

***GREENLAWN UNION CEMETERY***

**ASHLAND COUNTY, OHIO**

**AUDIT REPORT**

**For the Years Ended December 31, 2005 and 2004**

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants and Governmental Consultants**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Greenlawn Union Cemetery  
920 State Route 39 W.  
Perrysville, Ohio 44864

We have reviewed the *Report of Independent Accountants* of the Greenlawn Union Cemetery, Wayne County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2004 to December 31, 2005. 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's Office (AOS). Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the AOS 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 Auditor's Report* also includes an opinion on the financial statements using the regulatory format the AOS 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 Greenlawn Union Cemetery is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

May 8, 2006

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**GREENLAWN UNION CEMETERY**  
**ASHLAND COUNTY, OHIO**  
**Audit Report**  
**For the Years ended December 31, 2005 and 2004**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

To the Board of Trustees  
Greenlawn Union Cemetery  
Perrysville, Ohio

We have audited the accompanying financial statements of the Greenlawn Union Cemetery (Cemetery), Wayne County, Ohio as and for the years ended December 31, 2005 and 2004. 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 that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Cemetery has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Cemetery to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. While the Cemetery does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Cemetery has elected not to reformat its statements. Since the Cemetery does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2005 and 2004, 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, 2005 and 2004, or its changes in financial position for the year 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 Greenlawn Union Cemetery, as of December 31, 2005 and 2004, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Cemetery to include Management's Discussion and Analysis for the years ended December 31 2005 and 2004. The Cemetery has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2006, 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, 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 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.

***Charles E. Harris & Associates, Inc.***

April 18, 2006

**GREENLAWN UNION CEMETERY  
ASHLAND COUNTY, OHIO  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - GENERAL FUND  
For the Years Ended December 31, 2005 and 2004**

	<b>2005</b>	<b>2004</b>
<b>Cash Receipts:</b>		
Local Taxes	\$ 18,832	\$ 18,294
Intergovernmental	2,375	2,479
Opening and Closing Graves	21,150	19,305
Foundations	6,574	7,741
Deed Transfers	110	10
Interest	4,023	3,359
Miscellaneous	1,153	1,243
<b>Total Cash Receipts</b>	<b>54,217</b>	<b>52,431</b>
<b>Cash Disbursements:</b>		
Salaries and Benefits	12,356	15,484
Contracts	37,898	19,127
Supplies	150	741
Repairs	1,256	984
Utilities	2,341	1,703
Insurance	1,176	1,175
Improvement	645	7,503
Tools	4,835	66
Other	1,343	3,465
<b>Total Cash Disbursements</b>	<b>62,000</b>	<b>50,248</b>
<b>Cash Receipts Over/(Under) Cash Disbursements</b>	<b>(7,783)</b>	<b>2,183</b>
<b>Fund Balance, January 1</b>	<b>154,726</b>	<b>152,543</b>
<b>Fund Balance, December 31</b>	<b>\$ 146,943</b>	<b>\$ 154,726</b>

See accompanying Notes to the Financial Statements.



**GREENLAWN UNION CEMETERY  
ASHLAND COUNTY, OHIO**

**Notes To The Financial Statements  
For The Years Ended December 31, 2005 and 2004**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF THE ENTITY**

The Greenlawn Union Cemetery is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it under the constitution and laws of the State of Ohio. The Greenlawn Union Cemetery is a public cemetery as defined by Section 517.01 of the Ohio Revised Code. The Cemetery operates under an elected Board of Trustees (3 members) and is responsible for the provision of land for cemetery purposes of the residents of the Village of Perrysville and Green Township.

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 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.)

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

**C. CASH AND INVESTMENTS**

Investments procedures are restricted by the provisions of the Ohio Revised Code. Purchased investments are all certificates of deposits valued at cost and are neither charged when purchased nor credited at the time of redemption to their respective fund balance. Interest earned is recognized and recorded when received.

**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 type:

**General Fund**

The General Fund is the general operating fund of the Cemetery. It is used to account for all financial resources except those required to be accounted for in another fund.

**GREENLAWN UNION CEMETERY  
ASHLAND COUNTY, OHIO**

**Notes To The Financial Statements  
For The Years Ended December 31, 2005 and 2004**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

**E. BUDGETARY PROCESS**

Union cemeteries are not required to follow budgetary regulations under the Ohio Revised Code.

**F. 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.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>2005</u>	<u>2004</u>
Demand Deposits	\$9,796	\$17,835
Certificates of Deposit	136,699	136,699
Savings Account	448	192
Total	<u>\$146,943</u>	<u>\$154,726</u>

*Deposits:* Deposits are either (1) insured by the Federal Depository Insurance Corporation; (2) collateralized by the financial institution's public entity deposit pool.

**3. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board. The State Board of Tax Equalization adjust these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and reflected in accompanying financial statements as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Cemetery.

**GREENLAWN UNION CEMETERY  
ASHLAND COUNTY, OHIO**

**Notes To The Financial Statements  
For The Years Ended December 31, 2005 and 2004**

**4. RETIREMENT SYSTEMS**

Full-time employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost sharing, multiple-employer plans. This plan provide 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 2005, OPERS members contributed 8.5% of their wages. The Cemetery contributed an amount equal to 13.55% of participants' gross salaries in both years. The Cemetery has paid all contributions required through December 31, 2005 and 2004.

**5. RISK MANAGEMENT**

The Cemetery has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles and equipment
- Public Officials Liability
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**6. CONTINGENT LIABILITIES**

The Cemetery may be a defendant in various lawsuits. Although, the outcome of the lawsuits is not presently determinable, in the opinion of legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Cemetery.

*Charles E. Harris & Associates, Inc.*  
*Certified Public Accountants*

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**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Board of Trustees  
Greenlawn Union Cemetery  
Perrysville, OH

We have audited the financial statements of the Greenlawn Union Cemetery, Ashland County, Ohio (Cemetery) as of and for the years ended December 31, 2005 & 2004, and have issued our report thereon dated April 18, 2006, wherein we noted the Cemetery prepared its financial statements using accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Controls Over Financial Reporting**

In planning and performing our audit, we considered the Cemetery's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Cemetery in a separate letter dated April 18, 2006.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Cemetery's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated April 18, 2006.

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

***Charles E. Harris and Associates, Inc.***

April 18, 2006

**STATUS OF PRIOR YEARS' CITATIONS AND RECOMMENDATIONS**

The prior audit report, for the years ending December 31, 2003 and 2004, reported no material citations or recommendations.



**Auditor of State  
Betty Montgomery**

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**GREENLAWN UNION CEMETERY**

**ASHLAND COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 18, 2006**