



Dave Yost • Auditor of State

**GREENMOUND UNION CEMETERY DISTRICT
DARKE COUNTY**

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Dave Yost • Auditor of State

Greenmound Union Cemetery District
Darke County
PO Box 314
New Madison, Ohio 45346

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.

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

Dave Yost
Auditor of State

May 12, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Greenmound Union Cemetery District
Darke County
PO Box 314
New Madison, Ohio 45346

To the Board of Trustees:

We have audited the accompanying financial statements of the Greenmound Union Cemetery District, Darke County, (the Cemetery) as of and for the years ended December 31, 2010 and 2009. 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 fund the accompanying financial statements present, GAAP require presenting entity wide statements. 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, 2010 and 2009 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, 2010 and 2009, 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 balance of the Greenmound Union Cemetery District, Darke County, as of December 31, 2010 and 2009, 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 May 12, 2011, 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.



Dave Yost
Auditor of State

May 12, 2011

**GREENMOUND UNION CEMETERY DISTRICT
DARKE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	General
Cash Receipts:	
Property and Other Local Taxes	\$5,687
Cemetery Fees	12,030
Sale of Lots	3,900
Foundation	5,511
Integovernmental	1,018
Earnings on Investments	183
Total Cash Receipts	28,329
 Cash Disbursements:	
Current Disbursements:	
Salaries	16,135
Supplies	2,821
Equipment	644
Contracts - Services	3,520
Workers' Compensation	293
Miscellaneous	6,054
Total Cash Disbursements	29,467
Total Receipts Over/(Under) Disbursements	(1,138)
Fund Cash Balances, January 1	19,718
Fund Cash Balances, December 31	\$18,580

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

**GREENMOUND UNION CEMETERY DISTRICT
DARKE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	General
Cash Receipts:	
Property and Other Local Taxes	\$5,585
Cemetery Fees	12,050
Sale of Lots	3,000
Foundation	9,305
Integovernmental	981
Earnings on Investments	174
Miscellaneous	269
Total Cash Receipts	31,364
 Cash Disbursements:	
Current Disbursements:	
Salaries	14,266
Supplies	7,892
Equipment	372
Contracts - Services	3,075
Workers' Compensation	246
Miscellaneous	8,154
Total Cash Disbursements	34,005
Total Receipts Over/(Under) Disbursements	(2,641)
Fund Cash Balances, January 1	22,359
Fund Cash Balances, December 31	\$19,718

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

**GREENMOUND UNION CEMETERY DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

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 Greenmound Union Cemetery District, Darke County, (the Cemetery) as a body corporate and politic. The Village of New Madison and Harrison Township appoint a three-member Board of Trustees to direct cemetery operations. The Cemetery receives property tax revenue from residents of both the Village and township for its operation and upkeep. The accompanying financial statements present this funding as Local Taxes. 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. 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 funds are maintained in demand deposit accounts at a local financial institution.

D. Fund Accounting

The Cemetery uses fund accounting to segregate cash and investments that are restricted as to use. The Cemetery classifies its fund into the following type:

1. General Fund

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

E. Budgetary Process

The Ohio Revised Code requires the Board to budget each fund annually (except certain agency funds).

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function level of control and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and any subsequent amendments. The County Budget Commission must approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**GREENMOUND UNION CEMETERY DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Cemetery to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2010 and 2009 budgetary activity appears in Note 3.

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.

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:

	2010	2009
Demand deposits	\$ 7,636	\$ 8,953
Certificates of deposit	10,944	10,765
Total deposits	\$18,580	\$19,718

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
	Budgeted Receipts	Actual Receipts	Variance
General	\$28,051	\$28,329	\$278
Total	\$28,051	\$28,329	\$278
2010 Budgeted vs. Actual Budgetary Basis Expenditures			
	Budgeted Receipts	Actual Receipts	Variance
General	\$47,770	\$29,467	\$18,303
Total	\$47,770	\$29,467	\$18,303

**GREENMOUND UNION CEMETERY DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2009 Budgeted vs. Actual Receipts			
	Budgeted Receipts	Actual Receipts	Variance
General	\$28,051	\$31,364	\$3,313
Total	\$28,051	\$31,364	\$3,313

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
	Budgeted Receipts	Actual Receipts	Variance
General	\$40,231	\$34,005	\$6,226
Total	\$40,231	\$34,005	\$6,226

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

5. 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 2010 and 2009, OPERS members contributed 10% of their gross salaries and the Cemetery contributed an amount equaling 14% and, of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2010.

6. RISK MANAGEMENT

Commercial Insurance

The Cemetery has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- 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

Greenmound Union Cemetery District
Darke County
PO Box 314
New Madison, Ohio 45346

To the Board of Trustees:

We have audited the financial statements of Greenmound Union Cemetery District, Darke County, (the Cemetery) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated May 12, 2011, 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 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 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 deficiencies in internal control 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. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings that we consider a significant deficiency in internal control over financial reporting. We consider finding 2010-001 to be a significant deficiency. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 May 12, 2011.

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.

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

May 12, 2011

**GREENMOUND UNION CEMETERY DISTRICT
DARKE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2010-001

Significant Deficiency

Annual Financial Report Preparation

Numerous errors were noted in the Cemetery's 2010 and 2009 annual financial report:

1. Beginning fund balance was understated at January 1, 2009 by \$10,608 and at January 1, 2010 by \$10,765 due to exclusion of Certificate of Deposit balance;
2. Reclassification of revenue from Taxes to Intergovernmental revenue was required in the amount of \$108 in 2009 and \$109 in 2010 due to Public Utility Receipts, Personal Property Reimbursement, and Homestead being posted as taxes instead of intergovernmental revenue;
3. Reclassification of revenue from Miscellaneous Revenue to Foundation Revenue was required in the amount of \$9,705 in 2009 and \$5,511 in 2010 due to the foundation money being posted to miscellaneous revenue incorrectly;
4. Reclassification of revenue from Foundation Revenue to Sale of Lots Revenue was required in 2009 in the amount of \$400 due to the mis-posting of one sale of lot transaction;
5. Miscellaneous revenue of \$157 was excluded from financial statements in 2009, therefore the entity's revenue was understated;
6. Interest received in 2010 in the amount of \$179 was not recorded on the financial statements and interest received in 2009 in the amount of \$158 was posted as miscellaneous revenue, but the financial statement line item was stated correctly;
7. Numerous reclassifications were necessary to record expenditures on the correct financial statement line item for 2009 and 2010.

As a result of these errors the Cemetery's financial statements required adjustments to accurately present the financial activity for 2009 and 2010.

Failure to properly record the revenue and disbursements of the Cemetery on the annual report resulted in inaccurate information being presented to the Board and limited the effectiveness of the monitoring by the Board.

The Cemetery should implement procedures to provide that the annual financial reports are prepared to properly and consistently present all financial activity and be supported by the Cemetery's cash receipts and appropriation ledgers, and bank reconciliations to provide complete and accurate information.

Official's Response:

No response was received from Officials to the above finding.

**GREENMOUND UNION CEMETERY
DARKE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Annual Financial Report Preparation	No	Reissued as 2010-001
2008-002	ORC 5705.41(D)	Yes	Fully Corrected



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**GREENMOUND UNION CEMETERY DISTRICT
DARKE 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
JUNE 21, 2011**