



& ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

**ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY**

**REGULAR AUDIT
FOR THE YEARS ENDED
DECEMBER 31, 2011 & 2010**



Dave Yost • Auditor of State

Board of Trustees
Rock Creek Union Cemetery
P. O. Box 49
Rock Creek, Ohio 44084

We have reviewed the *Independent Accountants' Report* of the Rock Creek Union Cemetery, Ashtabula County, prepared by Canter & Associates, for the audit period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Rock Creek Union Cemetery is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

July 17, 2012

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**ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY**

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANTS' REPORT

Rock Creek Union Cemetery
Ashtabula County
P.O. Box 49
Rock Creek, Ohio 44084

To the Board of Trustees:

We have audited the accompanying financial statements of the Rock Creek Union Cemetery, Ashtabula County, (the Cemetery) as of and for the years ended December 31, 2011 and 2010. 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 require presenting entity wide statements and also reporting the Cemetery's larger (i.e. major) funds separately. While the Cemetery does not follow GAAP, generally accepted auditing standards require 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 the Cemetery 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, 2011 and 2010 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, 2011 and 2010, 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 Rock Creek Union Cemetery, Ashtabula County, as of December 31, 2011 and 2010, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 1, during 2011 the Cemetery adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 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.



Canter & Associates

June 29, 2012

**ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	<u>Private Purpose Trust</u>	
Cash Receipts:				
Local Taxes	\$26,440	-	-	\$26,440
Charges for Services	7,685	-	-	7,685
Interest	-	7	69	76
Contributions and Donations	-	500	-	500
Miscellaneous	5,685	-	-	5,685
	<u>39,810</u>	<u>507</u>	<u>69</u>	<u>40,386</u>
Cash Disbursements:				
Current:				
Salaries and Wages	11,200	-	-	11,200
Tools and Equipment	1,223	-	-	1,223
Supplies and Materials	1,047	-	-	1,047
Contracts - Services	5,175	-	-	5,175
Land and Building	3,180	-	-	3,180
Insurance	760	-	-	760
OPERS	1,568	-	-	1,568
Workers Compensation	265	-	-	265
Miscellaneous	228	-	-	228
	<u>24,646</u>	<u>-</u>	<u>-</u>	<u>24,646</u>
Total Cash Disbursements	<u>24,646</u>	<u>-</u>	<u>-</u>	<u>24,646</u>
Total Receipts Over/(Under) Disbursements	15,164	507	69	15,740
Fund Cash Balances, January 1	<u>19,001</u>	<u>14,633</u>	<u>37,808</u>	<u>71,442</u>
Fund Cash Balances, December 31	<u>34,165</u>	<u>15,140</u>	<u>\$37,877</u>	<u>\$87,182</u>
Committed	-	15,140		
Unassigned	<u>34,165</u>	<u>-</u>		
Fund Cash Balances, December 31	<u>\$34,165</u>	<u>\$15,140</u>		

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

**ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	<u>Private Purpose Trust</u>	
Cash Receipts:				
Local Taxes	\$24,770	-	-	\$24,770
Charges for Services	6,325	-	-	6,325
Interest	-	9	96	105
Contributions and Donations	-	1,050	-	1,050
Miscellaneous	721	-	-	721
Total Cash Receipts	<u>31,816</u>	<u>1,059</u>	<u>96</u>	<u>32,971</u>
Cash Disbursements:				
Current:				
Salaries and Wages	11,192	-	-	11,192
Tools and Equipment	541	-	-	541
Supplies and Materials	511	-	-	511
Contracts - Services	4,246	-	-	4,246
Professional Fees	3,285	-	-	3,285
Land and Building	1,239	-	-	1,239
Insurance	735	-	-	735
OPERS	1,436	-	-	1,436
Workers Compensation	485	-	-	485
Miscellaneous	214	-	-	214
Total Cash Disbursements	<u>23,884</u>	<u>-</u>	<u>-</u>	<u>23,884</u>
Total Receipts Over/(Under) Disbursements	7,932	1,059	96	9,087
Fund Cash Balances, January 1	<u>11,069</u>	<u>13,574</u>	<u>37,712</u>	<u>62,355</u>
Fund Cash Balances, December 31	<u>\$19,001</u>	<u>\$14,633</u>	<u>\$37,808</u>	<u>\$71,442</u>

