



Mary Taylor, CPA
Auditor of State

**WOODLAND UNION CEMETERY
LAWRENCE COUNTY**

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Mary Taylor, CPA Auditor of State

Woodland Union Cemetery
Lawrence County
824 Lorain Street
Ironton, Ohio 45638

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 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.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 18, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Woodland Union Cemetery
Lawrence County
824 Lorain Street
Ironton, Ohio 45638

To the Board of Trustees:

We have audited the accompanying financial statements of the Woodland Union Cemetery, Lawrence County, Ohio (the Cemetery), as of and for the years ended December 31, 2009 and 2008. 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, 2009 and 2008 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, 2009 and 2008, 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 Woodland Union Cemetery, Lawrence County, Ohio, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

During 2008, the Cemetery reclassified its fiduciary funds to the special revenue fund type, because these funds did not result from wills, bequests or trust agreements, etc., and because the Board has sole discretion in determining how to disburse this cash.

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, 2010, 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.



Mary Taylor, CPA
Auditor of State

June 18, 2010

**WOODLAND UNION CEMETERY
LAWRENCE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Sale of Lots	\$52,800		\$52,800
Perpetual Care	13,200		13,200
Charges for Services	116,300		116,300
Foundations	16,332		16,332
Interest	31,668	\$3,490	35,158
Miscellaneous	5,255		5,255
	<u>235,555</u>	<u>3,490</u>	<u>239,045</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Public Health and Welfare	<u>270,683</u>		<u>270,683</u>
	<u>270,683</u>	<u>0</u>	<u>270,683</u>
Total Cash Disbursements			
	<u>(35,128)</u>	<u>3,490</u>	<u>(31,638)</u>
Total Cash Receipts Over/(Under) Cash Disbursements			
Other Financing Receipts/(Disbursements):			
Transfers-In		13,020	13,020
Transfers-Out	<u>(13,020)</u>		<u>(13,020)</u>
	<u>(13,020)</u>	<u>13,020</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(48,148)	16,510	(31,638)
Fund Cash Balances, January 1	<u>347,214</u>	<u>839,061</u>	<u>1,186,275</u>
Fund Cash Balances, December 31	<u>\$299,066</u>	<u>\$855,571</u>	<u>\$1,154,637</u>

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

**WOODLAND UNION CEMETERY
LAWRENCE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Sale of Lots	\$58,960		\$58,960
Perpetual Care	14,790		14,790
Charges for Services	104,700		104,700
Foundations	16,692		16,692
Interest	40,856	\$47	40,903
Miscellaneous	5,298		5,298
Total Cash Receipts	241,296	47	241,343
Cash Disbursements:			
Current:			
Public Health and Welfare	318,264		318,264
Total Cash Disbursements	318,264	0	318,264
Total Cash Receipts Over/(Under) Cash Disbursements	(76,968)	47	(76,921)
Other Financing Receipts/(Disbursements):			
Transfers-In		14,970	14,970
Transfers-Out	(14,970)		(14,970)
Total Other Financing Receipts/(Disbursements)	(14,970)	14,970	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(91,938)	15,017	(76,921)
Fund Cash Balances, January 1	439,152	824,044	1,263,196
Fund Cash Balances, December 31	\$347,214	\$839,061	\$1,186,275

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

**WOODLAND UNION CEMETERY
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

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 of Woodland Union Cemetery, Lawrence County (the Cemetery), as a body corporate and politic. The City of Ironton and Upper Township appoint a three-member Board of Trustees to direct cemetery operations. 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 accounting basis. The Cemetery 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

Cash and 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 presents all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds present proceeds from specific sources (other than from trusts or for capital projects) restricted to expenditure for specific purposes. The Cemetery had the following significant Special Revenue Funds:

Perpetual Care Fund – This fund receives a portion of the receipts from all grave sales. The fund's resources finance Cemetery maintenance costs after all grave lots have been sold.

Private Account Fund – This fund receives interest from principal that is invested in certificates of deposit.

**WOODLAND UNION CEMETERY
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

E. Property, Plant, and Equipment

The Cemetery records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

F. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. The financial statements do not report unpaid vacation and sick leave as liabilities.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2009</u>	<u>2008</u>
Demand deposits	\$65,338	\$65,765
Certificates of deposit	1,089,299	1,120,510
Total deposits	<u>\$1,154,637</u>	<u>\$1,186,275</u>

Deposits are insured by the Federal Deposit Insurance Corporation, collateralized by securities specifically pledged by the financial institution to the Cemetery, or collateralized by the financial institution's public entity deposit pool.

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 the plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10 % of their gross salaries and the Cemetery contributed an amount equaling to 14% of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2009.

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.

**WOODLAND UNION CEMETERY
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

5. RELATED PARTY TRANSACTIONS

A Cemetery Trustee is the owner of two local monument companies that pay monies into the Cemetery for foundation fees. In 2009 and 2008, the two companies paid in a total of \$5,753 and \$9,684 respectively. The Cemetery set new fees in 2008 and the Cemetery Trustee did not abstain from voting on the new fees which his company would be required to pay.

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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*

Woodland Union Cemetery
Lawrence County
824 Lorain Street
Ironton, Ohio 45638

To the Board of Trustees:

We have audited the financial statements of Woodland Union Cemetery, Lawrence County, Ohio (the Cemetery), as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated June 18, 2010 wherein we noted the Cemetery prepared its financial statements using accounting practices the Auditor of State prescribes or permits 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency or combination of deficiencies, in internal control such that there is a reasonable possibility that material financial statement misstatements will not be prevented, or detected and timely corrected.

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 deficiencies in internal control that might be deficiencies, 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 identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings that we consider a significant deficiency in internal control over financial reporting. We consider finding 2009-001 to be a significant deficiency. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 did note certain matters not requiring inclusion in this report that we reported to the Cemetery's management in a separate letter dated June 18, 2010.

We intend this report solely for the information and use of management, the Board of Trustees, and others within the Cemetery. We intend it for no one other than these specified parties.

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

June 18, 2010

**WOODLAND UNION CEMETERY
LAWRENCE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

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

FINDING NUMBER 2009-001

Significant Deficiency

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

As a result of the audit procedures performed, the financial statements had the following errors that required audit adjustment or reclassification:

- In 2008, interest revenues of \$12,729 and \$47 had to be posted to the General and Perpetual Care Fund, respectively, in order to allow for proper reconciling of the fund balances.
- In 2009, interest revenues of \$11,237 and \$3,490 had to be posted to the General and Perpetual Care Fund, respectively, in order to allow for proper reconciling of the fund balances.
- In 2008, expenditures in the General Fund had to be increased by \$4,618 to ensure the amounts reported on the financial statements agreed to the disbursement ledger and to ensure for proper reconciling of the fund balances.

The Clerk did not post interest revenue that was rolled over into another certificate of deposit. This caused the understatement of revenues noted above. She also did not ensure that her annual report agreed to her accounting records and this resulted in the expenditure error noted above.

To ensure the Cemetery's financial statements are complete and accurate, the Cemetery should adopt policies and procedures, including a final review of the statements and notes by the Clerk and Board of Trustees to identify and correct errors or omissions.

Officials' Response: The officials did not respond to this finding.



Mary Taylor, CPA
Auditor of State

WOODLAND UNION CEMETERY

LAWRENCE 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
JULY 6, 2010