



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 of the cash balances, receipts and disbursements by fund type, and related notes of Woodland Union Cemetery, Lawrence County, Ohio (the Cemetery), as of and for the years ended December 31, 2015 and 2014.

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 opinions.

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 (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Cemetery does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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, 2015 and 2014, 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 Woodland Union Cemetery, Lawrence County as of December 31, 2015 and 2014, 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 January 17, 2017, 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.

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Dave Yost
Auditor of State

Columbus, Ohio

January 17, 2017

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**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, 2015**

	<u>All Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Sale of Lots	\$79,280		\$79,280
Perpetual Care	20,524		20,524
Charges for Services	157,919		157,919
Foundations	22,257		22,257
Earnings on Investments	235	1,677	1,912
Miscellaneous	2,794		2,794
	<u>283,009</u>	<u>1,677</u>	<u>284,686</u>
Total Cash Receipts			
	<u>283,009</u>	<u>1,677</u>	<u>284,686</u>
Cash Disbursements:			
Current Disbursements:			
Public Health and Welfare	319,852	1,772	321,624
	<u>319,852</u>	<u>1,772</u>	<u>321,624</u>
Total Cash Disbursements			
	<u>319,852</u>	<u>1,772</u>	<u>321,624</u>
Excess Cash Receipts Over (Under) Cash Disbursements	<u>(36,843)</u>	<u>(95)</u>	<u>(36,938)</u>
Other Financing Receipts (Disbursements):			
Insurance Settlement	35,000		35,000
Transfers-In		20,324	20,324
Transfers-Out	(20,324)		(20,324)
	<u>14,676</u>	<u>20,324</u>	<u>35,000</u>
Total Other Financing Receipts (Disbursements)			
	<u>14,676</u>	<u>20,324</u>	<u>35,000</u>
Net Change in Fund Cash Balance	(22,167)	20,229	(1,938)
Fund Cash Balances, January 1	189,111	931,417	1,120,528
	<u>189,111</u>	<u>931,417</u>	<u>1,120,528</u>
Fund Cash Balances, December 31			
Restricted		951,646	951,646
Unassigned (Deficit)	166,944		166,944
	<u>166,944</u>	<u>951,646</u>	<u>1,118,590</u>
Fund Cash Balances, December 31			
	<u>\$166,944</u>	<u>\$951,646</u>	<u>\$1,118,590</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, 2014**

	<u>All Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Sale of Lots	\$70,448		\$70,448
Perpetual Care	17,800		17,800
Charges for Services	141,100		141,100
Foundations	21,278		21,278
Earnings on Investments	358	1,358	1,716
Miscellaneous	5,704		5,704
	<hr/>		<hr/>
Total Cash Receipts	256,688	1,358	258,046
	<hr/>		<hr/>
Cash Disbursements:			
Current Disbursements:			
Public Health and Welfare	269,187		269,187
	<hr/>		<hr/>
Total Cash Disbursements	269,187	0	269,187
	<hr/>		<hr/>
Excess Cash Receipts Over (Under) Cash Disbursements	(12,499)	1,358	(11,141)
	<hr/>		<hr/>
Other Financing Receipts (Disbursements):			
Transfers-In		16,800	16,800
Transfers-Out	(16,800)		(16,800)
	<hr/>		<hr/>
Total Other Financing Receipts (Disbursements)	(16,800)	16,800	0
	<hr/>		<hr/>
Net Change in Fund Cash Balance	(29,299)	18,158	(11,141)
	<hr/>		<hr/>
Fund Cash Balances, January 1	218,410	913,259	1,131,669
	<hr/>		<hr/>
Fund Cash Balances, December 31			
Restricted		931,417	931,417
Unassigned (Deficit)	189,111		189,111
	<hr/>		<hr/>
<i>Fund Cash Balances, December 31</i>	<u>\$189,111</u>	<u>\$931,417</u>	<u>\$1,120,528</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, 2015 AND 2014**

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 accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

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 and is used to finance Cemetery maintenance costs.

WOODLAND UNION CEMETERY
LAWRENCE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(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, 2015 AND 2014
(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:

	2015	2014
Demand deposits	\$56,335	\$7,906
Certificates of deposit		1,016,584
Other time deposits (savings account)		91,272
Money market account		4,766
Total deposits	56,335	1,120,528
Repurchase agreement	1,062,255	
Total investments	1,062,255	0
Total deposits and investments	\$1,118,590	\$1,120,528

Deposits: 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.

Investments: The Cemetery's financial institution transfers securities to the Cemetery's agent to collateralize repurchase agreements. The securities are not in the Cemetery's name.

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 2015 and 2014, 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, 2015.

**WOODLAND UNION CEMETERY
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(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 Woodland Union Cemetery, Lawrence County, Ohio (the Cemetery) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, and have issued our report thereon dated January 17, 2017 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider Finding 2015-001 to be a material weakness.

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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2015-001.

