

**BRYN ZION CEMETERY
MORROW COUNTY, OHIO**

Financial Statements
(Audited)

For The Years Ended
December 31, 2011 and 2010

MICHELLE MOUNTS, CLERK



Dave Yost • Auditor of State

Board of Trustees
Bryn Zion Cemetery
166 South Main Street
Mt. Gilead, Ohio 43338

We have reviewed the *Independent Accountants' Report* of the Bryn Zion Cemetery, Morrow County, prepared by Julian & Grube, Inc., for the audit period January 1, 2010 through December 31, 2011. 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 Bryn Zion Cemetery is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 8, 2012

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**BRYN ZION CEMETERY
MORROW COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

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Independent Accountants' Report

Bryn Zion Cemetery
166 South Main Street
Mt. Gilead, Ohio 43338

To the Board of Trustees:

We have audited the accompanying financial statements of Bryn Zion Cemetery, Morrow County, Ohio, as of and for the years ended December 31, 2011 and 2010 as listed in the table of contents. These financial statements are the responsibility of Bryn Zion 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 2, Bryn Zion 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 presenting Bryn Zion Cemetery's larger (i.e. major) funds separately. While Bryn Zion 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 Bryn Zion Cemetery to reformat their statements. Bryn Zion 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.

Independent Accountants' Report
Bryn Zion Cemetery
Page 2

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, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Bryn Zion Cemetery as of December 31, 2011 and 2010, 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 Bryn Zion Cemetery, Morrow County, Ohio as of December 31, 2011 and 2010, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 2 describes.

As described in Note 2, during 2010 the Bryn Zion Cemetery adopted Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2012, on our consideration of Bryn Zion 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.



Julian & Grube, Inc.
May 23, 2012

**BRYN ZION CEMETERY
MORROW COUNTY, OHIO**

STATEMENT OF FUND CASH BALANCES
ALL FUND TYPES
DECEMBER 31, 2011 AND 2010

<u>Cash and Cash Equivalents</u>	<u>2011</u>	<u>2010</u>
Cash and Cash Equivalents	\$ 13,459	\$ 15,797
Total Cash and Cash Equivalents	<u>\$ 13,459</u>	<u>\$ 15,797</u>
 <u>Fund Cash Balances</u>		
<u>Governmental Fund Type:</u>		
General Fund	\$ 13,459	\$ 15,797
Total Fund Balances	<u>\$ 13,459</u>	<u>\$ 15,797</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**BRYN ZION CEMETERY
MORROW COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	Governmental Fund Type	
	2011	2010
	General	General
Cash receipts:		
Intergovernmental	\$ 5,151	\$ 5,151
Charges for Services	3,300	1,800
Sale of Lots	3,450	5,450
Interest Receipts	26	68
Miscellaneous	44	-
Total cash receipts	11,971	12,469
Cash disbursements:		
Current:		
Salaries	1,410	1,330
Supplies	-	9
Contracts - Repairs	1,231	2,429
Contracts - Services	7,998	9,325
Public Employees' Retirement	186	197
Workers' Compensation	-	100
Miscellaneous	72	230
Capital Outlay	3,412	-
Total cash disbursements	14,309	13,620
Net change in cash fund balances	(2,338)	(1,151)
Fund cash balances beginning of year	15,797	16,948
Fund cash balances		
Unassigned	13,459	15,797
Fund cash balances end of year	\$ 13,459	\$ 15,797

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**BRYN ZION CEMETERY
MORROW COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 1 - DESCRIPTION OF THE ENTITY

Bryn Zion Cemetery, Morrow County, Ohio, (the "Cemetery") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Cemetery is directed by an appointed three-member Board of Trustees. One member is appointed by the Trustees of Congress Township, Franklin Township, and Gilead Township. These entities also provide funding to meet the Cemetery's operating cost 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most significant of the Cemetery's accounting policies are described below.

A. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Cemetery are maintained in a single fund. The following fund type is used by the Cemetery:

GOVERNMENTAL FUND TYPE

General Fund

The general fund is the general operating fund. It is used to account for all financial resources.

B. BASIS OF ACCOUNTING

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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).

**BRYN ZION CEMETERY
MORROW COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. BUDGETARY PROCESS

The Cemetery is not required to follow budgetary law.

