



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



**RIVERCLIFF UNION CEMETERY  
MORROW COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Rivercliff Union Cemetery  
Morrow County  
4953 State Route 61 South  
Mt. Gilead, Ohio 43338  
To the Board of Trustees:

We have audited the accompanying financial statements of Rivercliff Union Cemetery, Morrow County, Ohio, (the Cemetery) as of and for the years ended December 31, 2001 and December 31, 2000. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Cemetery prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Cemetery as of December 31, 2001, and December 31, 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

**JIM PETRO**  
Auditor of State

June 21, 2002

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**RIVERCLIFF UNION CEMETERY  
MORROW COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental</u>	<u>Fiduciary</u>		<u>Totals</u>
	<u>General</u>	<u>Expendable Trust</u>	<u>Non-Expendable Trust</u>	<u>(Memorandum Only)</u>
<b>Cash Receipts:</b>				
Local Taxes	\$ 30,669	\$ -	\$ -	\$ 30,669
Intergovernmental	3,795	-	-	3,795
Charges for Services	18,092	-	-	18,092
Sale of Lots	9,150	-	-	9,150
Donations	4,507	-	-	4,507
Earnings on Investments	8,196	1,132	-	9,328
Miscellaneous	639	-	-	639
	<hr/>			
Total Cash Receipts	75,048	1,132	-	76,180
	<hr/>			
<b>Cash Disbursements:</b>				
Current:				
Salaries & Benefits	5,357	-	-	5,357
Supplies & Equipment	11,067	-	-	11,067
Contracted Services	45,725	-	-	45,725
Miscellaneous	4,101	3,638	-	7,739
	<hr/>			
Total Cash Disbursements	66,250	3,638	-	69,888
	<hr/>			
Total Cash Receipts Over/(Under) Cash Disbursements	8,798	(2,506)	-	6,292
	<hr/>			
Fund Cash Balances, January 1	95,133	10,571	80,127	185,831
	<hr/>			
<b>Fund Cash Balances, December 31</b>	<b>\$ 103,931</b>	<b>\$ 8,065</b>	<b>\$ 80,127</b>	<b>\$ 192,123</b>
	<hr/>			

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

**RIVERCLIFF UNION CEMETERY  
MORROW COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental</u>	<u>Fiduciary</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Expendable Trust</u>	<u>Non-Expendable Trust</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$ 35,459	\$ -	\$ -	\$ 35,459
Intergovernmental	3,800	-	-	3,800
Charges for Services	12,308	-	-	12,308
Sale of Lots	6,360	-	-	6,360
Donations	-	41,612	-	41,612
Earnings on Investments	8,598	2,892	-	11,490
Miscellaneous	-	-	-	-
<b>Total Cash Receipts</b>	<b>66,525</b>	<b>44,504</b>	<b>-</b>	<b>111,029</b>
<b>Cash Disbursements:</b>				
Current:				
Salaries & Benefits	5,889	-	-	5,889
Supplies & Equipment	10,002	-	-	10,002
Contracted Services	36,474	43,790	-	80,264
Loss on Redemption of Investment	5,476	-	-	5,476
Miscellaneous	2,459	-	-	2,459
<b>Total Cash Disbursements</b>	<b>60,300</b>	<b>43,790</b>	<b>-</b>	<b>104,090</b>
Total Cash Receipts Over Cash Disbursements	6,225	714	-	6,939
Fund Cash Balances, January 1	88,908	9,857	80,127	178,892
<b>Fund Cash Balances, December 31</b>	<b>\$ 95,133</b>	<b>\$ 10,571</b>	<b>\$ 80,127</b>	<b>\$ 185,831</b>

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



**RIVERCLIFF UNION CEMETERY  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Rivercliff Union Cemetery, Morrow County, Ohio (the Cemetery) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Cemetery is directed by an appointed three-member Board of Trustees. Two trustees are village council members, and one is a township trustee. The Cemetery provides grounds maintenance, opening and closing of graves, footer and foundation services, 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 prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Investments are included in fund cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit and U.S. Treasury Bonds are valued 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 is used to account for all financial resources except those required to be accounted for in another fund.

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

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Cemetery is acting in an agency capacity. If the agreement requires the Cemetery to maintain the corpus of the trust, the fund is classified as a non-expendable trust fund. Other trust funds are classified as expendable.