Corporate Centre of Blue Ash, 11117 Kenwood Road, Blue Ash, Ohio 45242
Phone: 513-361-8550 or 800-368-7419 Fax: 513-361-8577

www.ohioauditor.gov

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

January 17, 2017

**WOODLAND CEMETERY
LAWRENCE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2015-001

Noncompliance and Material Weakness

Ohio Admin. Code § 117-2-02(A) requires public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements. Per Ohio Admin. Code § 117-2-02(D), accounting records that can help achieve these objectives include:

1. Cash journal, which typically includes the amount, date, receipt number, check number, account code, purchase order number, and any other information necessary to properly classify the transaction.
2. Receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund the public office uses. The amount, date, name of payor, purpose, receipt number, and other information required for such transactions to be recorded on this ledger.
3. Appropriation ledger, which assembles and classifies disbursements into separate accounts. The amount, fund, date, check number, amount of disbursement, and any other information required may be entered in the appropriate columns.

The Cemetery lacked management controls to maintain an accounting system and accounting records sufficient to enable the Cemetery to identify, assemble, analyze, classify, record and report its transactions and prepare financial statements as evidenced by the following conditions:

Inaccurate Reconciliations

The Cemetery utilized a manual accounting system which included only a receipts ledger and a disbursements ledger. The receipts ledger included activity of the General Fund bank accounts and, on occasion, included interest receipts for the Perpetual Care Fund and Private Account Fund bank accounts. The disbursements ledger included disbursements for checks written from the General Fund bank account, "memo checks" for debit card transactions and monthly payments of bank loan, and disbursements for electronic transfer of perpetual care receipts from the General Fund bank account to the Perpetual Care Fund bank account. The Cemetery did not maintain a cash journal with running balances of the activity of all bank accounts and certificates of deposit which made up the General Fund and Special Revenue Funds. For 2014, a manual check register was maintained for the General Fund checking account which was used to attempt monthly bank reconciliations for that bank account. For 2015, the Office Manager also maintained spreadsheets for the all other bank accounts, including new bank accounts which were opened using the proceeds of matured certificates of deposit. Those spreadsheets included the bank balance along with interest earned for each month as well as an electronic fund transfers. However, there were no monthly reconciliation of all of the Cemetery accounts to a book balance.

Our testing of the monthly reconciliations identified adjusting factors through December 31, 2015. Those procedures resulted in the following items which had the potential to impact the financial statements:

**FINDING NUMBER 2015-001
(Continued)**

- The Cemetery opened a new General Fund operating bank account and a construction bank account at the same bank in 2015. The construction bank account was opened using General Fund monies. The Cemetery used prenumbered checks with the same numbers for both bank accounts. Furthermore, four checks totaling \$38,348 written from the construction bank account in 2015 were not recorded in the manual disbursements ledger which understated disbursements on the financial statements.
- The Cemetery maintained separate manual payroll records which included the remittance advices that were part of the check register attached to the checks. The Cemetery did not record individual payroll checks in the manual disbursements ledger; instead, they recorded the total of all payroll checks written for that pay period. Additionally, there were multiple instances in which the total payroll disbursements recorded in the manual disbursements ledger varied from the actual amounts of the checks. Also, the total payroll disbursements of \$4,499, for pay period ended September 15, 2015, for payroll checks #1316-1322 were not included in the total Public Health and Welfare disbursements for the month, which understated disbursements on the financial statements.
- Federal tax withholding remittances for October 2014, in the amount of \$1,201, was not included in the total Public Health and Welfare disbursements for the month which understated disbursements on the financial statements.
- Monthly bank fees from the US Bank account totaling \$280 for 2014 and \$263 for 2015 were not recorded as disbursements in the manual check register or the manual disbursements ledger, which understated disbursements on the financial statements.
- There was a receipt totaling \$259 in June of 2014 that was included in the manual receipts ledger but was not included in the total used to prepare the financial statements.
- In October 2014, there was a deposit of \$130 for which no duplicate receipt was written, and it was not included in the manual receipts ledger.
- A receipt was written in December 2014 for sale of lots which involved the trade in of smaller lots for larger lots. The receipt was written for \$3,000 instead of the actual amount collected (\$2,048) which overstated Miscellaneous Receipts by \$952.
- There were receipts on three different occasions that were deposited in 2015 but not included in the manual receipts ledger. Those receipts understated Charges for Services by \$1,100 and Miscellaneous Receipts by \$170.
- There were multiple checks for 2014 and 2015 which were written for one amount, cleared the bank in the correct amount, but were posted to the manual disbursements ledger for another amount.
- Internet bank transfers to move perpetual care receipts from the General Fund operating bank account to the Perpetual Care Fund bank account were posted as disbursements and included in with total Public Health and Welfare Disbursements. This overstated disbursements by \$16,800 in 2014 and \$20,324 in 2015. In addition to the \$20,324, there was also \$100 included in 2015 which overstated disbursements.
- There was no receipts ledger maintained for the Perpetual Care Fund (to show total perpetual care receipts transferred into that fund for 2014 or 2015 and to track interest earned on those bank accounts) for use in reconciling the Perpetual Care Fund bank accounts. As a result, there was no actual book balance maintained for the Perpetual Care Fund that could be used in reconciling monthly.

