

GREENWOOD UNION CEMETERY
LOGAN COUNTY, OHIO

Audited Financial Statements

For the Years Ended December 31, 2011 and 2010



Dave Yost • Auditor of State

Board of Trustees
Greenwood Union Cemetery
P. O. Box 614
DeGraff, Ohio 43318

We have reviewed the *Independent Accountants' Report* of Greenwood Union Cemetery, Logan County, prepared by Van Kregel and Company, CPA's, 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. Greenwood Union 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

March 11, 2013

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Greenwood Union Cemetery
Logan County, Ohio

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INDEPENDENT ACCOUNTANTS' REPORT

Greenwood Union Cemetery
 Logan County, Ohio
 P O Box 614
 DeGraff, Ohio 43318

To the Board of Trustees:

We have audited the accompanying financial statements of the Greenwood Union Cemetery, Logan County, Ohio, (the Cemetery), as of and for the years ended December 31, 2011 and 2010. 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.

Instead of the combined funds the accompanying financial statements present, GAAP requires 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 require 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.

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Logan County
Independent Accountants' Report
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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 the 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 the Greenwood Union Cemetery, Logan 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 1 describes.

As described in Note 1, during 2011, Greenwood Union Cemetery adopted Government 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 January 10, 2013, 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.

Van Krevel + Company

Van Krevel & Company
Dublin, Ohio

January 10, 2013

Greenwood Union Cemetery
Logan County, Ohio

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, 2011

	<u>All Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Fiduciary Private Purpose Trust Funds</u>	
Cash Receipts:			
Charges for Services	\$20,703	\$0	\$20,703
Sale of Lots	5,240		5,240
Intergovernmental	19,080		19,080
Earnings on Investments	138		138
Miscellaneous	840		840
	<u>46,001</u>	<u>0</u>	<u>46,001</u>
Cash Disbursements:			
Current Disbursements:			
Salaries	30,513		30,513
Supplies	327		327
Contracts - Repair	3,720		3,720
Contracts - Services	2,881		2,881
Public Employees' Retirement	4,600		4,600
Workers' Compensation	641		641
Miscellaneous	4,210		4,210
Capital Outlay	5,300		5,300
	<u>52,192</u>	<u>0</u>	<u>52,192</u>
Excess Receipts Over (Under) Disbursements	<u>(6,191)</u>	<u>0</u>	<u>(6,191)</u>
Net Change in Fund Cash Balance	(6,191)	0	(6,191)
Fund Cash Balances, January 1	<u>37,554</u>	<u>1,753</u>	<u>39,307</u>
Fund Cash Balances, December 31	<u><u>31,363</u></u>	<u><u>1,753</u></u>	<u><u>33,116</u></u>
Nonspendable		1,753	1,753
Restricted			0
Committed			0
Assigned			0
Unassigned (Deficit)	<u>31,363</u>		<u>31,363</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$31,363</u></u>	<u><u>\$1,753</u></u>	<u><u>\$33,116</u></u>

Greenwood Union Cemetery
Logan County, Ohio

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, 2010

	<u>All Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Fiduciary Private Purpose Trust Funds</u>	
Cash Receipts:			
Charges for Services	\$22,165	\$0	\$22,165
Sale of Lots	9,160		9,160
Intergovernmental	21,678		21,678
Earnings on Investments	288		288
Miscellaneous	595		595
Total Cash Receipts	<u>53,886</u>	<u>0</u>	<u>53,886</u>
Cash Disbursements:			
Current Disbursements:			
Salaries	33,374		33,374
Supplies	6,616		6,616
Contracts - Services	6,917		6,917
Public Employees' Retirement	6,467		6,467
Workers' Compensation	754		754
Miscellaneous	3,555		3,555
Capital Outlay			0
Total Cash Disbursements	<u>57,683</u>	<u>0</u>	<u>57,683</u>
Total Receipts Over/(Under) Disbursements	<u>(3,797)</u>	<u>0</u>	<u>(3,797)</u>
Fund Cash Balances, January 1	38,084	1,753	39,837
Beginning Fund Cash Balances – Adjustment	3,267		3,267
Fund Cash Balances, January 1 (Restated)	<u>41,351</u>	<u>1,753</u>	<u>43,104</u>
Fund Cash Balances, December 31	<u>\$37,554</u>	<u>\$1,753</u>	<u>\$39,307</u>

Greenwood Union Cemetery
Logan County, Ohio

Notes to the Financial Statements
December 31, 2011 and 2010

NOTE 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 of 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 accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Cemetery 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 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.

