



Dave Yost • Auditor of State



**WOODLAND UNION CEMETERY  
LAWRENCE COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Woodland Union Cemetery  
Lawrence County  
824 Lorain Street  
Ironton, Ohio 45638

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of the Woodland Union Cemetery, Lawrence County, Ohio (the Cemetery), as of and for the years ended December 31, 2013 and 2012.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Cemetery's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Cemetery's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the Cemetery prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Cemetery as of December 31, 2013 and 2012, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Woodland Union Cemetery, Lawrence County as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2014, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cemetery's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State

Columbus, Ohio

July 22, 2014

**WOODLAND UNION CEMETERY  
LAWRENCE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>All Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Sale of Lots	\$65,120		\$65,120
Perpetual Care	16,280		16,280
Charges for Services	155,250		155,250
Foundations	20,494		20,494
Earnings on Investments	2,036	6	2,042
Miscellaneous	4,820		4,820
Total Cash Receipts	<u>264,000</u>	<u>6</u>	<u>264,006</u>
<b>Cash Disbursements:</b>			
Current Disbursements:			
Public Health and Welfare	<u>282,158</u>		<u>282,158</u>
Total Cash Disbursements	<u>282,158</u>	<u>0</u>	<u>282,158</u>
Excess Cash Receipts Over (Under) Cash Disbursements	<u>(18,158)</u>	<u>6</u>	<u>(18,152)</u>
<b>Other Financing Receipts (Disbursements):</b>			
Transfers-In		16,680	16,680
Transfers-Out	<u>(16,680)</u>		<u>(16,680)</u>
Total Other Financing Receipts (Disbursements)	<u>(16,680)</u>	<u>16,680</u>	<u>0</u>
Net Change in Fund Cash Balance	(34,838)	16,686	(18,152)
Fund Cash Balances, January 1	<u>253,248</u>	<u>896,573</u>	<u>1,149,821</u>
<b>Fund Cash Balances, December 31</b>			
Restricted		913,259	913,259
Unassigned (Deficit)	<u>218,410</u>		<u>218,410</u>
<i>Fund Cash Balances, December 31</i>	<u><b>\$218,410</b></u>	<u><b>\$913,259</b></u>	<u><b>\$1,131,669</b></u>

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

**WOODLAND UNION CEMETERY  
LAWRENCE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>All Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Sale of Lots	\$56,960		\$56,960
Perpetual Care	14,240		14,240
Charges for Services	161,250		161,250
Foundations	13,340		13,340
Earnings on Investments	4,488	5	4,493
Miscellaneous	424		424
	<u>250,702</u>	<u>5</u>	<u>250,707</u>
<b>Total Cash Receipts</b>			
	<u>250,702</u>	<u>5</u>	<u>250,707</u>
<b>Cash Disbursements:</b>			
Current Disbursements:			
Public Health and Welfare	267,005		267,005
	<u>267,005</u>		<u>267,005</u>
<b>Total Cash Disbursements</b>			
	<u>267,005</u>	<u>0</u>	<u>267,005</u>
<b>Excess Cash Receipts Over (Under) Cash Disbursements</b>	<u>(16,303)</u>	<u>5</u>	<u>(16,298)</u>
<b>Other Financing Receipts (Disbursements):</b>			
Transfers-In		13,640	13,640
Transfers-Out	(13,640)		(13,640)
	<u>(13,640)</u>		<u>(13,640)</u>
<b>Total Other Financing Receipts (Disbursements)</b>	<u>(13,640)</u>	<u>13,640</u>	<u>0</u>
<b>Net Change in Fund Cash Balance</b>	<u>(29,943)</u>	<u>13,645</u>	<u>(16,298)</u>
<b>Fund Cash Balances, January 1</b>	<u>283,191</u>	<u>882,928</u>	<u>1,166,119</u>
<b>Fund Cash Balances, December 31</b>			
Restricted		896,573	896,573
Unassigned (Deficit)	253,248		253,248
	<u>253,248</u>		<u>253,248</u>
<i>Fund Cash Balances, December 31</i>	<u><b>\$253,248</b></u>	<u><b>\$896,573</b></u>	<u><b>\$1,149,821</b></u>

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



**WOODLAND UNION CEMETERY  
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**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 Woodland Union Cemetery, Lawrence County, (the Cemetery), as a body corporate and politic. The City of Ironton and Upper 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 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**

Cash and certificates of deposit 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 accounts for and reports all financial resources not accounted for and reported in another fund.