**FINDING NUMBER 2015-001
(Continued)**

- In March of 2015, there was a \$5,000 check written from the General Fund operating bank account that was used to open a new bank account. Also, in July of 2015, there was a \$1,400 check that was written from the Citizens Bank operating bank account that was used to deposit additional monies into the Cemetery's US Bank operating bank account. The checks were erroneously included with total disbursements.
- In March and May of 2015, there were two instances in which federal tax withholding remittances totaling \$2,181 were electronically transferred out of the Cemetery's operating bank account but were not included in the manual disbursements ledger. Furthermore, there was a federal tax payment totaling \$1,324 for June 2015 that was posted as a disbursement in the manual disbursements ledger in both June and July of 2015, thereby, overstating disbursements.
- In January 2015, check #33391, dated June 30, 2014, in the amount of \$552, was found in the storage room. That check had not been included with the monthly outstanding checks listings. The check was reissued in January 2015 and included in the manual disbursements ledger; however, the original check was not voided or deducted from disbursements.
- The Cemetery redeemed a certificate of deposit on December 30, 2014 and received a cashier's check from the bank in the amount of the certificate of deposit (\$140,839.97). The Cemetery held the cashier's check and did not deposit it until January 27, 2015 when they obtained a new certificate of deposit at another bank.

As a result of these types of errors, the monthly financial statements provided to the Board of Trustees were not accurate. The Cemetery recorded adjustments on the financial statements and the manual ledgers, where appropriate.

We recommend the Office Manager maintain a cash journal that includes activity from all bank accounts that comprise both the General Fund and Special Revenue Fund (i.e. Perpetual Care Fund). Additionally, we recommend that each individual payroll check be listed in the manual disbursements ledger. We further recommend the Office Manager prepare a monthly bank reconciliation for all bank accounts to the total fund balances in the cash journal in a timely manner so that reconciling items can be easily identified and corrections, if necessary, can be made in a timely manner. These reconciliations should be reviewed and approved by the Board of Trustees.

Inaccurate Accounting Records and Financial Statements

The 2014 financial statements had the following errors that required audit adjustment or reclassification:

- The January 1, 2014 fund balances on the financial statements for the General Fund and Perpetual Care Fund were increased by \$2,359 and 13,680, respectively, to agree to the prior audit report balance at December 31, 2013.
- Interest totaling \$227 was posted to the General Fund instead of the Perpetual Care Fund.
- Transfers-out of the General Fund and transfers-in to the Perpetual Care Fund were each overstated by \$1,000.
- General Fund miscellaneous receipts were reduced by \$882 due to various posting errors.
- General Fund foundation receipts were increased by \$389 to account for unrecorded receipts.

**FINDING NUMBER 2015-001
(Continued)**

- General Fund public health and welfare disbursements were overstated, in net, by \$14,940 as a result of the following:
 - \$16,800 overstatement of disbursements due to transfers being included twice;
 - \$280 understatement of disbursements due to unrecorded bank fees; and
 - \$1,580 understatement of disbursements due to posting errors to the manual disbursements ledger.

The 2015 financial statements had the following errors that required audit adjustment or reclassification:

- Unrecorded receipts in the General Fund resulted in an increase of \$1,100 to charges for services receipts and \$170 to miscellaneous receipts.
- A reclassification of \$35,000 from General Fund miscellaneous receipts to insurance settlement.
- Adjustment of \$1,771 in public health and welfare disbursements from the General Fund to the Private Account Fund due to equipment and roof repair disbursements being misposted.
- Unrecorded bank fees in the Private Account Fund of \$1 resulted in an adjustment to public health and welfare disbursements.
- Transfers-out of the General Fund and transfers-in to the Perpetual Care Fund were each overstated by \$200.
- An adjustment was required to increase interest in the General Fund and Perpetual Care Fund by \$10 and \$34, respectively, due to unrecorded interest income.
- General Fund public health and welfare disbursements were understated, in net, by \$16,784 as a result of the following:
 - \$20,324 overstatement of disbursements due to transfers being included twice;
 - \$6,986 overstatement of disbursements due to disbursements that were posted for a bank transfer (\$586), to move monies between operating bank accounts (\$1,400) and to open a new bank account (\$5,000);
 - \$38,348 understatement of disbursements due to unrecorded disbursements from the construction bank account;
 - \$263 understatement of disbursements due to unrecorded bank fees;
 - \$4,499 understatement of disbursements due to September 15, 2015 payroll disbursements not being included with total disbursements.
 - \$856 understatement of disbursements due to three posting errors with federal income tax payments (i.e. one payment recorded twice and two payments not recorded); and
 - \$128 understatement of disbursements to do multiple posting errors made to the manual disbursements ledger.

**FINDING NUMBER 2015-001
(Continued)**

The errors noted above resulted in misstated receipts, disbursements and fund balances. The Cemetery recorded adjustments on the financial statements and the manual ledgers, where appropriate.

To ensure the Cemetery's financial statements and notes to the financial statements are complete and accurate, the Board of Trustees should adopt policies and procedures, including a final review of the statements and footnotes by the Office Manager 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, 2015 AND 2014

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	Sound Financial Reporting	No	Not Corrected. Reissued as Finding 2015-001

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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
JANUARY 31, 2017**