



Dave Yost • Auditor of State

**WOODVALE UNION CEMETERY
CUYAHOGA COUNTY**

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Dave Yost • Auditor of State

Woodvale Union Cemetery
Cuyahoga County
7535 Engle Road
Middleburg Heights, Ohio 44130

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

February 14, 2013

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Woodvale Union Cemetery
Cuyahoga County
7355 Engle Road
Middleburg Heights, Ohio 44130

To the Board of Trustees:

We have audited the accompanying financial statements of Woodvale Union Cemetery, Cuyahoga 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 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, 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 as of December 31, 2011 and 2010 of the Woodvale Union Cemetery, Cuyahoga County, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 2, during 2010 the Woodvale Union Cemetery adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report February 14, 2013 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

February 14, 2013

**WOODVALE UNION CEMETERY
CUYAHOGA COUNTY**

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

	<u>All Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Charges for Services	\$ 122,200	\$ 40,056	\$ 3,100	\$ 6,200	\$ 171,556
Sale of Lots	122,583	-	-	-	122,583
Intergovernmental	20,000	-	-	-	20,000
Interest	1,190	2,373	3	9,414	12,980
Miscellaneous	10,977	-	-	-	10,977
Total Cash Receipts	<u>276,950</u>	<u>42,429</u>	<u>3,103</u>	<u>15,614</u>	<u>338,096</u>
Cash Disbursements:					
Current Disbursements:					
Salaries	154,576	-	-	-	154,576
Supplies	2,829	-	-	-	2,829
Equipment	57,481	-	-	-	57,481
Contracts - Repair	-	-	-	-	-
Capital Outlay	4,610	-	-	-	4,610
Public Employees' Retirement	21,120	-	-	-	21,120
Workers' Compensation	4,265	-	-	-	4,265
Unemployment Compensation	1,629	-	-	-	1,629
Basic Utilities	7,077	-	-	-	7,077
Pre-Need Services	-	15,442	-	-	15,442
Miscellaneous	88,124	-	-	-	88,124
Total Cash Disbursements	<u>341,711</u>	<u>15,442</u>	<u>-</u>	<u>-</u>	<u>357,153</u>
Excess Receipts Over (Under) Disbursements	<u>(64,761)</u>	<u>26,987</u>	<u>3,103</u>	<u>15,614</u>	<u>(19,057)</u>
Fund Cash Balances, January 1, 2011	<u>257,644</u>	<u>329,530</u>	<u>9,227</u>	<u>649,436</u>	<u>1,245,837</u>
Fund Cash Balances, December 31, 2011					
Restricted	-	-	-	665,050	665,050
Committed	-	356,517	12,330	-	368,847
Unassigned	192,883	-	-	-	192,883
Fund Cash Balances, December 31, 2011	<u>\$ 192,883</u>	<u>\$ 356,517</u>	<u>\$ 12,330</u>	<u>\$ 665,050</u>	<u>\$ 1,226,780</u>

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

**WOODVALE UNION CEMETERY
CUYAHOGA COUNTY**

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

	<u>All Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Charges for Services	\$ 111,847	\$ 22,404	\$ -	\$ -	\$ 134,251
Sale of Lots	104,955	-	2,900	5,754	113,609
Intergovernmental	20,000	-	-	-	20,000
Interest	2,841	4,168	-	16,539	23,548
Miscellaneous	21,401	848	-	-	22,249
	<u>261,044</u>	<u>27,420</u>	<u>2,900</u>	<u>22,293</u>	<u>313,657</u>
Total Cash Receipts					
Cash Disbursements:					
Current Disbursements:					
Salaries	168,326	-	-	-	168,326
Supplies	21,508	-	-	-	21,508
Equipment	18,622	-	-	-	18,622
Contracts - Repair	19,649	-	-	-	19,649
Capital Outlay	50,611	-	-	-	50,611
Public Employees' Retirement	19,402	-	-	-	19,402
Workers' Compensation	3,236	-	-	-	3,236
Unemployment Compensation	2,769	-	-	-	2,769
Basic Utilities	6,278	-	-	-	6,278
Pre-Need Services	-	16,301	-	-	16,301
Miscellaneous	21,980	-	100	-	22,080
	<u>332,381</u>	<u>16,301</u>	<u>100</u>	<u>-</u>	<u>348,782</u>
Total Cash Disbursements					
Excess Receipts Over (Under) Disbursements	<u>(71,337)</u>	<u>11,119</u>	<u>2,800</u>	<u>22,293</u>	<u>(35,125)</u>
Other Financing Receipts (Disbursements):					
Adjustments/reclassifications					
Transfers in	5,127	-	50	100	5,277
Transfers Out	-	(5,277)	-	-	(5,277)
Total Other Financing Receipts (Disbursements)	<u>5,127</u>	<u>(5,277)</u>	<u>50</u>	<u>100</u>	<u>-</u>
Net Change in Fund Cash Balance	(66,210)	5,842	2,850	22,393	(52,201)
Fund Cash Balances, January 1, 2010 - Restated	<u>323,854</u>	<u>323,688</u>	<u>6,377</u>	<u>627,043</u>	<u>1,280,962</u>
Fund Cash Balances, December 31, 2010					
Restricted	-	-	-	649,436	649,436
Committed	-	329,530	9,227	-	338,757
Unassigned	257,644	-	-	-	257,644
	<u>257,644</u>	<u>329,530</u>	<u>9,227</u>	<u>649,436</u>	<u>1,245,837</u>
Fund Cash Balances, December 31, 2010	<u>\$ 257,644</u>	<u>\$ 329,530</u>	<u>\$ 9,227</u>	<u>\$ 649,436</u>	<u>\$ 1,245,837</u>

