



**ASHLEY UNION CEMETERY
DELAWARE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005



Mary Taylor, CPA
Auditor of State

**ASHLEY UNION CEMETERY
DELAWARE COUNTY**

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Mary Taylor, CPA
Auditor of State

Ashley Union Cemetery
Delaware County
8191 Ashley Road
Ashley, Ohio 43003

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Cemetery 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. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 19, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Ashley Union Cemetery
Delaware County
8191 Ashley Road
Ashley, Ohio 43003

To the Board of Trustees:

We have audited the accompanying financial statements of Ashley Union Cemetery, Delaware County, Ohio (the Cemetery) as of and for the years ended December 31, 2006 and 2005. 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 requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require 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.

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, 2006 and 2005 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, 2006 and December 31, 2005, 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 Ashley Union Cemetery, Delaware County, Ohio as of December 31, 2006 and December 31, 2005 and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 October 19, 2007, 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.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

October 19, 2007

**ASHLEY UNION CEMETERY
DELAWARE COUNTY**

**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, 2006**

	Governmental Fund Types		Fiduciary Funds	Totals (Memorandum Only)
	General	Capital Projects	Private Purpose Trust	
Cash Receipts:				
Intergovernmental	\$ 22,121	\$ -	\$ -	\$ 22,121
Charges for Services	8,908	-	-	8,908
Sale of Lots	-	2,300	-	2,300
Interest	481	1,617	167	2,265
Total Cash Receipts	31,510	3,917	167	35,594
Cash Disbursements:				
Current:				
Salaries	14,724	-	-	14,724
Supplies	1,572	-	-	1,572
Contracts - Services	4,835	-	-	4,835
Public Employees' Retirement	2,017	-	-	2,017
Insurance	1,802	-	-	1,802
Utilities	450	-	-	450
Miscellaneous	138	150	18	306
Total Disbursements	25,538	150	18	25,706
Total Receipts Over Disbursements	5,972	3,767	149	9,888
Fund Cash Balances, January 1	23,594	44,862	4,352	72,808
Fund Cash Balances, December 31	<u>\$ 29,566</u>	<u>\$ 48,629</u>	<u>\$ 4,501</u>	<u>\$ 82,696</u>

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

**ASHLEY UNION CEMETERY
DELAWARE COUNTY**

**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, 2005**

	<u>Governmental Fund Types</u>		<u>Fiduciary Funds</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Private Purpose Trust</u>	
Cash Receipts:				
Intergovernmental	\$ 22,123	\$ -	\$ -	\$ 22,123
Charges for Services	7,990	-	-	7,990
Sale of Lots	-	7,050	-	7,050
Interest	282	-	102	384
	<u>30,395</u>	<u>7,050</u>	<u>102</u>	<u>37,547</u>
Total Cash Receipts				
	<u>30,395</u>	<u>7,050</u>	<u>102</u>	<u>37,547</u>
Cash Disbursements:				
Current:				
Salaries	14,130	-	-	14,130
Supplies	1,100	-	-	1,100
Contracts - Services	5,716	-	-	5,716
Public Employees' Retirement	1,915	-	-	1,915
Insurance	1,600	-	-	1,600
Utilities	458	-	-	458
Miscellaneous	1,600	225	25	1,850
	<u>26,519</u>	<u>225</u>	<u>25</u>	<u>26,769</u>
Total Cash Disbursements				
	<u>26,519</u>	<u>225</u>	<u>25</u>	<u>26,769</u>
Total Receipts Over Disbursements	<u>3,876</u>	<u>6,825</u>	<u>77</u>	<u>10,778</u>
Fund Cash Balances, January 1	<u>19,718</u>	<u>38,037</u>	<u>4,275</u>	<u>62,030</u>
Fund Cash Balances, December 31	<u><u>\$ 23,594</u></u>	<u><u>\$ 44,862</u></u>	<u><u>\$ 4,352</u></u>	<u><u>\$ 72,808</u></u>

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

**ASHLEY UNION CEMETERY
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 and 2005**

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 Ashley Union Cemetery, Delaware County, Ohio (the Cemetery) as a body corporate and politic. The Cemetery is directed by an appointed three-member Board of Trustees. The Board is appointed by the legislative authorities of Oxford Township and the Village of Ashley. These entities also provide funding 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.

The Cemetery is considered a blended component unit of Oxford Township due to the Township appointing a majority of the Cemetery's Board and providing the Cemetery with financial support.

The Cemetery is considered a related organization of the Village of Ashley due to the Village appointing a member of the Cemetery's Board and providing the Cemetery with financial support.

