



Mary Taylor, CPA
Auditor of State

**GREENWOOD UNION CEMETERY
LOGAN COUNTY**

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Mary Taylor, CPA
Auditor of State

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

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 a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While 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. Our Report includes an 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 22, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of Greenwood Union Cemetery, Logan County, (the Cemetery), as of and for the years ended December 31, 2007 and 2006. 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.

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 government's 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, 2007 and 2006 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, 2007 and 2006, 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 Greenwood Union Cemetery, Logan County, as of December 31, 2007 and 2006, and its combined 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 22, 2008, 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

October 22, 2008

**GREENWOOD UNION CEMETERY
LOGAN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>All Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Private Purpose Trust Funds</u>	
Cash Receipts:			
Sale of Plots	\$4,185		\$4,185
Burials	13,750		13,750
Intergovernmental	17,658		17,658
Foundations	4,870		4,870
Interest	460	\$17	477
Miscellaneous	527		527
Total Cash Receipts	<u>41,450</u>	<u>17</u>	<u>41,467</u>
Cash Disbursements:			
Current:			
Salaries/Benefits Expense	27,296		27,296
Foundation Expense	2,012		2,012
Supplies	3,698		3,698
Contracts - Repair	785		785
Contracts - Services	1,989		1,989
Operating Expense	596		596
Utilitites	433		433
Insurance	2,235		2,235
Real Estate Taxes	128		128
Public Monies Illegally Expended	12,749		12,749
Capital Outlay	575		575
Total Disbursements	<u>52,496</u>		<u>52,496</u>
Total Receipts Over/(Under) Disbursements	<u>(11,046)</u>	<u>17</u>	<u>(11,029)</u>
Fund Cash Balances, January 1	<u>31,115</u>	<u>1,753</u>	<u>32,868</u>
Fund Cash Balances, December 31	<u>\$20,069</u>	<u>\$1,770</u>	<u>\$21,839</u>

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

**GREENWOOD UNION CEMETERY
LOGAN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>All Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Private Purpose Trust Funds</u>	
Cash Receipts:			
Sale of Plots	\$7,860		\$7,860
Burials	15,900		15,900
Intergovernmental	22,889		22,889
Foundations	4,162		4,162
Interest	408	\$17	425
Miscellaneous	12		12
Total Cash Receipts	<u>51,231</u>	<u>17</u>	<u>51,248</u>
Cash Disbursements:			
Current:			
Salaries/Benefits Expense	24,319		24,319
Foundation Expense	1,910		1,910
Supplies	2,847		2,847
Contracts - Repair	989		989
Contracts - Services	9,117		9,117
Operating Expense	203		203
Utilitites	315		315
Insurance	2,205		2,205
Real Estate Taxes	132		132
Capital Outlay	3,798		3,798
Total Disbursements	<u>45,835</u>		<u>45,835</u>
Total Receipts Over Disbursements	<u>5,396</u>	<u>17</u>	<u>5,413</u>
Fund Cash Balances, January 1	<u>25,719</u>	<u>1,736</u>	<u>27,455</u>
Fund Cash Balances, December 31	<u><u>\$31,115</u></u>	<u><u>\$1,753</u></u>	<u><u>\$32,868</u></u>

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

**GREENWOOD UNION CEMETERY
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

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 Greenwood Union Cemetery, Logan County (the Cemetery), as a body corporate and politic. The Cemetery is directed by a three-member Board of Trustees appointed by the Village of DeGraff and Pleasant Township in Logan County. These entities also provide funding, through voted tax levies, to meet the Cemetery's operating costs under the agreement which established the Cemetery. The accompanying financial statements present this funding as Intergovernmental Receipts. The Cemetery provides grounds maintenance, opening and closing of graves, and the sale of grave lots.

The Cemetery's management believes these financial statements present all activities for which the Cemetery is financially accountable.

B. Basis of Accounting

These financial statements follow the 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 and savings accounts 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 is the general operating fund. It presents all financial resources except those required to be accounted for in another fund.

2. Private-Purpose Trust Funds

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

Hosteller Memorial Fund and Loffer Memorial Fund – The interest earned on these funds is used to maintain grave sites.

