



**Auditor of State
Betty Montgomery**

**RIVERCLIFF UNION CEMETERY
MORROW COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Rivercliff Union Cemetery
Morrow County
201 E. Marion Street
Mount 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, 2003, and December 31, 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 balances of the Cemetery as of December 31, 2003, and December 31, 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 July 30, 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.

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

Betty Montgomery
Auditor of State

July 30, 2004

**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, 2003**

	<u>Governmental</u>	<u>Fiduciary</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Expendable Trust</u>	<u>Non-Expendable Trust</u>	
Cash Receipts:				
Local Taxes	\$36,459	\$0	\$0	\$36,459
Charges for Services	13,856	0	0	13,856
Sale of Lots	8,450	0	0	8,450
Interest	962	72	3,119	4,153
Miscellaneous	16	0	0	16
	<u>59,743</u>	<u>72</u>	<u>3,119</u>	<u>62,934</u>
Total Cash Receipts				
	<u>59,743</u>	<u>72</u>	<u>3,119</u>	<u>62,934</u>
Cash Disbursements:				
Current:				
Salaries	5,661	0	0	5,661
Supplies & Equipment	15,855	0	0	15,855
Contracts - Services	43,500	0	0	43,500
Miscellaneous	1,587	58	0	1,645
	<u>66,603</u>	<u>58</u>	<u>0</u>	<u>66,661</u>
Total Disbursements				
	<u>66,603</u>	<u>58</u>	<u>0</u>	<u>66,661</u>
Total Receipts Over/(Under) Disbursements	(6,860)	14	3,119	(3,727)
Fund Cash Balances, January 1	<u>98,465</u>	<u>8,221</u>	<u>86,962</u>	<u>193,648</u>
Fund Cash Balances, December 31	<u><u>\$91,605</u></u>	<u><u>\$8,235</u></u>	<u><u>\$90,081</u></u>	<u><u>\$189,921</u></u>

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, 2002**

	<u>Governmental</u>	<u>Fiduciary</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Expendable Trust</u>	<u>Non-Expendable Trust</u>	
Cash Receipts:				
Local Taxes	\$36,952	\$0	\$0	\$36,952
Charges for Services	13,415	0	0	13,415
Sale of Lots	9,655	0	0	9,655
Donations	1,000	0	0	1,000
Interest	1,455	156	6,835	8,446
Miscellaneous	278	0	0	278
	<u>62,755</u>	<u>156</u>	<u>6,835</u>	<u>69,746</u>
Total Cash Receipts				
	<u>62,755</u>	<u>156</u>	<u>6,835</u>	<u>69,746</u>
Cash Disbursements:				
Current:				
Salaries	5,221	0	0	5,221
Supplies & Equipment	13,797	0	0	13,797
Contracts - Services	43,500	0	0	43,500
Miscellaneous	5,703	0	0	5,703
	<u>68,221</u>	<u>0</u>	<u>0</u>	<u>68,221</u>
Total Disbursements				
	<u>68,221</u>	<u>0</u>	<u>0</u>	<u>68,221</u>
Total Receipts Over/(Under) Disbursements	(5,466)	156	6,835	1,525
Fund Cash Balances, January 1	<u>103,931</u>	<u>8,065</u>	<u>80,127</u>	<u>192,123</u>
Fund Cash Balances, December 31	<u><u>\$98,465</u></u>	<u><u>\$8,221</u></u>	<u><u>\$86,962</u></u>	<u><u>\$193,648</u></u>

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, 2003 AND 2002**

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.

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 that is 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 UNION CEMETERY
MORROW COUNTY**

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

The Cemetery maintains a cash pool used by all funds except the non-expendable trust fund. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 follows:

	2003	2002
Demand deposits	\$56,331	\$61,713
Certificates of deposit	133,590	131,935
Total deposits	\$189,921	\$193,648

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**RIVERCLIFF UNION CEMETERY
MORROW 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 December 31, 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$64,200	\$59,743	(\$4,457)
Fiduciary (Trust Funds)	2,000	3,191	1,191
Total	\$66,200	\$62,934	(\$3,266)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$275,425	\$66,603	\$208,822
Fiduciary (Trust Funds)	10,127	58	10,069
Total	\$285,552	\$66,661	\$218,891

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$162,171	\$62,755	(\$99,416)
Fiduciary (Trust Funds)	1,000	6,991	5,991
Total	\$163,171	\$69,746	(\$93,425)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$155,721	\$68,221	\$87,500
Fiduciary (Trust Funds)	10,064	0	10,064
Total	\$165,785	\$68,221	\$97,564

4. RETIREMENT SYSTEM

The Cemetery's officials 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 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. The Cemetery has paid all contributions required through December 31, 2003.

**RIVERCLIFF UNION CEMETERY
MORROW COUNTY**

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

5. RISK MANAGEMENT

Commercial Insurance

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

- General liability;
- Vehicles; and
- Property.



Auditor of State Betty Montgomery

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

Rivercliff Union Cemetery
Morrow County
201 E. Marion Street
Mount Gilead, Ohio 43338

To the Board of Trustees:

We have audited the financial statements of Rivercliff Union Cemetery, Morrow County, Ohio, (the Cemetery) as of and for the years ended December 31, 2003, and December 31, 2002, and have issued our report thereon dated July 30, 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 an instance of non-compliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2003--001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Cemetery in a separate letter dated July 30, 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 July 30, 2004.

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Rivercliff Union Cemetery
Morrow County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
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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

July 30, 2004

**RIVERCLIFF UNION CEMETERY
MORROW COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

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

FINDING NUMBER 2003-001

Noncompliance Citation

Deposits of Public Money

Ohio Rev. Code Section 9.38 states that public money must be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt. Public money collected for other public offices must be deposited by the first business day of the week following the date of collection. If the amount of daily receipts does not exceed \$1,000 **and** the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than three business days after receiving it.

The Cemetery Clerk deposits receipts derived from charges for services, sale of lots, taxes, and any other receipts collected by the Sexton or herself on a monthly or semi-monthly basis. We recommend that the Cemetery establish a policy requiring more timely deposits of receipts to help ensure accountability and safeguarding of Cemetery assets. We also recommend that the Board permit the Cemetery Sexton to make deposits when he receives monies from the opening and closing of graves and sale of lots.

RIVERCLIFF UNION CEMETERY
MORROW COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 AND 2002

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2001-30659-001	Certification of Expenditures	N/A	No longer applies



**Auditor of State
Betty Montgomery**

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RIVERCLIFF UNION CEMETERY

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 31, 2004**