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

ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010

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 Rock Creek Union Cemetery, Ashtabula County, (the Cemetery) as a body corporate and politic. The Cemetery is directed by an appointed three-member Board of Trustees to direct cemetery operations. The Board is appointed by the Village of Rock Creek and Morgan Township. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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. 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.

Certificate of deposits 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.

ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Capital Projects Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through trust funds). The Cemetery had the following significant Capital Projects Fund:

Chapel Fund – This fund is used to account for donations for the sole purpose of construction and maintenance of the chapel in the Cemetery.

3. Fiduciary Fund (Trust Fund)

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Cemetery's own programs. The Cemetery had the following significant Fiduciary Fund:

Cemetery Trust Fund – This fund is a Private Purpose Trust fund that receives interest from fund investments. Proceeds are used to maintain grave sites and provide overall maintenance to the Cemetery.

E. Budgetary Process

The Cemetery is not required to follow the budgetary process of the Ohio Revised Code but has decided to adopt a formal budget annually. The Cemetery's Board budgets for the General Fund and Capital Projects Fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control and appropriations may not exceed estimated resources. The Board of Trustees annually approves an appropriation measure and any subsequent amendments. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. Although not required, the Cemetery files a certificate of estimated resources with the County Budget Commission to limit appropriations.

A summary of 2011 and 2010 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

The financial statements report acquisitions of property, plant and equipment as capital outlay disbursements when paid. The financial statements do not report these items as assets.

ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Fund Balance

For December 31, 2011, fund balance is divided into five classifications based primarily on the extent to which the Cemetery must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Cemetery classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Trustees can *commit* amounts via formal action (resolution). The Cemetery must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Cemetery Trustees or an official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Cemetery applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	2011	2010
Demand deposits	\$67,245	\$51,566
Certificates of deposit	19,937	19,876
Total deposits	\$87,182	\$71,442

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$30,000	\$39,810	\$9,810
Capital Projects	0	507	507
Total	\$30,000	\$40,317	\$10,317

2011 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$32,350	\$24,646	\$7,704
Capital Projects	5,000	0	5,000
Total	\$37,350	\$24,646	\$12,704

ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$31,980	\$31,816	(\$164)
Capital Projects	0	1,059	1,059
Total	\$31,980	\$32,875	\$895

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$31,980	\$23,884	\$8,096
Capital Projects	5,000	0	5,000
Total	\$36,980	\$23,884	\$13,096

4. RETIREMENT SYSTEMS

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 this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OPERS members contributed 10 percent of their gross salaries. The Cemetery contributed an amount equaling 14 percent of participants' gross salaries for both years. The Cemetery has paid all contributions required through December 31, 2011.

5. RISK MANAGEMENT

Commercial Insurance

The Rock Creek Union Cemetery obtained commercial insurance for the following risks:

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



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CERTIFIED PUBLIC ACCOUNTANTS

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

Rock Creek Union Cemetery
Ashtabula County
P.O. Box 49
Rock Creek, Ohio 44084

To the Board of Trustees:

We have audited the financial statements of the Rock Creek Union Cemetery, (the Cemetery), Ashtabula County, as of and for the years ended December 31, 2011 and 2010 and have issued our report thereon dated June 29, 2012, 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 and also noted the Cemetery adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2011. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Cemetery's financial statements 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 was not designed to identify all deficiencies in internal control over financial reporting 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.

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



CANTER & ASSOCIATES

Poland, Ohio

June 29, 2012

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Dave Yost • Auditor of State

ROCK CREEK UNION CEMETERY

ASHTABULA 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 31, 2012