

ANDOVER UNION CEMETERY

ASHTABULA COUNTY

REGULAR AUDIT

**For The Years Ended
December 31, 2007 and 2006**



Mary Taylor, CPA

Auditor of State

Board of Trustees
Andover Union Cemetery
P.O. Box 1267
Andover, Ohio 44003

We have reviewed the *Independent Accountants' Report* of Andover Union Cemetery, Ashtabula County, prepared by S. R. Snodgrass, A.C., for the audit period January 1, 2006 through December 31, 2007. 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. Andover Union Cemetery is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 12, 2009

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Andover Union Cemetery
Ashtabula County

FINANCIAL STATEMENTS AND AUDIT REPORTS
For the Years Ended December 31, 2007 and 2006

Table of Contents

	<u>Page</u>
Independent Accountants Report	2 & 3
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, 2007	4
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	5
Notes to Financial Statements	6 - 10
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11 & 12



INDEPENDENT ACCOUNTANTS' REPORT

Andover Union Cemetery
Ashtabula County
134 Maple Street
PO Box 591
Andover, Ohio 44003

To the Board of Trustees:

We have audited the accompanying financial statements of Andover Union Cemetery, Ashtabula 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 by 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 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 the 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 reasonable 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, 2007 and 2006. Instead of the combined funds the accompanying financial statements present for 2007 and 2006, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2007 and 2006. 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 this Cemetery does not use GAAP

Members of Council
Andover Union Cemetery
Ashtabula County
Page 2

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 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 the Andover Union Cemetery, Ashtabula 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 aforementioned revision to generally accepted accounting principles also requires the Cemetery to include Management's Discussion and Analysis for the years ended December 31, 2007 and 2006. 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 3, 2009, 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.

S. R. Snodgrass, A.C.

Ashtabula, Ohio
June 3, 2009

Andover Union Cemetery
Ashtabula County

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL AND FIDUCIARY FUND TYPES
For The Year Ended December 31, 2007

	Governmental Fund Type	Fiduciary Fund Type	Totals
	General	Private Purpose Trust	
CASH RECEIPTS:			
Local taxes	\$ 22,160	\$ -	\$ 22,160
Charges for services	8,576	-	8,576
Sale of lots	3,000	-	3,000
Interest income	84	70	154
Miscellaneous income	70	-	70
Total cash receipts	33,890	70	33,960
CASH DISBURSEMENTS:			
Salaries and other related payroll items	12,475	-	12,475
Supplies and materials	240	40	280
Improvements of site	1,692	-	1,692
Contracts - repair	185	-	185
Contracts - services	12,396	-	12,396
Public employees' retirement	2,387	-	2,387
Other expenses	2,697	-	2,697
Total disbursements	32,072	40	32,112
Total receipts over/(under) disbursements	1,818	30	1,848
FUND CASH BALANCES, JANUARY 1	12,492	1,491	13,983
FUND CASH BALANCES, DECEMBER 31	\$ 14,310	\$ 1,521	\$ 15,831

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

Andover Union Cemetery
Ashtabula County

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL AND FIDUCIARY FUND TYPES
For The Year Ended December 31, 2006

	Governmental Fund Type	Fiduciary Fund Type	Totals
	General	Private Purpose Trust	
CASH RECEIPTS:			
Local taxes	\$ 19,990	\$ -	\$ 19,990
Charges for services	5,883	-	5,883
Sale of lots	300	-	300
Interest income	83	40	123
Miscellaneous income	22	-	22
Total cash receipts	26,278	40	26,318
CASH DISBURSEMENTS:			
Salaries and other related payroll items	17,094	-	17,094
Supplies and materials	685	25	710
Improvements of site	3,605	-	3,605
Contracts - repair	622	-	622
Contracts - services	1,546	-	1,546
Public employees' retirement	1,497	-	1,497
Other expenses	3,498	-	3,498
Total disbursements	28,547	25	28,572
Total receipts over/(under) disbursements	(2,269)	15	(2,254)
FUND CASH BALANCES, JANUARY 1	14,761	1,476	16,237
FUND CASH BALANCES, DECEMBER 31	\$ 12,492	\$ 1,491	\$ 13,983

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

Andover Union Cemetery
Ashtabula County
NOTES TO FINANCIAL STATEMENTS

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 Andover Union Cemetery, Ashtabula County, (the Cemetery) as a body corporate and politic. The Cemetery is directed by an appointed three-member board of trustees to direct cemetery operations. The Board is appointed by the Village of Jefferson and Jefferson Township. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. 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 of 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. 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 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.

