



**Auditor of State
Betty Montgomery**

**PAINT-BLOOMINGBURG JOINT CEMETERY
FAYETTE COUNTY**

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**Auditor of State
Betty Montgomery**

Paint-Bloomington Joint Cemetery
Fayette County
P.O. Box 217
Bloomington, Ohio 43106

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 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 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

August 3, 2006

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Paint-Bloomington Joint Cemetery
Fayette County
P.O. Box 217
To the Board of Trustees:

We have audited the accompanying financial statements of Paint-Bloomington Joint Cemetery, Fayette County, Ohio (the Cemetery), as of and for the years ended December 31, 2005 and 2004. 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.

Revisions to GAAP would require the Cemetery to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. Instead of the combined funds the accompanying financial statements present for 2005 and 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005 and 2004. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Cemetery has elected not to reformat its statements. Since this Cemetery does 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 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, 2005 and 2004 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, 2005 and 2004, 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 Paint-Bloomington Joint Cemetery, Fayette County, as of December 31, 2005 and 2004, and its combined 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 Cemetery to include Management's Discussion and Analysis for the year ended December 31, 2005 and 2004. 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 August 3, 2006, 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.



Betty Montgomery
Auditor of State

August 3, 2006

**PAINT-BLOOMINBURG JOINT CEMETERY
FAYETTE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Permanent</u>	
Cash Receipts:			
Intergovernmental	\$42,886	\$0	\$42,886
Charges for Services	15,220	0	15,220
Sale of Lots	4,375	0	4,375
Interest	281	474	755
Miscellaneous	899	0	899
	<u>63,661</u>	<u>474</u>	<u>64,135</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries	20,836	0	20,836
Supplies	2,921	0	2,921
Equipment	3,210	0	3,210
Contracts - Repair	1,948	0	1,948
Contracts - Services	3,035	0	3,035
Public Employees' Retirement	5,115	0	5,115
Workers' Compensation	808	0	808
Miscellaneous	7,858	500	8,358
	<u>45,731</u>	<u>500</u>	<u>46,231</u>
Total Disbursements			
Total Receipts Over/(Under) Disbursements	<u>17,930</u>	<u>(26)</u>	<u>17,904</u>
Total Receipts Over/(Under) Disbursements	17,930	(26)	17,904
Fund Cash Balances, January 1	<u>37,356</u>	<u>25,773</u>	<u>63,129</u>
Fund Cash Balances, December 31	<u>\$55,286</u>	<u>\$25,747</u>	<u>\$81,033</u>

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

**PAINT-BLOOMINBURG JOINT CEMETERY
FAYETTE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Permanent</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Intergovernmental	\$40,237	\$0	\$40,237
Charges for Services	7,647	0	7,647
Sale of Lots	5,950	0	5,950
Interest	466	435	901
Miscellaneous	916	0	916
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	55,216	435	55,651
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
Salaries	19,501	0	19,501
Supplies	5,136	0	5,136
Equipment	4,142	0	4,142
Contracts - Repair	947	0	947
Contracts - Services	6,804	0	6,804
Public Employees' Retirement	4,486	0	4,486
Miscellaneous	4,479	500	4,979
	<hr/>	<hr/>	<hr/>
Total Disbursements	45,495	500	45,995
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	9,721	(65)	9,656
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	9,721	(65)	9,656
Fund Cash Balances, January 1	27,635	25,838	53,473
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$37,356</u>	<u>\$25,773</u>	<u>\$63,129</u>

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

**PAINT-BLOOMINGBURG JOINT CEMETERY
FAYETTE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

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 Paint-Bloomingsburg Joint Cemetery, Fayette County, Ohio (the Cemetery), as a body corporate and politic. Paint Township and the Village of Bloomingburg 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 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 Deposits

The Cemetery funds are deposited in a "NOW" checking account with a local commercial bank, a passbook savings which retains endowment interest and certificates of deposit which represent both endowments bequeathed to the Cemetery and interest earning monies. Interest earnings are distributed to Cemetery funds based upon the investment. Endowment interest is prorated to the appropriate endowment based on carrying balance. All other interest earned is credited to the general fund.

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.

2. Permanent Funds

These funds present proceeds from specific sources (endowments) restricted to expenditure for specific purposes. The Cemetery has several endowment funds which are used to account for donations according to the terms of the endowments.

**PAINT-BLOOMINGBURG JOINT CEMETERY
FAYETTE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Cemetery is not a taxing subdivision as defined by the Ohio Revised Code (the legislative authority being the Village of Bloomingburg and the Trustees of Paint Township) and is not subject to Ohio Budgetary law.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN POOLED CASH AND DEPOSITS

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

	<u>2005</u>	<u>2004</u>
Demand deposits	\$44,403	\$26,707
Savings Account	11,185	11,356
Certificate of Deposit	25,445	25,066
Total deposits and investments	<u>\$81,033</u>	<u>\$63,129</u>

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

3. RETIREMENT SYSTEMS

The Cemetery's 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 2005 and 2004, OPERS employee members contributed 8.5 percent of their gross salaries. The Cemetery contributes an amount equal to 13.55 percent of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2005.

4. RISK MANAGEMENT

Commercial Insurance

The Paint-Bloomington Joint Cemetery has obtained commercial insurance for the following risks:

- Commercial Property;
- Commercial general liability;
- Officials Surety Bond;

**PAINT-BLOOMINGBURG JOINT CEMETERY
FAYETTE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

4. RISK MANAGEMENT (Continued)

- Wrongful Acts;
- Commercial Inland Marine; and
- Terrorism Risk Insurance Act 2002.

5. INTERGOVERNMENTAL REVENUE

The Cemetery receives funding from the Village of Bloomingburg and Paint Township. The Village of Bloomingburg contributes .5 mills of their inside 10 mill limit. Paint Township contributes .5 mill of their inside 10 mill limit and a voted 1.0 additional mill. These receipts are shown as intergovernmental receipts on the financial statements.

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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*

Paint-Bloomington Joint Cemetery
Fayette County
P.O. Box 217
To the Board of Trustees:

We have audited the financial statements of the Paint-Bloomington Joint Cemetery, Fayette County, Ohio (the Cemetery), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated August 3, 2006, 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 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 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. In a separate letter to the Cemetery's management dated August 3, 2006, we reported other matters related to noncompliance we deemed immaterial.

Paint-Bloomington Joint Cemetery
Fayette 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 audit committee, 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

August 3, 2006

**PAINT-BLOOMINGBURG JOINT CEMETERY
FAYETTE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2005 AND 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2003-001	The Cemetery did not reconcile their records with the monthly bank statements.	Yes	Corrected



**Auditor of State
Betty Montgomery**

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**PAINT-BLOOMINGBURG JOINT CEMETERY
FAYETTE 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
SEPTEMBER 12, 2006**