



**Auditor of State
Betty Montgomery**

**LEXINGTON UNION CEMETERY
RICHLAND COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Lexington Union Cemetery
Richland County
3481 Lindsey Road
Lexington, Ohio 44904

To the Board of Trustees:

We have audited the accompanying financial statements of Lexington Union Cemetery, Richland County, Ohio, (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 audits.

We conducted our audits 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 audits 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 audits provide 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 fund cash balances of the Cemetery as of December 31, 2002 and 2001, and its 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 February 28, 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 audits.

Lexington Union Cemetery
Richland County
Independent Accountants' Report
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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

February 28, 2003

**LEXINGTON UNION CEMETERY
RICHLAND COUNTY**

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

	<u>General</u>	<u>Non-Expendable Trust</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Intergovernmental	\$33,130		\$33,130
Charges for Services	4,100		4,100
Sale of Lots	2,775	\$925	3,700
Earnings on Investments	15,052	1,068	16,120
	<u>55,057</u>	<u>1,993</u>	<u>57,050</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	6,572		6,572
Health	28,663		28,663
	<u>35,235</u>	<u>0</u>	<u>35,235</u>
Total Cash Disbursements			
Total Receipts Over Disbursements	<u>19,822</u>	<u>1,993</u>	<u>21,815</u>
Fund Cash Balances, January 1	<u>383,288</u>	<u>47,079</u>	<u>430,367</u>
Fund Cash Balances, December 31	<u><u>\$403,110</u></u>	<u><u>\$49,072</u></u>	<u><u>\$452,182</u></u>

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

**LEXINGTON UNION CEMETERY
RICHLAND COUNTY**

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

	<u>General</u>	<u>Non-Expendable Trust</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Intergovernmental	\$39,140		\$39,140
Charges for Services	4,100		4,100
Sale of Lots	3,825	\$1,375	5,200
Earnings on Investments	20,813	1,772	22,585
	<u>67,878</u>	<u>3,147</u>	<u>71,025</u>
Cash Disbursements:			
Current:			
General Government	1,381		1,381
Health	43,413		43,413
	<u>44,794</u>	<u>0</u>	<u>44,794</u>
Total Cash Disbursements	<u>44,794</u>	<u>0</u>	<u>44,794</u>
Total Receipts Over Disbursements	<u>23,084</u>	<u>3,147</u>	<u>26,231</u>
Fund Cash Balances, January 1	<u>360,204</u>	<u>43,932</u>	<u>404,136</u>
Fund Cash Balances, December 31	<u><u>\$383,288</u></u>	<u><u>\$47,079</u></u>	<u><u>\$430,367</u></u>

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

**LEXINGTON UNION CEMETERY
RICHLAND COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Lexington Union Cemetery, Richland 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. The Board is appointed by legislative authorities of the Village of Lexington and Troy Township. These entities also provide funding 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.

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

C. Cash

Certificates of deposit are valued at cost. The Cemetery has no investments.

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. Non-Expendable Trust Fund

Trust funds are used to account for resources restricted by legally binding trust agreements. The agreement requires the Cemetery to maintain the corpus of the trust, therefore, the fund is classified as a non-expendable trust fund. The Cemetery had the following non-expendable trust fund:

Cemetery Endowment Fund – This fund receives interest from investments and a portion of grave lot sales. Such proceeds are used to maintain cemetery grounds.

**LEXINGTON UNION CEMETERY
RICHLAND COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as equipment disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN POOLED CASH

The Cemetery maintains cash in segregated accounts for each fund. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 follows:

	<u>2002</u>	<u>2001</u>
Demand deposits	\$325,093	\$44,401
Certificates of deposit	<u>127,089</u>	<u>385,966</u>
Total deposits	<u><u>\$452,182</u></u>	<u><u>\$430,367</u></u>

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

3. RETIREMENT SYSTEM

The Cemetery's employees and clerk belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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, OPERS 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, 2002.

4. RISK MANAGEMENT

Commercial Insurance

The Cemetery has obtained commercial insurance for the following risks:

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



**Auditor of State
Betty Montgomery**

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

Lexington Union Cemetery
Richland County
3481 Lindsey Road
Lexington, Ohio 44904

To the Board of Trustees:

We have audited the accompanying financial statements of Lexington Union Cemetery, Richland County, Ohio, (the Cemetery) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated February 28, 2003. We conducted our audits 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 audits 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 audits, 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 February 28, 2003.

Lexington Union Cemetery
Richland 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

February 28, 2003



**Auditor of State
Betty Montgomery**

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LEXINGTON UNION CEMETERY

RICHLAND 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 8, 2003**