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.

**GREENWOOD UNION CEMETERY
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

2. EQUITY IN POOLED CASH

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

	<u>2007</u>	<u>2006</u>
Demand deposits	\$15,054	\$26,333
Certificates of deposit	6,785	6,535
Total deposits	<u>\$21,839</u>	<u>\$32,868</u>

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

3. RETIREMENT SYSTEMS

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

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5% and 9%, respectively, of their gross salaries and the Cemetery contributed an amount equaling 13.85% and 13.7%, respectively, of participants' gross salaries. The Cemetery has not paid all contributions required through December 31, 2007.

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.



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*

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

To the Board of Trustees:

We have audited the financial statements of Greenwood Union Cemetery, Logan County, (the Cemetery), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated October 22, 2008, 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.

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2007-001.

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.

**Internal Control Over Financial Reporting
(Continued)**

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. However, we believe the significant deficiency reported above as finding number 2007-001 is also 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 22, 2008.

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 instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-002 through 2007-004.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Cemetery's management in a separate letter dated October 22, 2008.

We intend this report solely for the information and use of management and the Board of Trustees. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

October 22, 2008

**GREENWOOD UNION CEMETERY
LOGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

Material Weakness

Financial Reporting

To reduce the risk of errors and/or irregularities occurring in the preparation of the accounting records and financial statements, a cemetery should have procedures in place to help assure that supporting documentation is maintained for all receipts and expenditures, that all financial activity and fund balances are recorded in the accounting records and financial statements, and that revenues and expenditures are reported in a manner that is consistent between reporting periods. The following deficiencies were identified in the Cemetery's accounting records and financial statements:

- The receipt and appropriation ledgers included recording errors totaling \$50,896 in 2007 and \$54,455 in 2006. These errors consisted of receipts that were recorded twice, receipts that were not recorded, receipts that were not correctly classified; voided checks that were recorded in the appropriation ledger; expenditures that were not properly classified; and expenditures that were not recorded;
- The financial statements did not present beginning and ending Private Purpose Trust Fund balances in the amount of \$1,736 and \$1,753, respectively in 2006, and beginning and ending fund balances in the amount of \$1,753 and \$1,770, respectively in 2007.

The failure to maintain accounting records and to prepare financial statements that present the actual receipts and expenditures and include all fund balances not only inhibits the user's ability to fully understand the results of operations but may also result in material financial statement reporting errors. The accounting records and accompanying financial statements have been adjusted to correct these financial reporting errors.

Periodically the Clerk and Board should perform a review of the accounting records and the financial statements to help identify reporting errors. To help reduce and detect financial reporting errors, the Board should be presented with a monthly bank to book reconciliation, monthly revenue and expenditure reports for each fund that presents activity by line item, and a beginning and ending fund balance report for each fund. The Board should review the bank reconciliations to help assure that all balances under the control of the Cemetery are presented and that the reconciled balance agrees to the balances reported in the fund balance reports. The Board should review the revenue and expenditure reports to help identify reporting errors. In addition, the Board should review the annual financial statements to help assure that they correctly report the activity and balances of the Cemetery. The Clerk should utilize accounting resources such as those provided on the Auditor of State website to help with the recording of receipts and expenditures and the preparation of annual financial statements.

FINDING NUMBER 2007-002

Finding for Recovery / Repaid Under Audit

Kerri Jo Kean, Clerk, issued 18 checks made payable to herself during 2008 and 2007 in the amount of \$28,250. There was no evidence, such as a voucher, that indicated that the Board had approved these payments. On September 11, 2008, Kerri Jo Kean entered a guilty plea of Theft in Office in violation of ORC §2921.41 in Logan County Common Pleas Court.

**FINDING NUMBER 2007-002
(Continued)**

In addition, **Greenwood Union Cemetery minutes dated May 14, 2007**, approved Kerri Jo Kean's, monthly compensation at \$250. The Clerk was paid her monthly salary twice in the month of September 2007 and there was no documentation that she was entitled to extra wages for that month. As a result, Kerri Jo Kean received a total salary overpayment in the amount of \$217, which is net of the related employee withholdings.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Kerri Jo Kean, former Clerk, in the total amount of \$28,467 and in favor of the Greenwood Union Cemetery's General Fund.

