

**UNION CEMETERY
TUSCARAWAS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2006 - 2005



Mary Taylor, CPA

Auditor of State

Board of Trustees
Union Cemetery
227 West 7th Street
Uhrichville, Ohio 44683

We have reviewed the *Independent Accountants' Report* of Union Cemetery, Tuscarawas County, prepared by Knox & Knox, CPAs, for the audit period January 1, 2005 through December 31, 2006. 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. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State 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 Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State 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. Union Cemetery is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 28, 2007

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UNION CEMETERY
TUSCARAWAS COUNTY

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KNOX & KNOX

Accountants and Consultants

Independent Accountants' Report

Union Cemetery
Tuscarawas County
227 West 7th Street
Urichsville, OH 44683

To the Board of Trustees

We have audited the accompanying financial statements of the Union Cemetery, Tuscarawas 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, if any, 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 its 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 accounting principles generally accepted in the United States of America, 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, 2006 and 2005. In addition to the accompanying financial statements present for 2006 and 2005, the revisions require presenting entity wide statements. While the Cemetery does not follow GAAP, generally accepted auditing standards require 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 governments 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 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 the Union Cemetery, Tuscarawas County, as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

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 June 18, 2007, on our consideration of the Cemetery's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Knox & Knox

Orrville, Ohio
June 18, 2007

UNION CEMETERY
TUSCARAWAS COUNTY

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

	General	Permanent	Totals (Memorandum Only)
CASH RECEIPTS:			
Local Taxes	\$122,847		\$122,847
Intergovernmental	13,500		13,500
Charges for Services	14,825		14,825
Sale of Lots	7,947		7,947
Interest	2,020	\$703	2,723
Miscellaneous	3,946		3,946
General Fund Budget Reserve	883		883
Bequest		1,000	1,000
	<u>165,968</u>	<u>1,703</u>	<u>167,671</u>
CASH DISBURSEMENTS:			
Current:			
Salaries	89,702		89,702
Supplies	493		493
Equipment	1,289		1,289
Contracts - Repair	6,482		6,482
Public Employees Retirement	12,066		12,066
Workers' Compensation	7,176		7,176
Medical Insurance	22,103		22,103
Utilities	7,704		7,704
County Auditor's Fees	2,516		2,516
Miscellaneous	11,352		11,352
	<u>160,883</u>	<u></u>	<u>160,883</u>
Total Cash Disbursement	<u>160,883</u>	<u></u>	<u>160,883</u>
Total Cash Receipts Over/(Under) Cash Disbursements	5,085	1,703	6,788
Fund Cash Balances, January 1	<u>112,961</u>	<u>34,146</u>	<u>147,107</u>
FUND CASH BALANCES, DECEMBER 31	<u><u>\$118,046</u></u>	<u><u>\$35,849</u></u>	<u><u>\$153,895</u></u>

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

UNION CEMETERY
TUSCARAWAS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	General	Permanent	Totals (Memorandum Only)
CASH RECEIPTS:			
Local Taxes	\$126,660		\$126,660
Intergovernmental	9,957		9,957
Charges for Services	16,224		16,224
Sale of Lots	1,485		1,485
Interest	1,237	\$576	1,813
Miscellaneous	2,103		2,103
Total Cash Receipts	157,666	576	158,242
CASH DISBURSEMENTS:			
Current:			
Salaries	85,307		85,307
Supplies	410		410
Equipment	7,979		7,979
Contracts - Repair	5,746		5,746
Public Employees Retirement	11,179		11,179
Workers' Compensation	6,942		6,942
Medical Insurance	27,252		27,252
Utilities	7,649		7,649
County Auditor's Fees	8,084		8,084
Miscellaneous	14,443		14,443
Total Cash Disbursement	174,991		174,991
Total Cash Receipts Over/(Under) Cash Disbursements	(17,325)	576	(16,749)
Fund Cash Balances, January 1	130,286	33,570	163,856
FUND CASH BALANCES, DECEMBER 31	\$112,961	\$34,146	\$147,107

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

UNION CEMETERY
TUSCARAWAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006 and 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

Union Cemetery, Tuscarawas County, (the Cemetery) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Cemetery is directed by an appointed three-member Board of Trustees. The Board is appointed by the City of Urichsville, the Village of Dennison and Mill Township. 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 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 or permitted by the Auditor of State.