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

**WOODVALE UNION CEMETERY
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
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 Woodvale Union Cemetery, Cuyahoga County, (the Cemetery). The Councils of the City of Berea and City of Middleburg Heights appoint a three-member Board of Trustees to direct cemetery operations. 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 classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

This fund accounts for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Cemetery had the following significant Special Revenue Fund:

**WOODVALE UNION CEMETERY
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued)

2. Special Revenue fund (continued)

Pre-Need Services Fund - This fund was established to hold funds deposited with the Cemetery in advance of needed services and to be made available at some future time when the services are provided.

3. Capital Project Fund

This fund accounts for receipts restricted to acquiring or constructing major capital projects (except those financed through trust funds).

Capital Project Fund – This fund was established to acquire or construct major capital projects.

4. Permanent Fund

This fund accounts for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Cemetery's programs.

Permanent Endowment Fund – Established to reserve funds for the on-going maintenance and care of the Cemetery upon full capacity.

E. Fund Balance

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.

**WOODVALE UNION CEMETERY
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. Summary of Significant Accounting Policies (continued)

E. Fund Balance (continued)

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 a Cemetery 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.

F. 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.

G. 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. Change in Accounting Principles and Accounting Change

Change in Accounting Principles - GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB Statement No. 54 also clarifies the definitions of governmental fund types. The implementation of GASB Statement No. 54 did not have an effect on the previously reported fund balances.

**WOODVALE UNION CEMETERY
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

2. Change in Accounting Principles and Accounting Change (continued)

Accounting Change - The Cemetery incorrectly reported activity in the General, Special Revenue and Capital Projects Funds in 2009. The following adjustments were made to the December 31, 2009 fund type balances to properly record activity in 2009:

Explanation	General	Special Revenue	Capital Project
Fund Balance 12/31/09	\$ 316,287	\$ 313,731	\$ 31,377
Deposits not recorded as receipts	7,567		
Understatement of charges for services		2,284	
Overstatement of pre-need expenditures		7,673	
Omission of a transfer out			(25,000)
Restated Balance 01/01/10	<u>\$ 323,854</u>	<u>\$ 323,688</u>	<u>\$ 6,377</u>

3. 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:

	2011	2010
Demand deposits	\$133,264	\$115,081
Certificates of deposit	1,093,516	1,130,756
Total deposits and investments	<u>\$1,226,780</u>	<u>\$1,245,837</u>

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

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%, respectively, of their gross salaries and the Cemetery contributed an amount equaling 14% respectively, of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2011.

5. Risk Management

Commercial Insurance

The Cemetery has obtained commercial insurance for the following risks:

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



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

Woodvale Union Cemetery
Cuyahoga County
7355 Engle Road
Middleburg Heights, Ohio 44130

To the Board of Trustees:

We have audited the financial statements of Woodvale Union Cemetery, Cuyahoga County, (the Cemetery) as of and for the years ended December 31, 2011 and 2010, and we have issued our report thereon dated February 14, 2013, 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. Also, the Cemetery adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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 opinions 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2011-01 described in the accompanying schedule of findings to be 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 certain matters not requiring inclusion in this report that we reported to the Cemetery's management in a separate letter dated February 14, 2013.

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

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

February 14, 2013

**WOODVALE UNION CEMETERY
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2011 AND 2010**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2011-01

FINANCIAL REPORTING - MATERIAL WEAKNESS

Sound financial reporting is the responsibility of the Treasurer and the Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

In 2010 and 2011 the following balances and transactions were improperly reported and recorded, and adjustments to the financial statements and accounting records were made:

- Beginning fund balances were restated as of January 1, 2010 in the General, Special Revenue and Capital Project funds by \$7,567, \$9,987 and \$(25,000) respectively. This was due to transactions that were not timely posted to the system during the prior audit period.

In addition, interest revenue was reduced in fiscal year 2010 by \$2,782 in the Permanent Fund. This was due to the entity reporting accrued interest in 2010.

The Treasurer and Board of Trustees should establish procedures to ensure the accuracy and completeness of all transactions recorded and reported in each fund. Also the Cemetery needs to recognize receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

OFFICIAL'S RESPONSE:

The prior Clerk Treasurer had not timely posted all transactions to the system. During an attempt to reconcile the system we had to reconstruct the fund balances and some receipts and adjustments that had not been posted were not identified until 2010 which was after the end of the prior fiscal year.

We have adjusted the accrued interest to zero and have discontinued accruing interest for our investments at Morgan Stanley Smith Barney. We only recognize investment earnings when they are received.

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WOODVALE 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
MARCH 5, 2013