). The Cemetery had the following significant Capital Projects Fund:

*Chapel Fund* – This fund is used to account for donations for the sole purpose of construction and maintenance of the chapel in the Cemetery.

**3. Fiduciary Fund (Trust Fund)**

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

*Cemetery Trust Fund* – This fund is a Private Purpose Trust fund that receives interest from fund investments. Proceeds are used to maintain grave sites and provide overall maintenance to the Cemetery.

**E. Budgetary Process**

The Cemetery's Board only budgets for its General Fund annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated resources. The Board of Trustees annually approves an appropriation measure and any subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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. The County Budget Commission must also approve estimated resources.

A summary of 2007 and 2006 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.

**ROCK CREEK UNION CEMETERY**  
**ASHTABULA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

**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	\$49,932	\$52,539
Certificates of deposit	18,858	17,875
Total deposits	\$68,790	\$70,414

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$26,800	\$31,693	\$4,893

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$48,000	\$39,454	\$8,546

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$19,000	\$35,748	\$16,748

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$37,000	\$27,674	\$9,326

**ROCK CREEK UNION CEMETERY**  
**ASHTABULA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

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**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 2007 and 2006, OPERS employee members contributed 9.5 and 9.0 percent, respectively, of their gross salaries. The Cemetery contributed an amount equal to 13.85 percent for 2007 and 13.70 percent for 2006, of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2007.

**5. RISK MANAGEMENT**

**Commercial Insurance**

The Rock Creek Union Cemetery obtained commercial insurance for the following risks:

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

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS***

Rock Creek Union Cemetery  
Ashtabula County  
P.O. Box 49  
Rock Creek, Ohio 44084

To the Board of Trustees:

We have audited the financial statements of the of the Rock Creek Union Cemetery, (the Cemetery) as of and for the years ended December 31, 2007 and 2006 and have issued our report thereon dated April 15, 2009, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

**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 auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cemetery's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Cemetery's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of 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 accounting practices the Auditor of State prescribes such that there is more than a remote likelihood that a misstatement of the Cemetery's financial statements that is more than inconsequential will not be prevented or detected by the Cemetery's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Cemetery's internal control.

Our consideration of 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Cemetery's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that we must report under *Government Auditing Standard*.

We noted certain matters that we reported to management of the Cemetery in a separate letter dated April 15, 2009.

This report is intended solely for the information and use of management and the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.



CANTER & COMPANY

Youngstown, Ohio  
April 15, 2009







**Mary Taylor, CPA**  
Auditor of State

**ROCK CREEK UNION CEMETERY**

**ASHTABULA 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  
MAY 14, 2009**