C. CASH

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

2. Permanent Fund

These funds are used to account for resources restricted by legally binding bequest. The Cemetery had the following Permanent Fund:

Underwood Bequeath Fund - This fund receives bequeath receipts for the maintenance of the Cemetery and the Lanning-Underwood burial plot and the construction of the Cemetery entranceway.

UNION CEMETERY
TUSCARAWAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006 and 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. BUDGETARY PROCESS

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Cemetery reserves (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are cancelled, and reappropriated in the subsequent year.

A summary of 2006 and 2005 budgetary activity appears in Note 3.

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.

G. UNPAID SICK LEAVE

Employees are entitled to cash payment for unused sick leave in certain circumstances, such as upon leaving employment. Unpaid sick leave is not reflected as a liability under the basis of accounting used by the Cemetery.

2. EQUITY IN POOLED CASH

The Cemetery maintains cash in segregated accounts for each fund. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash and investments at December 31 was as follows:

	<u>2006</u>	<u>2005</u>
Demand deposits	\$86,495	\$79,707
Certificates of deposit	<u>67,400</u>	<u>67,400</u>
Total deposits	<u>\$153,895</u>	<u>\$147,107</u>

UNION CEMETERY
TUSCARAWAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006 and 2005

2. EQUITY IN POOLED CASH (continued)

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Cemetery.

Restricted Cash: Pursuant to Ohio Rev. Code Section 5705.13(A), the cash balance in the General Fund Budget Reserve Account is restricted. A summary of the activity in the General Fund Budget Reserve Account during 2006 and 2005 follows:

	2006	2005
Beginning balance	\$2,559	\$2,559
Receipts	883	
Ending balance	<u>\$3,442</u>	<u>\$2,559</u>

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2006 and 2005 follows:

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$161,700	\$165,968	\$4,268

2006 Budgeted vs Actual Budgetary Basis Expenditures			
Fund Type	Appropriations	Budgetary Expenditures	Variance
General	\$223,540	\$160,883	\$62,657

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$161,700	\$157,666	(\$4,034)

2005 Budgeted vs Actual Budgetary Basis Expenditures			
Fund Type	Appropriations	Budgetary Expenditures	Variance
General	\$223,540	\$174,991	\$48,549

UNION CEMETERY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006 and 2005

6. RETIREMENT SYSTEMS

The Cemetery's employees belong to the Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including post-retirement 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 2006 and 2005, members contributed 9.0% and 8.5% of their gross salaries, respectively. The Cemetery contributed an amount equal to 13.7% (2006) and 13.55% (2005) of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2006.

7. RISK MANAGEMENT

Commercial Insurance:

The Cemetery has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions

The Cemetery also provides health insurance for full time employees through a private carrier.

KNOX & KNOX

Accountants and Consultants

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Union Cemetery
Tuscarawas County
227 West 7th Street
Urichsville, OH 44683

To the Board of Trustees:

We have audited the accompanying financial statements of the Union Cemetery Tuscarawas County, Ohio as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated June 18, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Cemetery's internal control over financial reporting as basis for designing our audit procedures in order to express our opinions 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.

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.

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 internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we did note matters that we communicated to the Cemetery in a separate letter dated June 18, 2007.

Union Cemetery
Tuscarawas County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
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COMPLIANCE AND OTHER MATTERS

As part of reasonably assuring whether the Cemetery's basic 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 audit committee, management, and Board of Trustees. We intend it for no one other than these specified parties.

Knox & Knox

Orrville, Ohio
June 18, 2007



Mary Taylor, CPA
Auditor of State

UNION CEMETERY

TUSCARAWAS 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 15, 2008**