



**Auditor of State  
Betty Montgomery**



**GERMANTOWN UNION CEMETERY  
MONTGOMERY COUNTY**

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Germantown Union Cemetery  
Montgomery County  
11179 State Route 725 West  
Germantown, Ohio 45327

To the Board of Trustees:

We have audited the accompanying financial statements of Germantown 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.

The Cemetery's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Cemetery because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code Section 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code Sections 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments.

We believe that our audit provides a reasonable basis for our opinion.

As described 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, 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 September 9, 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.

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 Section 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

September 9, 2004

**GERMANTOWN UNION CEMETERY  
MONTGOMERY COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Funds</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
Intergovernmental Receipts		\$57,111		\$57,111
Charges for Services	30,730			30,730
Sale of Lots	31,514			31,514
Earnings on Investments	959		313	1,272
Miscellaneous	8,176		3,300	11,476
	<u>71,379</u>	<u>57,111</u>	<u>3,613</u>	<u>132,103</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	57,520	72,767		130,287
Capital Outlay	2,630		806	3,436
	<u>60,150</u>	<u>72,767</u>	<u>806</u>	<u>133,723</u>
Total Receipts Over/(Under) Disbursements	<u>11,229</u>	<u>(15,656)</u>	<u>2,807</u>	<u>(1,620)</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Transfers-In		11,500		11,500
Advances-In	8,200	8,200		16,400
Transfers-Out	(11,500)			(11,500)
Advances-Out	(8,200)	(8,200)		(16,400)
	<u>(11,500)</u>	<u>11,500</u>		
Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(271)	(4,156)	2,807	(1,620)
Fund Cash Balances, January 1	<u>5,050</u>	<u>4,535</u>	<u>22,167</u>	<u>31,752</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$4,779</u></u>	<u><u>\$379</u></u>	<u><u>\$24,974</u></u>	<u><u>\$30,132</u></u>

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

**GERMANTOWN UNION CEMETERY  
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2003**

<b>Operating Cash Receipts:</b>	
Sale of Lots	\$3,448
Earnings on Investments	46
	<hr/>
Total Operating Cash Receipts	3,494
 <b>Operating Cash Disbursements:</b>	
Other Expense	0
	<hr/>
Operating Income	3,494
Fund Cash Balance, January 1	46,090
	<hr/>
<b>Fund Cash Balance, December 31</b>	<b><u><u>\$49,584</u></u></b>

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

**GERMANTOWN UNION CEMETERY  
MONTGOMERY COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Funds</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
Intergovernmental Receipts		\$58,717		\$58,717
Charges for Services	23,594			23,594
Sale of Lots	15,819			15,819
Earnings on Investments	1,925		1,263	3,188
Miscellaneous	460			460
	<u>41,798</u>	<u>58,717</u>	<u>1,263</u>	<u>101,778</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
General Government	43,158	62,339		105,497
Capital Outlay	1,738			1,738
	<u>44,896</u>	<u>62,339</u>		<u>107,235</u>
<b>Total Cash Disbursements</b>				
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(3,098)</u>	<u>(3,622)</u>	<u>1,263</u>	<u>(5,457)</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Transfers-In		2,000		2,000
Advances-In	3,500	3,500		7,000
Transfers-Out	(2,000)			(2,000)
Advances-Out	(3,500)	(3,500)		(7,000)
	<u>(2,000)</u>	<u>2,000</u>		
<b>Total Other Financing Receipts/(Disbursements)</b>				
Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(5,098)	(1,622)	1,263	(5,457)
Fund Cash Balances, January 1	<u>10,148</u>	<u>6,157</u>	<u>20,904</u>	<u>37,209</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$5,050</u></u>	<u><u>\$4,535</u></u>	<u><u>\$22,167</u></u>	<u><u>\$31,752</u></u>

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

**GERMANTOWN UNION CEMETERY  
MONTGOMERY COUNTY**

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

<b>Operating Cash Receipts:</b>	
Sale of Lots	\$1,756
Earnings on Investments	<u>11</u>
Total Operating Cash Receipts	1,767
<b>Operating Cash Disbursements:</b>	
Other Expense	<u>2</u>
Operating Income	1,765
Fund Cash Balance, January 1	<u>44,325</u>
<b>Fund Cash Balance, December 31</b>	<b><u><u>\$46,090</u></u></b>

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

**GERMANTOWN UNION CEMETERY  
MONTGOMERY COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Germantown Union Cemetery, Montgomery 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 German Township and the Village of Germantown. The Township provides funding, through a tax levy, to meet the Cemetery's operating costs under the agreement which established the Cemetery. This 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 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**

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. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Cemetery had the following Special Revenue Fund:

**Cemetery Fund** – This fund receives the taxes levied by German Township for operating the Cemetery.

**GERMANTOWN UNION CEMETERY  
MONTGOMERY 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 Funds:

**Smith Land Acquisition Expendable Trust Fund** - This fund received a gift amount which is to be held and invested for the acquisition and development of burial ground land, whether to expand the present cemetery or to acquire land elsewhere.