On July 25, 2008, the Cemetery deposited a check in the amount of \$10,000 from CNA Surety (which was refunded from the collections below), the former Clerk's bonding company; on August 19, 2008, the Cemetery deposited two cashier's checks in the total amount of \$15,000 from Gabriel Kean; and on September 26, 2008, the Cemetery deposited four cashier's checks in the total amount of \$14,852 paid to the Logan County Court of Common Pleas by Kerri Jo Kean. Of the amount paid by the Court of Common Pleas, \$1,385 is for additional audit costs associated with the findings for recovery.

FINDING NUMBER 2007-003

Findings For Recovery / Repaid Under Audit

Ohio Rev. Code Section 117.28 authorizes the Auditor of State to report a *finding for recovery* in audit reports when legal action may be appropriate to recover public money or property. **Ohio Rev. Code Section 117.01 (C)** defines *public money* as "any money received, collected by, or due a public official under color of office, as well as any money collected by any individual on behalf of a public office or as a purported representative or agent of a public office." Under **Ohio Rev. Code Sections 9.24(H)(3) and 117.28**, a finding for recovery may exist for public money collected but unaccounted for.

The Village of DeGraff (the Village) supports the Cemetery through a voted tax levy. This levy money, along with the related homestead and rollback revenue, is received by the Village and then distributed to the Cemetery. During 2007 and 2006, the Village failed to distribute \$1,389 and \$1,172, respectively, of tax levy and homestead and rollback receipts to the Cemetery.

Pleasant Township (the Township) supports the Cemetery through a voted tax levy. This levy money, along with the related homestead and rollback revenue, is received by the Township and then distributed to the Cemetery. During 2007 and 2006, the Cemetery failed to distribute \$794 and \$87, respectively, of tax levy and homestead and rollback receipts to the Township.

In accordance with the foregoing facts, and pursuant to **Ohio Rev. Code Section 117.28**, a Finding for Recovery for public money collected but unaccounted for, is hereby rendered against the Village of DeGraff, in the \$2,561, and in favor of the Cemetery's General Fund.

On August 14, 2008, the Village issued check number 28504, in the amount of \$2,561, to the Cemetery which was deposited by the Cemetery on August 28, 2008.

In accordance with the foregoing facts, and pursuant to **Ohio Rev. Code Section 117.28**, a Finding for Recovery for public money collected but unaccounted for, is hereby rendered against the Pleasant Township, in the amount of \$881, and in favor of the Cemetery's General Fund.

On September 16, 2008, the Township issued check number 1472, in the amount of \$881, to the Cemetery which was deposited by the Cemetery on September 26, 2008.

FINDING NUMBER 2007-004

Noncompliance Citation

Ohio Rev. Code Section 117.38 requires that cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. These reports must be filed on forms prescribed by the Auditor of State. However, if the Auditor of State has not proscribed a form for the report, the public office shall submit its report on the form utilized by the public office. Any public office which does not file the report by the required date shall pay a penalty of twenty-five dollars each day the report remains unfilled, not to exceed seven hundred and fifty dollars. Also, the public office must publish notice in a local newspaper stating the financial report is available for inspection at the office of the Cemetery Clerk.

The Cemetery did not file their 2007 or 2006 report with the Auditor of State. In addition notice of availability was not published for 2007 or 2006. The Cemetery's Board should monitor the completion of the annual financial reports to help assure timely filing and publication and to prevent possible penalties.

OFFICIALS' RESPONSE:

Officials did not respond to the findings reported above.

**GREENWOOD UNION CEMETERY
LOGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2005-001	Finding for Recovery – Repaid under Audit – the Village of DeGraff failed to distribute all property tax and homestead and rollback receipts to the Cemetery	Corrected for the prior period.	Repeated as Finding 2007-003 for the current audit period.
2005-002	Review of Budget versus Actual Reports	N/A	No longer applicable since the Cemetery does not adopt a budget.



Mary Taylor, CPA
Auditor of State

GREENWOOD UNION CEMETERY

LOGAN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 2, 2008**