D. CASH AND INVESTMENTS

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at time of sale are recorded as receipts or disbursements, respectively. Certificates of deposit are valued at cost.

E. PROPERTY, PLANT AND EQUIPMENT

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

F. FUND BALANCE

For December 31, 2010, the Cemetery implemented Governmental Accounting Standards Board (GASB) No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", which had no effect on fund balances. Under GASB No. 54, fund balances are divided into five classifications based primarily on the extent to which the Cemetery must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. *Nonspendable*

The Cemetery classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. *Restricted*

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**BRYN ZION CEMETERY
MORROW COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. **Committed**

Trustees can *commit* amounts via formal action (resolution). The Cemetery must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. **Assigned**

Assigned fund balances are intended for specific purposes, but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Cemetery Trustees or a Cemetery official delegated that authority by resolution, or by State Statute.

5. **Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Cemetery applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**BRYN ZION CEMETERY
MORROW COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 3 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The Cemetery maintains cash and cash equivalents. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and cash equivalents at December 31 was as follows:

	<u>2011</u>	<u>2010</u>
Demand Deposits	\$ 446	\$ 2,797
Certificates of Deposit	<u>13,013</u>	<u>13,000</u>
Total	<u>\$ 13,459</u>	<u>\$ 15,797</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

NOTE 4 - RISK MANAGEMENT

The Cemetery has obtained commercial insurance for comprehensive property. In addition, the Cemetery has obtained employee theft insurance for the Clerk and Sexton in the amount of \$40,000, respectively.

NOTE 5 - RETIREMENT SYSTEM

The Cemetery's officials belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2011 and 2010, OPERS employee members contributed 10% and 10%, respectively, of their gross salaries. The Cemetery contributed an amount equal to 14.0% and 14.0%, respectively, of participants' gross salaries for 2011 and 2010. The Cemetery has paid all contributions required through December 31, 2011.

NOTE 6 - CONTINGENT LIABILITY

LITIGATION

The Cemetery is currently not involved in litigation.

**BRYN ZION CEMETERY
MORROW COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 7 - COMPLIANCE

The Cemetery did not file cash-basis annual reports with the Auditor of State's Office for 2011 and 2010 in noncompliance with Ohio Revised Code Section 117.38.



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Required by *Government Auditing Standards***

Bryn Zion Cemetery
166 South Main Street
Mt. Gilead, Ohio 43338

To the Board of Trustees:

We have audited the financial statements of Bryn Zion Cemetery, Morrow County, Ohio, as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated May 23, 2012, wherein we noted Bryn Zion Cemetery followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. As described in Note 2, during 2010, the Bryn Zion Cemetery adopted Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". 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 Bryn Zion Cemetery's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of Bryn Zion Cemetery's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of Bryn Zion 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 Bryn Zion 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.

Board of Trustees
Bryn Zion Cemetery

Compliance and Other Matters

As part of reasonably assuring whether the Bryn Zion 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 one instance of noncompliance or other matters we must report under *Government Auditing Standards*.

The Bryn Zion Cemetery's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Bryn Zion Cemetery's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of management and Trustees and others within Bryn Zion Cemetery. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
May 23, 2012

**BRYN ZION CEMETERY
MORROW COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2011 AND 2010**

FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2011-BZC-001

Ohio Revised Code Section 117.38 requires that cash-basis entities must file annual reports within 60 days of the year end.

The Cemetery did not file cash-basis financial statements for 2011 and 2010 with the Auditor of State's Office until May 2012.

In addition to the late filing of the financial reports and a possible \$750 fine imposed, the Cemetery's management is unable to review the financial records and make decisions based on accurate financial information.

The Cemetery should attempt to comply with all requirements to provide the taxpayers with the opportunity to review the activity of the Cemetery. The Clerk should establish a tickler file including the requirement to publish this notice. In addition, a policy and procedure manual including this requirement would be useful in the event of a new employee or an unforeseen absence of a current employee.

Client Response: The Clerk was new in 2010. We were unaware of the filing requirement. As soon as we were notified of the lack of filing, we completed immediately. In addition, we have implemented a tickler system and use of the Auditor of State Calendar.



Dave Yost • Auditor of State

BRYN ZION 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
JUNE 21, 2012**