



**Auditor of State
Betty Montgomery**

**WALNUT GROVE AND FLINT UNION CEMETERIES
FRANKLIN COUNTY**

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**Auditor of State
Betty Montgomery**

Walnut Grove and Flint Union Cemeteries
Franklin County
5561 Milton Avenue
Worthington, Ohio 43085

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 a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Cemeteries 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.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

September 14, 2005

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Walnut Grove and Flint Union Cemeteries
Franklin County
5561 Milton Avenue
Worthington, Ohio 43085

To the Board of Trustees:

We have audited the accompanying financial statements of Walnut Grove and Flint Union Cemeteries, Franklin County, Ohio, (the Cemeteries) as of and for the years ended December 31, 2004 and December 31, 2003. These financial statements are the responsibility of the Cemeteries' 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 Cemeteries have 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.

Revisions to GAAP would require the Cemeteries to reformat their financial statement presentation and make other changes effective for the year ended December 31, 2004. While the Cemeteries do 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 Cemeteries have elected not to reformat their statements. Since the Cemeteries do not use GAAP to measure financial statement amounts, 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 their 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 year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Cemeteries as of December 31, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash balance of Walnut Grove and Flint Union Cemeteries, Franklin County, Ohio, as of December 31, 2004 and December 31, 2003, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Cemeteries to include Management's Discussion and Analysis for the year ended December 31, 2004. The Cemeteries have 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 September 14, 2005, on our consideration of the Cemeteries' internal control over financial reporting and our tests of their 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.



Betty Montgomery
Auditor of State

September 14, 2005

**WALNUT GROVE AND FLINT UNION CEMETERIES
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2004**

Cash Receipts:	
Local Taxes	\$278,254
Intergovernmental	32,993
Charges for Services	50,171
Interest	2,068
Sale of Lots	14,045
Miscellaneous	<u>30</u>
Total Cash Receipts	<u>377,561</u>
Cash Disbursements:	
Current:	
Salaries	54,058
Supplies	5,768
Equipment	5,146
Contracts - Services	94,226
Public Employees' Retirement	6,750
Miscellaneous	43,037
Capital Outlay	<u>344,390</u>
Total Cash Disbursements	<u>553,375</u>
Total Cash Receipts (Under) Cash Disbursements	(175,814)
Cash Balances, January 1	<u>411,428</u>
Cash Balances, December 31	<u><u>\$235,614</u></u>

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

**WALNUT GROVE AND FLINT UNION CEMETERIES
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2003**

Cash Receipts:	
Local Taxes	\$281,559
Intergovernmental	32,900
Charges for Services	43,101
Interest	3,255
Sale of Lots	20,950
Miscellaneous	590
	<hr/>
Total Cash Receipts	382,355
	<hr/>
Cash Disbursements:	
Current:	
Salaries	49,841
Supplies	5,961
Equipment	12,370
Contracts - Services	97,411
Public Employees' Retirement	6,735
Miscellaneous	61,915
Capital Outlay	48,779
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Total Cash Disbursements	283,012
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Total Cash Receipts Over Cash Disbursements	99,343
Cash Balances, January 1	312,085
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Cash Balances, December 31	<u><u>\$411,428</u></u>

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

**WALNUT GROVE AND FLINT UNION CEMETERIES
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

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 Walnut Grove and Flint Union Cemeteries, Franklin County, Ohio, (the Cemeteries) as a body corporate and politic. The Sharon Township Board of Trustees and City of Worthington City Council appoint a three-member Board of Trustees to direct cemetery operations. Sharon Township and the City of Worthington also provide funding to meet the Cemeteries' operating costs under the agreements which established the Cemeteries. The accompanying financial statements present this funding as Tax and Intergovernmental Receipts. The Cemeteries provide grounds maintenance, opening and closing of graves, and the sale of grave lots.

The Cemeteries' management believes these financial statements present all activities for which the Cemeteries' are 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.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

The Cemeteries include investments as assets. The Cemeteries do not report purchases of investments as disbursements or investment sales as receipts. The Cemeteries recognize gains or losses at the time of sale as receipts or disbursements, respectively.

The Cemeteries record certificates of deposit at cost.

D. Budgetary Process

The Cemeteries' Board approves an annual budget.

1. Appropriations

Expenditures may not exceed appropriations at the object level of control. The Board annually approves appropriation measures and subsequent amendments. Appropriations lapse at year end.

A summary of 2004 and 2003 budgetary activity appears in Note 3.

E. 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.

**WALNUT GROVE AND FLINT UNION CEMETERIES
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(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 CASH

The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 follows:

	2004	2003
Demand deposits	\$222,486	\$398,480
Certificates of deposit	13,128	12,948
Total deposits	\$235,614	\$411,428

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
	Appropriation Authority	Budgetary Expenditures	Variance
	\$638,718	\$553,374	\$85,344

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
	Appropriation Authority	Budgetary Expenditures	Variance
	\$332,300	\$283,012	\$49,288

4. RETIREMENT SYSTEMS

The Cemeteries' 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 2004 and 2003, OPERS employee members contributed 8.5 percent of their gross salaries. The Cemeteries contributes an amount equal to 13.55 percent of participants' gross salaries. The Cemeteries have paid all contributions required through December 31, 2004.

**WALNUT GROVE AND FLINT UNION CEMETERIES
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

5. RISK MANAGEMENT

Commercial Insurance

The Walnut Grove and Flint Union Cemeteries have obtained commercial insurance for the following risks:

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

The Cemeteries also provide health insurance, dental insurance, and vision insurance to full-time employees through a private carrier.

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Auditor of State Betty Montgomery

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

Walnut Grove and Flint Union Cemeteries
Franklin County
5561 Milton Avenue
Worthington, Ohio 43085

To the Board of Trustees:

We have audited the financial statements of the Walnut Grove and Flint Union Cemeteries, Franklin County, Ohio, (the Cemeteries) as of and for the years ended December 31, 2004 and December 31, 2003, and have issued our report thereon dated September 14, 2005, wherein we noted the Cemeteries 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 Cemeteries' internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Cemeteries' financial statements are free of material misstatement, we tested their compliance with certain provisions of laws, regulations, and contracts, 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*.

Walnut Grove and Flint Union Cemeteries
Franklin County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the management and the Board of Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

September 14, 2005



**Auditor of State
Betty Montgomery**

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WALNUT GROVE AND FLINT UNION CEMETERIES

FRANKLIN 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
OCTOBER 13, 2005**