



**Auditor of State
Betty Montgomery**

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Grove Cemetery Association
Hardin County
P O Box 153
Kenton, Ohio 43326

To the Board of Trustees:

We have audited the accompanying financial statements of Grove Cemetery Association, Hardin County (the "Cemetery"), as of and for the years ended December 31, 2002 and 2001. 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 generally accepted accounting principles.

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, 2002 and 2001, 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 April 22, 2003 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.

Grove Cemetery Association
Hardin County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of the management, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 22, 2003

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

Cash Receipts:	
Lots Sold	\$36,225
Permits	56,700
St. Marys Maintenance	750
Intergovernmental	162,813
Foundations	13,693
Miscellaneous Income	<u>6,685</u>
Total Cash Receipts	276,866
Cash Disbursements:	
Payroll	130,405
General Expense	13,364
P.E.R.S. Employer Share	17,499
Maintenance and Repair	14,859
Supplies and Materials	12,634
Insurance	29,979
Property Tax	916
Auditor and Treasurer Fees	4,522
Equipment	30,835
Capital Improvement	4,299
Workers Compensation	2,257
Audit Expense	
Medicare Employer Share	<u>757</u>
Total Cash Disbursements	<u>262,326</u>
Total Receipts Over Disbursements	14,540
Fund Cash Balance, January 1	<u>78,841</u>
Fund Cash Balance, December 31	<u><u>\$93,381</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCES - NON-EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

Operating Cash Receipts:	
Endowment Interest	\$2,235
Endowment Donations	<u>3,500</u>
Total Operating Cash Receipts	5,735
Operating Cash Disbursements:	
Endowment Service	<u>3,633</u>
Net Income	2,102
Fund Cash Balances, January 1	<u>141,437</u>
Fund Cash Balances, December 31	<u><u>\$143,539</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

Cash Receipts:

Lots Sold	\$25,550
Permits	52,025
St. Marys Maintenance	750
Intergovernmental	184,539
Foundations	10,172
Gas Tax Refund	995
Miscellaneous Income	<u>11,872</u>
Total Cash Receipts	285,903

Cash Disbursements:

Payroll	124,836
General Expense	11,847
P.E.R.S. Employer Share	16,422
Maintenance and Repair	21,726
Supplies and Materials	12,128
Insurance	27,030
Property Tax	775
Auditor and Treasurer Fees	6,240
Equipment	6,343
Capital Improvement	8,269
Workers Compensation	8,337
Audit Expense	2,578
Medicare Employer Share	<u>942</u>
Total Cash Disbursements	<u>247,473</u>

Total Receipts Over Disbursements 38,430

Fund Cash Balance, January 1 40,411

Fund Cash Balance, December 31 \$78,841

The Notes to the Financial Statements are an integral part of this statement.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSMENTS AND
CHANGES IN FUND CASH BALANCES - NON-EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001**

Operating Cash Receipts:	
Endowment Interest	\$4,536
Endowment Donations	<u>3,000</u>
Total Operating Cash Receipts	7,536
Operating Cash Disbursements:	
Endowment Service	<u>3,529</u>
Net Income	4,007
Fund Cash Balances, January 1	<u>137,430</u>
Fund Cash Balances, December 31	<u><u>\$141,437</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Grove Cemetery Association, Hardin County, (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 four-member Board of Trustees. The Board is appointed by the City of Kenton, Pleasant Township, Goshen Township, and Buck Township. As discussed in Note 4, these entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. 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 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.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Passbook savings accounts 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. The Cemetery had the following significant Fiduciary Funds:

Nonexpendable Endowment Funds - The principal of these funds is to be maintained in perpetuity. The interest income earned on the principal is used to maintain grave sites.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the General Fund money in a demand deposit account. The principal of the Nonexpendable Trust Funds are maintained in passbook savings accounts. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount at December 31 follows:

	<u>2002</u>	<u>2001</u>
Demand deposits	\$97,920	\$84,474
Passbook savings Accounts	139,000	135,804
Total deposits	<u>\$236,920</u>	<u>\$220,278</u>

Deposits: Demand deposits are insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool. Passbook savings accounts are insured by the Federal Saving Loan Insurance Corporation.

3. RETIREMENT SYSTEMS

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 2002 and 2001, PERS employee members contributed 8.5% of their gross salaries. The Cemetery contributed an amount equal to 13.55% of participants' gross salaries during the period January 1, 2001 though June 30, 2002. The Cemetery has paid all contributions required through December 31, 2002.

4. FUNDING BY MEMBER ENTITIES

The City of Kenton, and Pleasant, Buck, and Goshen Townships, of Hardin County support the Cemetery through tax levies. These levies are approved by the residents of each of these entities. The Hardin County Auditor collects these tax levies and distributes the proceeds directly to the Cemetery. These tax levies, along with the related homestead and rollback taxes and the personal property tax reductions received from the State of Ohio are reflected on the financial statements as Intergovernmental Revenues.

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

5. RISK MANAGEMENT

Commercial Insurance

The Grove Cemetery Association has obtained commercial insurance for the following risks:

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

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**Auditor of State
Betty Montgomery**

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

Grove Cemetery Association
Hardin County
P O Box 153
Kenton, Ohio 43326

To the Board of Trustees:

We have audited the financial statements of Grove Cemetery Association, Hardin County (the "Cemetery"), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated April 22, 2003. 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 2002-20233-001.

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 April 22, 2003.

Grove Cemetery Association
Hardin County
Independent Accountants' 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 the management and 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 22, 2003

**GROVE CEMETERY ASSOCIATION
HARDIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2002-20233-001

Ohio Rev. Code Section 117.38 requires cash-basis entities to file annual reports with the Auditor of State within 60 days of the fiscal year end. The report shall contain the amount of: 1) receipts, and amounts due from each source; 2) expenditures for each purpose; 3) income of any public service industry that the entity owns or operates, as well as the costs of ownership or operation; and 4) public debt of each taxing district, the purpose of the debt, and how the debt will be repaid. This Section also requires the public office to publish notice in a local newspaper stating the financial report is available for public inspection at the office of the chief fiscal officer.

The Cemetery prepared annual financials statements for 2002 and 2001, however they were not filed with the Auditor of State; notice of availability was not published; and they did not include new donations or the beginning principal of the Non-Expendable Trust Funds.

The Cemetery should implement monitoring procedures to help assure compliance with this Ohio Rev. Code Section.



**Auditor of State
Betty Montgomery**

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GROVE CEMETERY ASSOCIATION

HARDIN 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
MAY 15, 2003**