



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

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2005-2006



Mary Taylor, CPA
Auditor of State

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

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Mary Taylor, CPA

Auditor of State

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 an 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 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

April 26, 2007

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Mary Taylor, CPA

Auditor of State

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, a component unit of Sharon Township, (the Cemeteries) as of and for the years ended December 31, 2006 and December 31, 2005. 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.

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 GAAP presentation requirements. The Auditor of State permits, but does not require cemeteries to reformat their statements. The Cemeteries have elected not to follow GAAP statement format 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, 2006 and December 31, 2005, 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, 2006 and December 31, 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 cash balances of Walnut Grove and Flint Union Cemeteries, Franklin County, Ohio as of December 31, 2006 and December 31, 2005, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Cemeteries 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 April 26, 2007, on our consideration of the Cemeteries' 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

April 26, 2007

**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, 2006**

Cash Receipts:	
Intergovernmental	\$ 351,366
Charges for Services	44,048
Sale of Lots	20,650
Interest	5,756
Miscellaneous	<u>1,189</u>
Total Cash Receipts	<u>423,009</u>
Cash Disbursements:	
Current:	
Salaries	58,226
Supplies	6,499
Equipment	19,868
Contracts - Services	97,858
Public Employees' Retirement	7,769
Miscellaneous	47,981
Capital Outlay	<u>64,501</u>
Total Disbursements	<u>302,702</u>
Total Receipts Over Disbursements	120,307
Cash Balance, January 1	<u>333,147</u>
Cash Balance, December 31	<u>\$ 453,454</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, 2005**

Cash Receipts:	
Intergovernmental	\$ 305,384
Charges for Services	51,444
Sale of Lots	23,100
Interest	3,278
Miscellaneous	<u>794</u>
Total Cash Receipts	<u>384,000</u>
 Cash Disbursements:	
Current:	
Salaries	54,192
Supplies	3,915
Equipment	12,373
Contracts - Services	123,784
Public Employees' Retirement	7,424
Miscellaneous	38,799
Capital Outlay	<u>45,980</u>
Total Disbursements	<u>286,467</u>
Total Receipts Over Disbursements	97,533
Cash Balance, January 1	<u>235,614</u>
Cash Balance, December 31	<u><u>\$ 333,147</u></u>

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

**WALNUT GROVE AND FLINT UNION CEMETERIES
FRANKLIN 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 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. These entities also provide funding to meet the Cemeteries' operating costs under the agreement which established the Cemeteries. The accompanying financial statements present this funding as Intergovernmental Receipts. The Cemeteries provides 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 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 Cemeteries includes investments as assets. The Cemeteries do not report purchases of investments as disbursements or investment sales as receipts. The Cemeteries recognizes gains or losses at the time of sale as receipts or disbursements, respectively.

The Cemeteries have no investments.

D. Budgetary Process

The Cemeteries' Board budgets each fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control. The Board annually approves appropriation measures and subsequent amendments. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

3. Encumbrances

The Cemeteries reserves (encumbrances) appropriations when it makes commitments. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2006 and 2005 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.

F. Accumulated Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. The financial statements do not report unpaid vacation and sick leave as liabilities.

2. EQUITY IN CASH

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

	2006	2005
Demand deposits	\$453,454	\$333,147

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, 2006 and 2005 follows:

2006 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$426,862	\$302,702	\$124,160

2005 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$341,794	\$286,467	\$55,327

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

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

4. RETIREMENT SYSTEM

OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the plan benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, OPERS members contributed 9 and 8.5%, respectively, of their gross salaries and the Cemeteries contributed an amount equaling 13.7 and 13.55%, respectively, of participants' gross salaries. The Cemeteries has paid all contributions required through December 31, 2006

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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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*

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 Walnut Grove and Flint Union Cemeteries, Franklin County, Ohio (the Cemeteries), a component unit of Sharon Township, as of and for the years ended December 31, 2006 and 2005 and have issued our report thereon dated April 26, 2007, 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 as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Cemeteries' internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Cemeteries' 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 Cemeteries' 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 Cemeteries' 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 Cemeteries' 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 a certain matter that we reported to the Cemeteries' management in a separate letter dated April 26, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the Cemeteries' 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 or other matter that we reported to the Cemeteries' management in a separate letter dated April 26, 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

April 26, 2007



Mary Taylor, CPA
Auditor of State

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
AUGUST 30, 2007**