Certificates of Deposit are valued at cost.

Andover Union Cemetery
Ashtabula County
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Fiduciary Funds (Trust Fund)

These funds accounts for resources restricted by legally binding trust agreements. If the agreement requires the Cemetery to maintain the corpus of the trust, the fund is classified as a private purpose trust fund. The Cemetery had the following significant Fiduciary Fund:

Frank Green Trust Fund – The fund is a private purpose trust and receives interest from fund investments. Proceeds are used to maintain four grave sites.

E. Budgetary Process

The Cemetery's Board budgets each fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control. The Board annually approves an appropriation measure and subsequent amendments. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

Andover Union Cemetery
Ashtabula County
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. 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 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 are as follows:

	2007	2006
Demand deposits	\$ 14,331	\$ 12,483
Certificates of deposit	1,500	1,500
Total deposits	\$ 15,831	\$ 13,983

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2007 and 2006 are as follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 27,383	\$ 33,890	\$ 6,507
Fiduciary (Trust Funds)	40	70	30
Total deposits	\$ 27,423	\$ 33,960	\$ 6,537

Andover Union Cemetery
Ashtabula County
NOTES TO FINANCIAL STATEMENTS (Continued)

4. BUDGETARY ACTIVITY (Continued)

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 41,365	\$ 32,072	\$ 9,293
Fiduciary (Trust Funds)	40	40	-
Total deposits	<u>\$ 41,405</u>	<u>\$ 32,112</u>	<u>\$ 9,293</u>

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 31,340	\$ 26,278	\$ (5,062)
Fiduciary (Trust Funds)	22	40	18
Total deposits	<u>\$ 31,362</u>	<u>\$ 26,318</u>	<u>\$ 5,044</u>

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 47,574	\$ 28,547	\$ 19,027
Fiduciary (Trust Funds)	25	25	-
Total deposits	<u>\$ 47,599</u>	<u>\$ 28,572</u>	<u>\$ 19,027</u>

5. 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 post-retirement 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 employee members contributed 9.5 and 9.0 percent, respectively, of their gross salaries. The Cemetery contributes an amount equal to 13.85 and 13.70 percent, respectively, of participant's gross salaries. The Cemetery has paid all contributions required through December 31, 2007.

Andover Union Cemetery
Ashtabula County
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RISK MANAGEMENT

Commercial Insurance

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

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



**Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by Government Auditing Standards**

Andover Union Cemetery
Ashtabula County
134 Maple Street
P.O. Box 591
Andover, Ohio 44003

To the Board of Trustees:

We have audited the financial statements of the Andover Union Cemetery, Ashtabula County (the Cemetery) as of and for the years ended December 31, 2007, and 2006, and have issued our report thereon dated June 3, 2009. 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 a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cemetery's internal control over financial reporting. Accordingly, we do not express an opinion 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 the normal course of 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 accounting practices the Auditor of State prescribes such that there is more than a remote likelihood that a misstatement of the Cemetery's financial statements that is more than inconsequential will not be prevented or detected by the Cemetery's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Cemetery's internal control.

Andover Union Cemetery
Ashtabula County
Page 2
June 3, 2009

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 or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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, and grant agreements, 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*.

We noted certain other matters that we reported to management of the Andover Union Cemetery in a separate letter dated June 3, 2009.

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



Ashtabula, Ohio
June 3, 2009



Mary Taylor, CPA
Auditor of State

ANDOVER UNION CEMETERY

ASHTABULA 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
JUNE 30, 2009**