



**MOUND HILL UNION CEMETERY  
MEDINA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2006-2005**



**Mary Taylor, CPA**  
Auditor of State



MOUND HILL UNION CEMETERY  
MEDINA COUNTY

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# Mary Taylor, CPA

Auditor of State

Mound Hill Union Cemetery  
Medina County  
4097 Blake Road  
Seville, Ohio 44273

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 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 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.

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**Mary Taylor, CPA**  
Auditor of State

June 27, 2007

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Mound Hill Union Cemetery  
Medina County  
4097 Blake Road  
Seville, Ohio 44273

To the Board of Trustees:

We have audited the accompanying financial statements of Mound Hill Union Cemetery, Medina County, Ohio, (the Cemetery) as of and for the years ended December 31, 2006 and 2005. 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, 2006 and 2005. Instead of the combined funds the accompanying financial statements present for 2006 and 2005, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2006 and 2005. 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, 2006 and 2005 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 2006 and 2005, 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 Mound Hill Union Cemetery, Medina County, Ohio, as of December 31, 2006 and 2005, 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 years ended December 31, 2006 and 2005. 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 June 27, 2007, 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.



**Mary Taylor, CPA**  
Auditor of State

June 27, 2007



**MOUND HILL UNION CEMETERY  
MEDINA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GENERAL FUND AND NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>General</u>	<u>Nonexpendable Trust</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Intergovernmental	\$13,550		\$13,550
Charges for Services	15,009		15,009
Tree and Shrub Deposit	2		2
Interest	3,843	\$475	4,318
Miscellaneous	1,025		1,025
	<u>33,429</u>	<u>475</u>	<u>33,904</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries	14,260		14,260
Supplies	1,945		1,945
Maintenance		475	475
Equipment	999		999
Contracts - Services	2,475		2,475
Site Improvement	3,148		3,148
Public Employees' Retirement	3,541		3,541
Workers' Compensation	1,427		1,427
Miscellaneous	3,674		3,674
	<u>31,469</u>	<u>475</u>	<u>31,944</u>
Total Cash Receipts Over Cash Disbursements	<u>1,960</u>	<u>0</u>	<u>1,960</u>
Fund Cash Balances, January 1	<u>89,016</u>	<u>13,000</u>	<u>102,016</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$90,976</u></b>	<b><u>\$13,000</u></b>	<b><u>\$103,976</u></b>

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

**MOUND HILL UNION CEMETERY  
MEDINA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GENERAL FUND AND NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>General</u>	<u>Nonexpendable Trust</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Intergovernmental	\$11,800		\$11,800
Charges for Services	13,377		13,377
Interest	2,567	\$397	2,964
Miscellaneous	540		540
	<hr/>		<hr/>
Total Cash Receipts	28,284	397	28,681
	<hr/>		<hr/>
<b>Cash Disbursements:</b>			
Current:			
Salaries	14,810		14,810
Supplies	1,465		1,465
Maintenance		1,332	1,332
Equipment	734		734
Contracts - Services	2,760		2,760
Site Improvement	4,285		4,285
Public Employees' Retirement	3,502		3,502
Workers' Compensation	1,233		1,233
Miscellaneous	4,358		4,358
	<hr/>		<hr/>
Total Cash Disbursements	33,147	1,332	34,479
	<hr/>		<hr/>
Total Cash Receipts Under Cash Disbursements	(4,863)	(935)	(5,798)
	<hr/>		<hr/>
Fund Cash Balances, January 1	93,879	13,935	107,814
	<hr/>		<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$89,016</u></b>	<b><u>\$13,000</u></b>	<b><u>\$102,016</u></b>

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

**MOUND HILL UNION CEMETERY  
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005**

**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 of the Mound Hill Union Cemetery, Medina County, Ohio, (the Cemetery) as a body corporate and politic. The Village of Seville and Guilford Township appoint a three-member Board of Trustees. Guilford Township also provides 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 Investments**

The Cemetery 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.

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 is the general operating fund. It presents all financial resources except those required to be accounted for in another fund.

**2. Fiduciary Funds (Trust Fund)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Cemetery to maintain the corpus of the trust, the fund is classified as a Nonexpendable Trust Fund.

**MOUND HILL UNION CEMETERY  
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Fiduciary Funds (Trust Fund) (Continued)**

The Cemetery's only fiduciary fund is the Nonexpendable Trust Fund which is used to account for interest from fund investments. Interest is used for cemetery maintenance.

**E. Budgetary Process**

The Ohio Revised Code does not require the Union Cemetery to comply with budgetary procedures described therein. However, the Cemetery internally appropriates its expenditures for the General Fund annually.

**1. Appropriations**

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

**2. Estimated Resources**

The Cemetery does not prepare a budget of cash on hand and cash to be received. However, estimated receipts are considered when preparing appropriations.

A summary of 2006 and 2005 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.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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>2006</u>	<u>2005</u>
Demand deposits	\$22,976	\$5,016
Certificates of deposit	81,000	97,000
Total deposits	<u>\$103,976</u>	<u>\$102,016</u>

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

**MOUND HILL UNION CEMETERY  
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2006 and 2005 follows:

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$36,700	\$31,469	\$5,231

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$35,000	\$33,147	\$1,853

**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 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 2006 and 2005, OPERS employee members contributed 9.0 percent and 8.5 percent of their gross salaries, respectively. The Cemetery contributes an amount equal to 13.70 percent and 13.55 percent of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2006.

**5 RISK MANAGEMENT**

**Commercial Insurance**

The Mound Hill Union Cemetery has obtained commercial insurance for the following risks:

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

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# Mary Taylor, CPA

Auditor of State

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

Mound Hill Union Cemetery  
Medina County  
4097 Blake Road  
Seville, Ohio 44273

To the Board of Trustees:

We have audited the financial statements of the Mound Hill Union Cemetery, Medina County, Ohio, (the Cemetery) as of and for the years ended December 31, 2006 and 2005, 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 expressing our opinion on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Cemetery's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Cemetery's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Cemetery's internal control will not prevent or detect a material financial statement misstatement.

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 internal control deficiencies that might be 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.

We noted certain matters that we reported to the Cemetery's management in a separate letter dated June 27, 2007.

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### **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 a certain noncompliance matter that we reported to the Cemetery's management in a separate letter dated June 27, 2007.

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

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

**Mary Taylor, CPA**  
Auditor of State

June 27, 2007





**Mary Taylor, CPA**  
Auditor of State

**MOUND HILL UNION CEMETERY**

**MEDINA 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  
AUGUST 14, 2007**