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Cemetery had the following significant Special Revenue Funds:

Perpetual Care Fund - This fund receives a portion of the receipts from all grave sales. The fund's resources finance Cemetery maintenance costs after all grave lots have been sold.

Private Account Fund - This fund receives interest from principal that is invested in certificates of deposit.

WOODLAND UNION CEMETERY  
LAWRENCE COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

**E. Fund Balance**

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:

**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.

**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 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 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.

**WOODLAND UNION CEMETERY  
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**F. Property, Plant, and Equipment**

The Cemetery records disbursements for acquisitions of property, plant, and equipment 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.

**2. Equity in Pooled Deposits and Investments**

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

	<u>2013</u>	<u>2012</u>
Demand deposits	\$36,215	\$71,419
Certificates of deposit	1,016,226	1,015,864
Other time deposits (savings account)	74,464	57,777
Money market account	4,764	4,761
Total deposits	<u>\$1,131,669</u>	<u>\$1,149,821</u>

Deposits are insured by the Federal Deposit Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Cemetery; or collateralized by the financial institution's public entity deposit pool.

**3. 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 2013 and 2012, OPERS members contributed 10% of their gross salaries, and the Cemetery contributed an amount equaling 14% of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2013.

**WOODLAND UNION CEMETERY  
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**4. 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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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Woodland Union Cemetery  
Lawrence County  
824 Lorain Street  
Ironton, Ohio 45638

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Woodland Union Cemetery, Lawrence County, Ohio (the Cemetery) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated July 22, 2014 wherein we noted the Cemetery followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Cemetery's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Cemetery's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Cemetery's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a significant deficiency in internal control. We consider Finding 2013-001 to be a significant deficiency.

***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, opining 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 we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Cemetery's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Cemetery's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

July 22, 2014

**WOODLAND CEMETERY  
LAWRENCE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2013-001**

**Significant Deficiency**

Sound financial reporting is the responsibility of the Cemetery Administrator and Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The financial statements contained the following errors that required audit adjustments or reclassification:

2012:

- General Fund Public Health and Welfare expenditures were increased by \$252 to account for unrecorded bank fees.
- Perpetual Care Fund Earnings on Investments were decreased by \$200 to account for overstated interest and by \$480 to account for interest that should have been posted as General Fund Earnings on Investments;
- Transfer from the General Fund to Perpetual Care Fund in the amount of \$600 was overstated in the ledgers; and
- Transfers totaling \$13,640 from the General Fund to the Perpetual Care Fund were also posted as Public Health and Welfare expenditures.

2013:

- Perpetual Care Fund Earnings on Investments were decreased by \$365 to account for interest that should have been posted as General Fund Earnings on Investment;
- Transfer from the General Fund to Perpetual Care Fund in the amount of \$400 was understated in the ledgers;
- Transfers totaling \$16,406 from the General Fund to the Perpetual Care Fund were also posted as Public Health and Welfare expenditures.

The errors noted above resulted in misstated revenues, expenditures and fund balances. The Cemetery has posted audit adjustments and reclassifications to the financial statements to correct these errors.

To ensure the Cemetery's financial statements are complete and accurate, the Cemetery should adopt policies and procedures, including a final review of the financial statements by the Cemetery Administrator and Board of Trustees to identify and correct errors or omissions.

**Officials' Response:**

We did not receive a response from Officials to this finding.

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**WOODLAND UNION CEMETERY  
LAWRENCE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2013 AND 2012**

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>
2011-01	Ohio Admin. Code §§ 117-2-01(D)(3) and (5) – did not maintain cash journal to reconcile all accounts to.	No	Partially Corrected. Included in Management Letter.
2011-02	Sound Financial Reporting	No	Not Corrected. Reissued as Finding 2013-002
2011-03	Ohio Rev. Code §§ 135.18, 135.181 and 135.37 – deposits exceeded FDIC coverage.	Yes	





# Dave Yost • Auditor of State

**WOODLAND UNION CEMETERY**

**LAWRENCE 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  
AUGUST 12, 2014**