



**Auditor of State
Betty Montgomery**

**ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY**

TABLE OF CONTENTS

| TITLE | PAGE |
|--|-------------|
| Report of Independent Accountants | 1 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental and Fiduciary Fund Types – For the Year Ended December 31, 2003..... | 3 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental and Fiduciary Fund Types – For the Year Ended December 31, 2002..... | 4 |
| Notes to the Financial Statements | 5 |
| Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> | 9 |

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**Auditor of State
Betty Montgomery**

REPORT OF INDEPENDENT ACCOUNTANTS

Rock Creek Union Cemetery
Ashtabula County
P.O. Box 49
Rock Creek, Ohio 44084

To the Board of Trustees:

We have audited the accompanying financial statements of Rock Creek Union Cemetery (the Cemetery) as of and for the years ended December 31, 2003 and 2002. 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 of the Cemetery as of December 31, 2003 and 2002, 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 November 19, 2004 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.

Rock Creek Union Cemetery
Ashtabula County
Report of Independent Accountants
Page 2

This report is intended solely for the information and use of the audit committee, 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

November 19, 2004

**ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

| | <u>Governmental Fund Types</u> | | | <u>Totals (Memorandum Only)</u> |
|--|--------------------------------|-----------------------------|----------------------------|---|
| | <u>General</u> | <u>Capital Projects</u> | <u>Fiduciary Funds</u> | |
| Cash Receipts: | | | | |
| Local Taxes | \$19,777 | | | \$19,777 |
| Charges for Services | 3,500 | | | 3,500 |
| Sale of Lots | 625 | | | 625 |
| Interest | 396 | \$16 | \$275 | 687 |
| Miscellaneous | 1,857 | 100 | | 1,957 |
| | <u>26,155</u> | <u>116</u> | <u>275</u> | <u>26,546</u> |
| Total Cash Receipts | | | | |
| | <u>26,155</u> | <u>116</u> | <u>275</u> | <u>26,546</u> |
| Cash Disbursements: | | | | |
| Current: | | | | |
| Salaries | 12,600 | | | 12,600 |
| Equipment | 429 | | | 429 |
| Contracts - Services | 3,301 | | | 3,301 |
| Public Employees' Retirement | 1,707 | | | 1,707 |
| Workers' Compensation | 474 | | | 474 |
| Miscellaneous | 4,295 | | | 4,295 |
| | <u>22,806</u> | | | <u>22,806</u> |
| Total Disbursements | | | | |
| | <u>22,806</u> | | | <u>22,806</u> |
| Total Receipts Over Disbursements | | | | |
| | <u>3,349</u> | <u>116</u> | <u>275</u> | <u>3,740</u> |
| Fund Cash Balances, January 1 | | | | |
| | <u>18,430</u> | <u>3,114</u> | <u>34,819</u> | <u>56,363</u> |
| Fund Cash Balances, December 31 | | | | |
| | <u><u>\$21,779</u></u> | <u><u>\$3,230</u></u> | <u><u>\$35,094</u></u> | <u><u>\$60,103</u></u> |

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

**ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

| | <u>Governmental Fund Types</u> | | | <u>Totals (Memorandum Only)</u> |
|--|--------------------------------|------------------------------|-------------------------------|---|
| | <u>General</u> | <u>Capital Projects</u> | <u>Fiduciary Funds</u> | |
| Cash Receipts: | | | | |
| Local Taxes | \$17,651 | | | \$17,651 |
| Charges for Services | 3,575 | | | 3,575 |
| Sale of Lots | 1,250 | | | 1,250 |
| Interest | 506 | \$38 | \$546 | 1,090 |
| Miscellaneous | 1,841 | 171 | | 2,012 |
| | <u>24,823</u> | <u>209</u> | <u>546</u> | <u>25,578</u> |
| Cash Disbursements: | | | | |
| Current: | | | | |
| Salaries | 12,600 | | | 12,600 |
| Contracts - Services | 3,266 | | | 3,266 |
| Public Employees' Retirement | 1,707 | | | 1,707 |
| Workers' Compensation | 209 | | | 209 |
| Miscellaneous | 5,713 | | 104 | 5,817 |
| | <u>23,495</u> | | <u>104</u> | <u>23,599</u> |
| Total Receipts Over Disbursements | <u>1,328</u> | <u>209</u> | <u>442</u> | <u>1,979</u> |
| Fund Cash Balances, January 1 | <u>17,102</u> | <u>2,905</u> | <u>34,377</u> | <u>54,384</u> |
| Fund Cash Balances, December 31 | <u><u>\$18,430</u></u> | <u><u>\$3,114</u></u> | <u><u>\$34,819</u></u> | <u><u>\$56,363</u></u> |

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

**ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Rock Creek Union Cemetery, Ashtabula 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 three-member Board of Trustees. The Board is appointed by the Rock Creek Village and Morgan Township. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. This accompanying financial statement presents 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 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

Investments are reported as assets. 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 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. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through trust funds). The Cemetery had the following significant Capital Project Fund:

Chapel Fund – This fund is used to account for donations for the sole purpose of construction of a chapel in the Cemetery.

**ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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 Fund:

Cemetery Trust Fund: This fund receives interest from fund investments. Proceeds are used to maintain grave sites as well as cemetery maintenance as a whole.

E. Budgetary Process

The Cemetery budgets for its General Fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function 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.

A summary of 2003 and 2002 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 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:

| | 2003 | 2002 |
|-------------------------|----------|----------|
| Demand deposits | \$42,952 | \$39,392 |
| Certificates of deposit | 17,151 | 16,971 |
| Total deposits | \$60,103 | \$56,363 |

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

**ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

| 2003 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$36,430 | \$26,155 | (\$10,275) |

| 2003 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$36,215 | \$22,806 | \$13,409 |

| 2002 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$35,102 | \$24,823 | (\$10,279) |

| 2002 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$26,340 | \$23,495 | \$2,845 |

4. 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.

**ROCK CREEK UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

4. RETIREMENT SYSTEMS (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, PERS employee members contributed 8.5% of their gross salaries. The Cemetery contributed an amount equal to 13.55% of participants' gross salaries through December 31, 2003. The Cemetery has paid all contributions required through December 31, 2003.

5. RISK MANAGEMENT

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

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



**Auditor of State
Betty Montgomery**

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

Rock Creek Union Cemetery
Ashtabula County
P.O. Box 49
Rock Creek, Ohio 44084

To the Board of Trustees:

We have audited the accompanying financial statements of Rock Creek Union Cemetery (the Cemetery) as of and for the years ended December 31, 2003 and 2002 and have issued our report thereon dated November 19, 2004. 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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 November 19, 2004.

Rock Creek Union Cemetery
Ashtabula County
Report of Independent Accountants 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 audit committee, 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

November 19, 2004



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

**ROCK CREEK UNION CEMETERY
ASHTABULA 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
JANUARY 20, 2005**