**RIVERCLIFF UNIONCEMETERY  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**E. Budgetary Process**

The Cemetery budgets each fund annually.

**1. Appropriations**

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

**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 commitments are made. Encumbrances outstanding at year end are canceled, and re-appropriated in the subsequent year.

The Cemetery did not encumber all commitments required by Ohio law.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**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 INVESTMENTS**

The Cemetery maintains a cash and investment 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:

	2001	2000
Demand Deposits	38,799	39,199
Certificates of Deposit	126,324	119,632
Total Deposits	165,123	158,831
 U.S. Treasury Bond	 27,000	 27,000
Total Deposits and Investments	192,123	185,831

**RIVERCLIFF UNIONCEMETERY  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Cemetery.

**Investments:** The Cemetery's U.S. Treasury Bond is held by First Knox National Bank.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2001 and December 30, 2000 follows:

<b>2001 Budgeted Vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	65,000	75,048	10,048
Expendable Trust	3,000	1,132	(1,868)
Non-Expendable Trust	-	-	-
<b>Total</b>	<b>68,000</b>	<b>76,180</b>	<b>8,180</b>

<b>2001 Budgeted Vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriations</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	164,530	66,250	98,280
Expendable Trust	12,572	3,638	8,934
Non-Expendable Trust	-	-	-
<b>Total</b>	<b>177,102</b>	<b>69,888</b>	<b>107,214</b>

<b>2000 Budgeted Vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	59,010	66,525	7,515
Expendable Trust	20,500	44,504	24,004
Non-Expendable Trust	-	-	-
<b>Total</b>	<b>79,510</b>	<b>111,029</b>	<b>31,519</b>

<b>2000 Budgeted Vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriations</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	149,654	60,300	89,354
Expendable Trust	27,879	43,790	(15,911)
Non-Expendable Trust	-	-	-
<b>Total</b>	<b>177,533</b>	<b>104,090</b>	<b>73,443</b>

**RIVERCLIFF UNIONCEMETERY  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, 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 Cemetery.

**5. RETIREMENT SYSTEM**

The Cemetery's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS employee members contributed 8.5% of their gross salaries. The Cemetery contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. PERS temporarily reduced the employer contributions to 8.13%, effective July 1, 2000 through December 31, 2000. The Cemetery has paid all contributions required through December 31, 2001.

**6. RISK MANAGEMENT**

**Commercial Insurance**

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

- General liability
- Vehicles
- Property



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Rivercliff Union Cemetery  
Morrow County  
4953 State Route 61 South  
Mt. Gilead, Ohio 43338

To the Board of Trustees:

We have audited the accompanying financial statements of Rivercliff Union Cemetery, Morrow County, Ohio, (the Cemetery) as of and for the years ended December 31, 2001, and December 31, 2000, and have issued our report thereon dated June 21, 2002. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Cemetery's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2001-30659-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Cemetery in a separate letter dated June 21, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Cemetery's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a 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 in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Cemetery in a separate letter dated June 21, 2002.

Rivercliff Union Cemetery  
Morrow County  
Report on Compliance and on Internal Control Required by  
*Government Auditing Standards*  
Page 2

This report is intended solely for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

**JIM PETRO**  
Auditor of State

June 21, 2002

**RIVERCLIFF UNION CEMETERY  
MORROW COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>Finding Number</b>	<b>2001-30659-001</b>
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**Certification of Expenditures**

Ohio Rev. Code Section 5705.41(D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Further, contracts and orders for expenditures lacking prior certification should be considered null and void.

This Section provides two exceptions to the above requirements:

- A. Then and Now Certificate - if no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the purchase order or contract and at the time of the certificate, appropriated and free from any previous encumbrances, the Board of Trustees may authorize the issuance of a check in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less than \$1,000, the fiscal officer may authorize it to be paid without the affirmation of the Board of Trustees, if such expenditure is otherwise valid.

The Cemetery did not utilize purchase orders in 2001, nor were then and now certificates used. This procedure is not only required by Ohio law but is a key control in the disbursement process to assure that purchase commitments receive prior approval, and to help reduce the possibility of the Cemetery funds being over expended or exceeding budgetary spending limitations.

**RIVERCLIFF UNION CEMETERY  
MORROW COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2001 AND 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
<b>1999-30659-001</b>	Insufficient collateral	Yes	Fully corrected.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**RIVERCLIFF UNION CEMTERY**

**MORROW 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 20, 2002**