



**NORTH FORK JOINT TOWNSHIP CEMETERY
MORROW COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009



Dave Yost • Auditor of State

**NORTH FORK JOINT TOWNSHIP CEMETERY
MORROW COUNTY**

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Dave Yost • Auditor of State

North Fork Joint Township Cemetery
Morrow County
5424 County Road 109
Mt. Gilead, Ohio 43338

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 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 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

January 9, 2012

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INDEPENDENT ACCOUNTANTS' REPORT

North Fork Joint Township Cemetery
Morrow County
5424 County Road 109
Mt. Gilead, Ohio 43338

To the Board of Trustees:

We have audited the accompanying financial statements of the North Fork Joint Township Cemetery, Morrow County, Ohio, (the Cemetery) as of and for the years ended December 31, 2010 and 2009. 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 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, 2010 and 2009 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, 2010 and 2009, 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 cash balances of the North Fork Joint Township Cemetery, Morrow County, Ohio, as of December 31, 2010 and 2009, 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 January 9, 2012, 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 "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

January 9, 2012

**NORTH FORK JOINT TOWNSHIP CEMETERY
MORROW COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2010**

	General
Cash Receipts:	
Charges for Services	\$ 825
Integovernmental	7,500
Earnings on Investments	38
Miscellaneous	200
Total Cash Receipts	8,563
Cash Disbursements:	
Current Disbursements:	
Contracts - Repair	3,161
Contracts - Services	7,808
Miscellaneous	165
Total Cash Disbursements	11,134
Total Receipts (Under) Disbursements	(2,571)
Cash Balance, January 1	19,253
Cash Balance, December 31	\$ 16,682

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

**NORTH FORK JOINT TOWNSHIP CEMETERY
MORROW COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2009**

	General
Cash Receipts:	
Charges for Services	\$ 1,525
Sale of Lots	1,400
Integovernmental	7,465
Earnings on Investments	602
Total Cash Receipts	10,992
Cash Disbursements:	
Current Disbursements:	
Supplies	402
Equipment	6,415
Contracts - Services	8,990
Miscellaneous	160
Total Cash Disbursements	15,967
Total Receipts (Under) Disbursements	(4,975)
Cash Balance, January 1	24,228
Cash Balance, December 31	\$ 19,253

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

**NORTH FORK JOINT TOWNSHIP CEMETERY
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

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 North Fork Joint Township Cemetery, Morrow County, Ohio, (the Cemetery). Middlebury Township, Franklin Township and Perry Township appoint a three-member Board of Trustees to direct cemetery operations. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. The accompanying financial statements classify 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 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. Deposits and Investments

The Cemetery's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Cemetery has a checking account and a certificate of deposit, which are valued at cost.

D. 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.

2. Equity in Deposits and Investments

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	<u>2010</u>	<u>2009</u>
Deposits	\$3,620	\$6,191
Certificate of deposit	13,062	13,062
Total deposits and investments	<u>16,682</u>	<u>19,253</u>

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

**NORTH FORK JOINT TOWNSHIP CEMETERY
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

3. Risk Management

Commercial Insurance

The Cemetery has obtained commercial insurance for the following risks:

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



Dave Yost • Auditor of State

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

North Fork Joint Township Cemetery
Morrow County
5424 County Road 109
Mt. Gilead, Ohio 43338

To the Board of Trustees:

We have audited the financial statements of the North Fork Joint Township Cemetery, Morrow County, Ohio, (the Cemetery) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated January 9, 2012, 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 2010-001 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 an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2010-001.

We did note certain matters not requiring inclusion in this report that we reported to the Cemetery's management in a separate letter dated January 9, 2012.

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



Dave Yost
Auditor of State

January 9, 2012

**NORTH FORK JOINT TOWNSHIP CEMETERY
MORROW COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2010-001

Accounting Records – Noncompliance/Significant Deficiency

Ohio Admin. Code Section 117-2-02(D) states in part all local public offices may maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides, and should consider the degree of automation and other factors. Such records should include the following:

- (1) Cash journal, which typically contains the following information: The amount, date, receipt number, check number, account code, purchase order number, and any other information necessary to properly classify the transaction.
- (2) Receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund the public office uses. The amount, date, name of the payor, purpose, receipt number, and other information required for the transactions can be recorded on this ledger.
- (3) Appropriation ledger, which may assemble and classify disbursements or expenditure/expenses into separate accounts for, at a minimum, each account listed in the appropriation resolution. The amount, fund, date, check number, purchase order number, encumbrance amount, unencumbered balance, amount of disbursement, and any other information required may be entered in the appropriate columns.

The Clerk did not prepare the 2010 accounting ledgers detailing receipts and expenditures of the Cemetery until September 2011, upon request from the Auditor of State to perform the financial audit.

Additionally, although not related to the noncompliance above, the following discrepancies in the Cemetery's records were noted:

- In 2010, the Cemetery paid an individual \$450 for labor and equipment related to stump removal. Although this payment was approved by the Board of Trustees, the Cemetery did not maintain a supporting invoice on file.
- In June 2010, the Clerk recorded an expenditure in the amount of \$65 in the duplicate receipt book.
- In July 2010, the Clerk stopped utilizing a duplicate receipt book.

We recommend the Clerk maintain up-to-date accounting ledgers detailing receipts and expenditures of the Cemetery to allow for proper monitoring of the Cemetery's activity and fund balance. Furthermore, we recommend the Cemetery maintain proper supporting documentation, such as vendor invoices and duplicate receipts, for all financial transactions executed.

Officials' Response:

We did not receive a response from Officials to the finding reported above.

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NORTH FORK JOINT TOWNSHIP CEMETERY

MORROW 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 24, 2012**