



Mary Taylor, CPA  
Auditor of State



**CHESTNUT GROVE UNION CEMETERY  
CUYAHOGA COUNTY**

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Chestnut Grove Union Cemetery  
Cuyahoga County  
7789 Lewis Road  
Olmsted Falls, Ohio 44138

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 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.

*Mary Taylor*

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October 13, 2010

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## INDEPENDENT ACCOUNTANTS' REPORT

Chestnut Grove Union Cemetery  
Cuyahoga County  
7789 Lewis Road  
Olmsted Falls, Ohio 44138

To the Board of Trustees:

We have audited the accompanying financial statements of Chestnut Grove Union Cemetery, Cuyahoga 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 audits provide 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 require 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 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 Chestnut Grove Union Cemetery, Cuyahoga County, 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.

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 October 13, 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 audits.



Mary Taylor, CPA  
Auditor of State

October 13, 2010

**CHESTNUT GROVE UNION CEMETERY  
CUYAHOGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUND TYPE - GENERAL FUND  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<b>2009</b>	<b>2008</b>
<b>Cash Receipts:</b>		
Intergovernmental	\$106,086	\$117,820
Charges for Services	12,120	17,625
Sale of Lots	8,900	10,425
Interest	1,122	3,365
Miscellaneous	3,475	465
Total Cash Receipts	131,703	149,700
<b>Cash Disbursements:</b>		
Supplies	4,521	4,596
Equipment	4,116	1,236
Contracts - Repair	4,272	3,950
Contracts - Services	79,005	72,343
Utilities	4,126	2,845
Miscellaneous	15,284	10,841
Total Disbursements	111,324	95,811
Excess of Cash Receipts Over/(Under) Cash Disbursements	20,379	53,889
Fund Cash Balances, January 1	249,642	195,753
<b>Fund Cash Balances, December 31</b>	<b>\$270,021</b>	<b>\$249,642</b>

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

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**CHESTNUT GROVE UNION CEMETERY  
CUYAHOGA 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 for the Chestnut Grove Union Cemetery, Cuyahoga County, (the Cemetery) as a body corporate and politic. The City of Olmsted Falls and Olmsted 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 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 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 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 has the following fund:

**General Fund**

The General Fund is the general operating fund. It presents all financial resources of the Cemetery.

**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.

**CHESTNUT GROVE UNION CEMETERY  
CUYAHOGA COUNTY**

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

**2. Equity in Pooled Deposits and Investments**

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

	<u>2009</u>	<u>2008</u>
Demand deposits	\$36,196	\$219,523
Certificates of deposit	<u>233,825</u>	<u>30,119</u>
Total deposits and investments	<u><u>\$270,021</u></u>	<u><u>\$249,642</u></u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. Risk Management**

**Commercial Insurance**

The Cemetery has obtained commercial insurance for the following risks:

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



# 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*

Chestnut Grove Union Cemetery  
Cuyahoga County  
7789 Lewis Road  
Olmsted Falls, Ohio 44138

To the Board of Trustees:

We have audited the financial statements of the Chestnut Grove Union Cemetery, Cuyahoga County, Ohio (the Cemetery), as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated October 13, 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 audits, 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 *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 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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2009-001.

We also noted certain matters not requiring inclusion in this report that we reported to the Cemetery's management in a separate letter dated October 13, 2010.

The Cemetery's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Cemetery's response and, accordingly, we express no opinion on it.

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.



Mary Taylor, CPA  
Auditor of State

October 13, 2010

**CHESTNUT GROVE UNION CEMETERY  
CUYAHOGA COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2009-001**

**Material Noncompliance**

**Timely Deposit of Public Monies**

Ohio Rev. Code Section 9.38 provides that a person who is a public official other than a state officer, employee, or agent shall deposit all public monies received by that person with the treasurer of the public office or properly designated depository on the business day next following the day of receipt, if the total amount of such monies received exceeds one thousand dollars. If the total amount of the public monies so received does not exceed one thousand dollars, the person shall deposit the monies on the business day next following the day of receipt, unless the public office of which that person is a public official adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt, for making such deposits, and the person is able to safeguard the monies until such time as the monies are deposited. The policy shall include provisions and procedures to safeguard the public monies until they are deposited.

During testing of charges for services and sale of lots receipts, we noted 32 of the 60 (53.3%) receipts tested during fiscal years 2009 and 2008, totaling \$13,546, were not deposited into their depository in a timely manner. The range of the receipts not deposited timely varied between three days to over three months. Furthermore, the Superintendent, who typically collects the monies, does not document the date of actual receipt, this makes it impossible to discern the time the money is held. The Superintendent gives the Clerk-Treasurer the monies received. The Clerk-Treasurer then writes the duplicate receipt the day she receives the money from the Superintendent and deposits the money to their designated depository.

Failure to deposit funds in the designated depository in a timely manner could result in theft or loss of funds.

The Cemetery should take the necessary steps to comply with the aforementioned Revised Code section, specifically, that all deposits are deposited into the designated depository in a timely manner. The Clerk-Treasurer should deposit monies collected with its local depository on the next business day following the day of receipt or the Cemetery should adopt a policy requiring all monies collected to be deposited with the Treasurer or properly designated depository within three business days following the day of receipt, if the total amount of such monies is less than \$1,000. Additionally, such a policy must include procedures to safeguard the monies until the time of deposit.

**Officials' Response:**

The Clerk-Treasurer for the Union Cemetery is considered part time and is only at the office two to three times a week. Moreover, all deposits have currently been deposited in a timely manner since the current Clerk-Treasurer has taken office.

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**CHESTNUT GROVE UNION CEMETERY  
CUYAHOGA COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2007-001	Revised Code Section 149.35.1 – Failure to maintain various adequate public records.	No	Partially corrected – The Cemetery could not locate the December 31, 2009 bank reconciliation as well as invoices or supporting documentation for three expenditures tested. Citation will be included in the Management Letter.

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Auditor of State

**CHESTNUT GROVE UNION CEMETERY**

**CUYAHOGA 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  
DECEMBER 21, 2010**