



Mary Taylor, CPA
Auditor of State

**NEW LEXINGTON PIKE TOWNSHIP UNION CEMETERY
PERRY COUNTY**

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Mary Taylor, CPA

Auditor of State

New Lexington Pike Township Union Cemetery
Perry County
440 Swigart Street
New Lexington, Ohio 43734

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

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Auditor of State

April 3, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

New Lexington Pike Township Union Cemetery
Perry County
440 Swigart Street
New Lexington, Ohio 43764

To the Board of Trustees:

We have audited the accompanying financial statements of the New Lexington Pike Township Union Cemetery, Perry 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 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.

Revisions to GAAP would require the Cemetery to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2006 and 2005. Instead of the combined funds the accompanying financial statements present for 2006 and 2005, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2006 and 2005. 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 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 for the year 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 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 New Lexington Pike Township Union Cemetery, Perry County, as of December 31, 2006 and 2005, 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 year ended December 31, 2006 and 2005. 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 April 3, 2007, 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 "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

April 3, 2007

**NEW LEXINGTON PIKE TOWNSHIP UNION CEMETERY
PERRY COUNTY**

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

	Governmental Fund Types		Totals (Memorandum Only)
	General	Permanent Fund	
Cash Receipts:			
Intergovernmental	\$60,081	\$0	\$60,081
Charges for Services	36,570		36,570
Sale of Lots	29,350		29,350
Interest	6,653		6,653
Miscellaneous	5,026		5,026
Total Cash Receipts	137,680	0	137,680
Cash Disbursements:			
Current:			
Personal Services	66,690		66,690
Utilities	5,218		5,218
Supplies and Materials	9,937		9,937
Contracts - Services	2,450		2,450
Miscellaneous	1,013		1,013
Insurance	30,782		30,782
Total Cash Disbursements	116,090	0	116,090
Total Cash Receipts Over/(Under) Cash Disbursements	21,590	0	21,590
Fund Cash Balances, January 1	110,994	95,766	206,760
Fund Cash Balances, December 31	\$132,584	\$95,766	\$228,350

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

**NEW LEXINGTON PIKE TOWNSHIP UNION CEMETERY
PERRY COUNTY**

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

	Governmental Fund Types		Totals (Memorandum Only)
	General	Permanent Fund	
Cash Receipts:			
Intergovernmental	\$66,554	\$0	\$66,554
Charges for Services	26,770		26,770
Sale of Lots	9,450		9,450
Interest	6,503		6,503
Miscellaneous	1,284		1,284
	<hr/>		<hr/>
Total Cash Receipts	110,561	0	110,561
	<hr/>		<hr/>
Cash Disbursements:			
Current:			
Personal Services	74,225		74,225
Utilities	3,949		3,949
Supplies and Materials	6,318		6,318
Miscellaneous	5,326		5,326
Insurance	28,224		28,224
	<hr/>		<hr/>
Total Cash Disbursements	118,042	0	118,042
	<hr/>		<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(7,481)	0	(7,481)
	<hr/>		<hr/>
Fund Cash Balances, January 1	118,475	95,766	214,241
	<hr/>		<hr/>
Fund Cash Balances, December 31	<u>\$110,994</u>	<u>\$95,766</u>	<u>\$206,760</u>

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

**NEW LEXINGTON PIKE TOWNSHIP UNION CEMETERY
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005**

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 New Lexington Pike Township Union Cemetery, Perry County (the Cemetery), as a body corporate and politic. The Cemetery is directed by an appointed three-member Board of Trustees and an appointed Clerk/Treasurer. Two members of the Board of Trustees are appointed by the City of New Lexington and one by Pike Township. These entities also provide funding to meet the Cemetery's operating costs through levies. 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

Certificates of deposit are valued at cost. Interest earned is recognized and recorded when received.

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. Permanent Funds

These funds account for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Cemetery's programs. The Cemetery had the following significant Permanent Fund:

Perpetual Care Fund – This fund is used to account for the principal received, comprised of a portion of lot sales, and related interest income. The interest portion of the fund can be used to maintain the Cemetery.

**NEW LEXINGTON PIKE TOWNSHIP UNION CEMETERY
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Interest Earned on Perpetual Care Fund

Interest earned by the Perpetual Care Fund is recorded directly in the General Fund, rather than the Perpetual Care Fund, since the Cemetery's General Fund accounts for its only program, cemetery upkeep and maintenance.

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 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 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 follows:

	<u>2006</u>	<u>2005</u>
Demand deposits	\$73,801	\$52,597
Certificates of deposit	154,549	154,163
Total deposits	<u>\$228,350</u>	<u>\$206,760</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 2006, OPERS employee members contributed 9.0 percent of their gross salaries. The Cemetery contributed an amount equal to 13.70 percent of participants' gross salaries. For 2005, OPERS employee members contributed 8.5 percent of their gross salaries. The Cemetery contributed an amount equal to 13.55 percent of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2006.

4. RISK MANAGEMENT

The Cemetery is uninsured for the following risks:

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



Mary Taylor, CPA

Auditor of State

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

New Lexington Pike Township Union Cemetery
Perry County
440 Swigart Street
New Lexington, Ohio 43764

To the Board of Trustees:

We have audited the financial statements of the New Lexington Pike Township Union Cemetery, Perry County, Ohio (the Cemetery), as of and for the year ended December 31, 2006 and 2005, and have issued our report thereon dated April 3, 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 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.

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 that 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.

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 noncompliance or other matters that we reported to the Cemetery's management in a separate letter dated April 3, 2007.

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.

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

April 3, 2007



Mary Taylor, CPA
Auditor of State

NEW-LEXINGTON PIKE TOWNSHIP UNION CEMETERY

PERRY 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
MAY 24, 2007**