



Mary Taylor, CPA
Auditor of State

GROVE CEMETERY ASSOCIATION
HARDIN COUNTY

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Mary Taylor, CPA Auditor of State

Grove Cemetery Association
Hardin County
PO Box 153
Kenton, Ohio 43326

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 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.

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Mary Taylor, CPA
Auditor of State

June 29, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Grove Cemetery Association
Hardin County
PO Box 153
Kenton, Ohio 43326

To the Board of Trustees:

We have audited the accompanying financial statements of the Grove Cemetery Association, Hardin County (the Cemetery), as of and for the years ended December 31, 2008 and 2007. 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.

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 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 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, 2008 and 2007 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, 2008 and 2007, 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 fund cash balances of Grove Cemetery Association, Hardin County, as of December 31, 2008 and 2007, 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 June 29, 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.

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 29, 2009

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

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

	General	Private Purpose Trust	Totals (Memorandum Only)
Cash Receipts:			
Intergovernmental	\$187,432		\$187,432
Charges for Services	2,165		2,165
Foundations	13,160		13,160
Sale of Lots	17,400		17,400
Permits	59,915		59,915
Interest	2,117	\$5,515	7,632
Miscellaneous	7,270		7,270
Total Cash Receipts	<u>289,459</u>	<u>5,515</u>	<u>294,974</u>
Cash Disbursements:			
Current:			
Salaries	124,662		124,662
Supplies	28,045		28,045
Equipment	12,316		12,316
Contracts - Repair	2,400		2,400
Contracts - Services	63,260	3,500	66,760
Maintenance	10,037		10,037
Ohio Public Employees' Retirement	17,675		17,675
Workers' Compensation	3,536		3,536
Miscellaneous	505		505
Capital Outlay	7,254		7,254
Total Disbursements	<u>269,690</u>	<u>3,500</u>	<u>273,190</u>
Total Receipts Over Disbursements	<u>19,769</u>	<u>2,015</u>	<u>21,784</u>
Fund Cash Balances, January 1	<u>127,221</u>	<u>150,725</u>	<u>277,946</u>
Fund Cash Balances, December 31	<u><u>\$146,990</u></u>	<u><u>\$152,740</u></u>	<u><u>\$299,730</u></u>

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

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	General	Private Purpose Trust	Totals (Memorandum Only)
Cash Receipts:			
Intergovernmental	\$196,678		\$196,678
Charges for Services	750		750
Foundations	10,900		10,900
Sale of Lots	24,300		24,300
Permits	55,475		55,475
Interest	1,993	\$2,156	4,149
Miscellaneous	5,318		5,318
Total Cash Receipts	<u>295,414</u>	<u>2,156</u>	<u>297,570</u>
Cash Disbursements:			
Current:			
Salaries	137,422		137,422
Supplies	23,160		23,160
Equipment	848		848
Contracts - Repair	19,196		19,196
Contracts - Services	58,296	1,831	60,127
Ohio Public Employees' Retirement	18,213		18,213
Workers' Compensation	4,756		4,756
Miscellaneous	477		477
Capital Outlay	20,615		20,615
Total Disbursements	<u>282,983</u>	<u>1,831</u>	<u>284,814</u>
Total Receipts Over Disbursements	<u>12,431</u>	<u>325</u>	<u>12,756</u>
Fund Cash Balances, January 1	<u>114,790</u>	<u>150,400</u>	<u>265,190</u>
Fund Cash Balances, December 31	<u><u>\$127,221</u></u>	<u><u>\$150,725</u></u>	<u><u>\$277,946</u></u>

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

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

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 Grove Cemetery Association, Hardin County, (the Cemetery) as a body corporate and politic. The City of Kenton, Pleasant Township, Goshen Township and Buck Township appoint a four-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 present this funding as Intergovernmental Receipts. The Cemetery provides grounds maintenance, opening and closing of graves, and the sale of grave lots.

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

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.

The Cemetery records certificates of deposit 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. Fiduciary Funds (Trust Funds)

These funds account for resources restricted by legally binding trust agreements and funds for which the Cemetery is acting in an agency capacity. The Cemetery had the following Private Purpose Trust:

Endowment Fund – This Fund accounts for the principal from endowments left to maintain grave sites.

E. Property, Plant, and Equipment

Acquisitions of property, plant, and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

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:

	2008	2007
Demand deposits	\$149,330	\$127,546
Certificate of Deposit	150,400	150,400
Total deposits and investments	\$299,730	\$277,946

Deposits are insured by the Federal Depository Insurance Corporation, or collateralized by the financial institutions public entity deposit pool.

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 2008 and 2007, OPERS employee members contributed 10 and 9.5 percent, respectively, of their gross salaries. The Cemetery contributes an amount equal to 14 and 13.85 percent, respectively, of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2008.

4. RISK MANAGEMENT

The Cemetery belongs to the Ohio Government Risk Management Plan (the Plan), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550 Ohio governments (Members).

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except the Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

4. RISK MANAGEMENT (Continued)

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2007 and 2006 (the latest information available):

	<u>2007</u>	<u>2006</u>
Assets	\$11,136,455	\$9,620,148
Liabilities	(4,273,553)	(3,329,620)
Members' Equity	<u>\$ 6,862,902</u>	<u>\$6,290,528</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org

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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*

Grove Cemetery Association
Hardin County
PO Box 153
Kenton, Ohio 43326

To the Board of Trustees:

We have audited the financial statements of the Grove Cemetery Association, Hardin County (the Cemetery), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated June 29, 2009, 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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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.

We consider finding 2008-001 described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

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.

**Internal Control Over Financial Reporting
(Continued)**

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 and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe the significant deficiency described above as finding number 2008-001 is also a material weakness.

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 a certain noncompliance or other matter that we reported to the Cemetery's management in a separate letter dated June 29, 2009.

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.



Mary Taylor, CPA
Auditor of State

June 29, 2009

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007**

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

FINDING NUMBER 2008-001

Material Weakness

Completeness and Accuracy of Annual Financial Statements

The annual financial statements of an entity should reflect all balances and accurately reflect cash financial activity for the reporting period. The Cemetery's 2008 and 2007 annual financial statements did not include the principal of the Private Purpose Trust Fund in the amount of \$150,400. In 2007, Private Purpose Trust Fund interest income and related expenditures in the amount of \$2,156 and \$1,831, respectively, were reported as miscellaneous revenue and miscellaneous expense in the General Fund. In addition, the Cemetery's accounting system reported payroll related liabilities which were not actual cash transactions during the year. As a result, payroll expenditures had to be decreased by \$2,410 and increased by \$5,150, in 2008 and 2007, respectively, so that the fund balances would reconcile to the bank statements. The financial statements in this report and the accounting records have been adjusted to correctly reflect fund balances and financial activity.

To allow the users of the annual cash basis financial statements to make informed decisions, the annual financial statements should include all balances, present financial activity in the correct funds, present only cash transactions in accordance with the basis of accounting the Cemetery is using, and reconcile book balances to the bank statements.

OFFICIALS' RESPONSE

We did not receive a response from Officials to this finding.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Finding For Recovery, Goshen Township failed to distribute levy proceeds to the Cemetery. This was repaid under audit during the prior audit.	Yes	
2006-002	Preparation of Bank-to-Book Reconciliations and Annual Financial Statements	No	Partially corrected – annual financial statement issue reported at finding 2008-001
2006-003	Establishment of a Separate fund for FEMA grant.	Yes	



Mary Taylor, CPA
Auditor of State

GROVE CEMETERY ASSOCIATION

HARDIN 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
AUGUST 13, 2009**