Greenwood Union Cemetery
Logan County, Ohio

Notes to the Financial Statements
December 31, 2011 and 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 reports all financial resources except those required to be accounted for in another fund.

2 Fiduciary Fund

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 had the following Private Purpose Trust Funds.

Hosteller Memorial Fund and Loffer Memorial Fund. The interest earned on these funds is used to maintain grave sites. Interest income is received and disbursed from the General Fund.

E Fund Balance

For December 31, 2011, the fund balance is 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:

Non Spendable – The Cemetery classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

Restricted – A 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.

Greenwood Union Cemetery
Logan County, Ohio

Notes to Financial Statements
December 31, 2011 and 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E Fund Balance (continued)

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 incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

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 the Cemetery Trustees or a Cemetery official delegated that authority by resolution or by State Statute.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the 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 balances, committed amounts are reduced first, followed by assigned and the unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

F Property, Plant and Equipment

The Cemetery records disbursements for acquisitions of property, plant, and equipment as capital outlay when paid. The accompanying financial statements do not report these items as assets.

G 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.

Greenwood Union Cemetery
Logan County, Ohio

Notes to Financial Statements
December 31, 2011 and 2010

NOTE 2 RESTATEMENT OF BEGINNING CASH FUND BALANCE

During fiscal year 2010, the Cemetery voided transactions totaling \$3,267 including old outstanding checks totaling \$3,286 from fiscal years prior to 2008. As a result of these transactions, beginning cash fund balances were increased by \$3,267 at January 1, 2010.

NOTE 3 CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2011, the Cemetery implemented Governmental Accounting Standards Board (GASB) Statement No. 54. Implementing GASB Statement No 54 had no effect on fund balances previously reported.

NOTE 4 EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2011</u>	<u>2010</u>
Demand Deposits	\$ 267	\$ 5,953
Savings Account	25,498	26,097
Certificates of Deposit	<u>7,351</u>	<u>7,257</u>
Total Deposits	<u>\$33,116</u>	<u>\$39,307</u>

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

Greenwood Union Cemetery
Logan County, Ohio

Notes to Financial Statements
December 31, 2011 and 2010

NOTE 5 RETIREMENT SYSTEM

The Cemetery's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OPERS members contributed 10.0% of their gross salaries, and the Cemetery contributed an amount equal to 14.0% of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2011.

NOTE 5 RISK MANAGEMENT

The Cemetery is exposed to various risks of property and casualty losses, and injuries to employees.

The Cemetery insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Cemetery has obtained commercial insurance for the following risks:

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

NOTE 6 RELATED PARTY TRANSACTIONS

During 2011, the Cemetery purchased a John Deere Gator for \$5,300 from the father of the sexton. The transaction was approved by the Cemetery trustees.

NOTE 7 SUBSEQUENT EVENT

In February of 2012, the Cemetery received \$8,262 from the Department of the Treasury as reimbursement for overpayment of payroll taxes in the amount of \$7,437 plus interest earned in the amount of \$825 as the result of over reporting its payroll tax liabilities during years 2007 through 2010.



**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, Ohio
P. O. Box 614
DeGraff, Ohio 43318

To the Board of Trustees:

We have audited the financial statements of Greenwood Union Cemetery, Logan County, Ohio, (the Cemetery), as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated January 10, 2013, 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 that the Cemetery implemented GASB 54 during 2011. 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify deficiencies in internal control over financial reporting that we consider material weaknesses as defined above.

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Greenwood Union Cemetery
Logan County, Ohio
Independent Accountants' Report on Internal Control over
Financial Reporting and on Compliance with Other Matters
Required by *Government Auditing Standards*

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 that we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in the report that we reported to the Cemetery's management in a separate letter dated January 10, 2013.

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.

Van Krevel & Company

Van Krevel & Company
Dublin, Ohio

January 10, 2013

Greenwood Union Cemetery
Logan County

Schedule of Prior Audit Findings
December 31, 2011 and 2010

<u>Finding</u>	<u>Description</u>	<u>Fully Corrected</u>
2009-001	Accuracy of Financial Reporting	Partially; moved to management letter
2009-002	Finding for Recovery/Repaid Under Audit	Yes
2009-003	Non Compliance – Annual Reports	Partially; moved to management letter
2009-004	Non Compliance – OPERS Payments	Yes
2009-005	Non Compliance – IRS Payments	Yes – See subsequent event note disclosure.



Dave Yost • Auditor of State

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
MARCH 21, 2013**