**Bicentennial Tree Expendable Trust Fund** – This fund was created in 2003 for the receipt of donations to purchase trees, and to track the original purchase and ongoing maintenance of the trees.

**Perpetual Care Nonexpendable Trust Fund** – This fund receives a portion of the receipts from all grave sales. The fund is to be used for Cemetery maintenance costs after all grave lots have been sold.

**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. The Board annually approves appropriation measures and subsequent amendments. Unencumbered 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.

**3. Encumbrances**

The Cemetery reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

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.

**GERMANTOWN UNION CEMETERY  
MONTGOMERY COUNTY**

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

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

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Cemetery.

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

The Cemetery maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 follows:

	<b>2003</b>	<b>2002</b>
Demand deposits	\$11,260	\$11,427
Certificates of deposit	68,456	66,415
Total deposits	\$79,716	\$77,842

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

**3. BUDGETARY ACTIVITY**

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

**2003 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$71,700	\$71,379	(\$321)
Special Revenue	69,594	68,611	(983)
Expendable Trust	4,400	3,613	(787)
Nonexpendable Trust	0	3,494	3,494
Total	\$145,694	\$147,097	\$1,403

**2003 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$76,519	\$71,650	\$4,869
Special Revenue	73,300	72,767	533
Expendable Trust	27,300	806	26,494
Nonexpendable Trust	0	0	0
Total	\$177,119	\$145,223	\$31,896

**GERMANTOWN UNION CEMETERY  
MONTGOMERY COUNTY**

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

**3. BUDGETARY ACTIVITY**

**2002 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$55,150	\$41,798	(\$13,352)
Special Revenue	55,934	60,717	4,783
Expendable Trust	1,000	1,263	263
Nonexpendable Trust		1,767	1,767
Total	<u>\$112,084</u>	<u>\$105,545</u>	<u>(\$6,539)</u>

**2002 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$65,050	\$46,896	\$18,154
Special Revenue	62,600	62,339	261
Expendable Trust	21,000		21,000
Fiduciary (Trust Funds)	5	2	3
Total	<u>\$148,655</u>	<u>\$109,237</u>	<u>\$39,418</u>

**4. DEBT**

On January 5, 2001, German Township issued a Building Bond in the amount of \$100,000.00 with an interest rate of 6.50% on behalf of the Germantown Union Cemetery for the purpose of constructing a Garage/Office complex for the use of the Germantown Union Cemetery. The maturity date of this original issue was January 5, 2011. The Cemetery is responsible for making quarterly payments to the Township for this debt.

This original Building Bond was refinanced by German Township on April 12, 2003 with the issuance of a Building Bond in the amount of \$82,890.07 with an interest rate of 3.60% on behalf of the Germantown Union Cemetery. The maturity date of the new bond issue is April 12, 2010. The Cemetery is responsible for making payments to the Township of principal and interest in the amount of \$3,353 each quarter until the maturity date in April 2010.

**5. 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 prescribed by the Ohio Revised Code. The Cemetery's PERS members contributed 8.5% of their gross salaries. The Cemetery contributed an amount equal to 13.55% of participants' gross salaries for 2003 and 2002. The Cemetery has paid all contributions required through December 31, 2003.

**GERMANTOWN UNION CEMETERY  
MONTGOMERY COUNTY**

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

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Germantown Union Cemetery 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*

Germantown Union Cemetery  
Montgomery County  
11179 State Route 725 West  
Germantown, OH 45327

To the Board of Trustees:

We have audited the accompanying financial statements of the Germantown Union Cemetery (the "Cemetery") as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated September 9, 2004, wherein we noted that the Cemetery's financial transactions were processed using the Auditor of States' Uniform Accounting Network (UAN). *Government Auditing Standards* considers this type of service to impair the independence of the Auditor of State to conduct the audit of the Cemetery, because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Cemetery in a separate letter dated September 9, 2004.

#### 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 September 9, 2004.

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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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

September 9, 2004



**Auditor of State  
Betty Montgomery**

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**GERMANTOWN UNION CEMETERY**

**MONTGOMERY 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  
NOVEMBER 4, 2004**