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 basis of accounting. This basis 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 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:

**ASHLEY UNION CEMETERY
DELRWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 and 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

1. General Fund

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

2. Capital Projects Fund

This fund present receipts restricted to acquiring or constructing major capital projects (except those financed through trust funds). The Cemetery had the following significant Capital Projects Fund:

Sale of Lots Fund – This fund receives all sale of lot receipts. This fund is to be used to pay for Cemetery improvements and for purchase of additional Cemetery land.

3. Fiduciary Funds

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.

These funds account for resources restricted by legally binding trust agreements. The Cemetery had the following significant Private Purpose Trust Funds:

Rebov Memorial Fund - This fund receive interest from fund investments. Proceeds are used to maintain specific grave sites.

Wornstaff Memorial Fund - This fund receive interest from fund investments. Proceeds are used to specific maintain grave sites.

E. Property, Plant, and Equipment

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

2. EQUITY IN POOLED CASH

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

	<u>2006</u>	<u>2005</u>
Demand deposits	\$23,019	\$15,257
Certificates of deposit	59,677	57,551
Total deposits	<u>82,696</u>	<u>72,808</u>

Deposits are insured by the Federal Depository Insurance Corporation.

**ASHLEY UNION CEMETERY
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

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 2006 and 2005, OPERS members contributed 9 and 8.5%, respectively, of their gross salaries and the Cemetery contributed an amount equaling 13.7 and 13.55%, respectively, of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2006.

4. RISK MANAGEMENT

The Ashley Union Cemetery has obtained commercial insurance for the following risks:

- Comprehensive property damage;
- Employee dishonesty

5. MARY REBOV TESTAMENTARY TRUST

This Trust was established in 1970 to be used as a perpetual fund for the upkeep and maintenance of the Cemetery. This Trust stipulates that only the income from the Trust can be used. A Trustee appointed by the Delaware County Probate Court approves all expenditures from the Trust. The Trustees of the Cemetery have to make a request for release of funds. As of December 31, 2006, the Trust had \$73,217 in assets.

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Ashley Union Cemetery
Delaware County
8191 Ashley Road
Ashley, Ohio 43003

To the Board of Trustees:

We have audited the financial statements of the Ashley Union Cemetery, Delaware County, Ohio, (the Cemetery) as of and for the years ended December 31, 2006 and December 31, 2005, and have issued our report thereon dated October 19, 2007 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 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 expressing our opinion on the financial statements, but not to opine 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Cemetery's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Cemetery's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

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Ashley Union Cemetery
Delaware County
Independent Accountants' Report on Internal Control
Over Financial Reporting and on Compliance and
Other Matters Required by *Government Auditing
Standards*.

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2006-001.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Cemetery's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe the significant deficiency described above is not a material weakness

We also noted a certain internal control matter that we reported to the Cemetery's management in a separate letter dated October 19, 2007.

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 we must report under *Government Auditing Standards*.

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.



Mary Taylor, CPA
Auditor of State

October 19, 2007

**ASHLEY UNION CEMETERY
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005**

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

FINDING NUMBER 2006-001

Financial Reporting – Significant Deficiency

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

The following audit adjustments were made to the financial statements and client records:

1. Adjustment to eliminate the investments that were improperly posted in 2005 and 2006 in the General Fund and Capital Projects Funds by \$10,000 and \$42,000 respectively for each year.
2. Adjustment to the 2006 Capital Projects Fund receipts and expenditures by \$1,500 to eliminate the activity of the investment.
3. Adjustment to eliminate the investment activity in the 2006 financial report due to the fact that the CD's were moved out of the fund into another line item of the same fund, leading to double posting of the receipts and expenditures. The adjustments eliminated \$5,551 in the receipts and \$5,070 of expenditures in the Private Purpose Trust Funds. The receipts and expenditures do not equal due to the fact that the Cemetery did not post an equal journal entry on their financial reports.
4. Adjustment to the 2006 Private Purpose Trust Funds beginning balance to match the ending audited balance for 2005 by \$482.

The lack of controls over the posting of financial transactions and financial reporting can result in errors and irregularities occurring and going undetected by management and decreases the reliability of financial data throughout the year.

We recommend the Board of Trustees adopt policies and procedures for controls over recording of financial transactions and over financial reporting to help ensure the information accurately reflects the activity of the Cemetery and thereby increasing the reliability of the financial data throughout the year.

Officials' Response: We did not receive a response from Officials to this findings.



Mary Taylor, CPA
Auditor of State

ASHLEY UNION CEMETERY

DELAWARE 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
NOVEMBER 27, 2007**