



**Auditor of State
Betty Montgomery**

**GLENDALE UNION CEMETERY
MORROW COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Glendale Union Cemetery
Morrow County
P.O. Box 86
Cardington, Ohio 43315

To the Board of Trustees:

We have audited the accompanying financial statements of Glendale 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 and reserve for encumbrances 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 March 15, 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.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

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

March 15, 2004

**GLENDALE 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	\$85,036	\$0	\$0	\$85,036
Intergovernmental	7,299	0	0	7,299
Charges for Services	18,146	0	0	18,146
Sale of Lots	14,755	0	0	14,755
Earnings on Investments	3,816	20	207	4,043
Miscellaneous	219	0	0	219
	<u>129,271</u>	<u>20</u>	<u>207</u>	<u>129,498</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Salaries and Benefits	77,480	0	0	77,480
Supplies	5,509	0	0	5,509
Equipment	5,372	0	0	5,372
Contracted Services	3,273	0	0	3,273
Bequest Expenditures	0	135	70	205
Miscellaneous	5,842	0	0	5,842
Capital Outlay	13,699	0	0	13,699
	<u>111,175</u>	<u>135</u>	<u>70</u>	<u>111,380</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	18,096	(115)	137	18,118
Fund Cash Balances, January 1	175,058	3,214	8,699	186,971
Fund Cash Balances, December 31	<u>\$193,154</u>	<u>\$3,099</u>	<u>\$8,836</u>	<u>\$205,089</u>
Reserves for Encumbrances, December 31	<u>\$8,321</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,321</u>

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

**GLENDALE 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	\$91,477	\$0	\$0	\$91,477
Intergovernmental	3,706	0	0	3,706
Charges for Services	10,528	0	0	10,528
Sale of Lots	10,150	0	0	10,150
Earnings on Investments	3,924	30	247	4,201
Miscellaneous	1,390	1,000	0	2,390
	<u>121,175</u>	<u>1,030</u>	<u>247</u>	<u>122,452</u>
Total Cash Receipts				
	<u>121,175</u>	<u>1,030</u>	<u>247</u>	<u>122,452</u>
Cash Disbursements:				
Current:				
Salaries and Benefits	65,457	0	0	65,457
Supplies	6,910	0	0	6,910
Equipment	2,049	0	0	2,049
Contracted Services	5,109	0	0	5,109
Bequest Expenditures	5	195	95	295
Miscellaneous	6,863	0	0	6,863
Capital Outlay	5,300	0	0	5,300
	<u>91,693</u>	<u>195</u>	<u>95</u>	<u>91,983</u>
Total Cash Disbursements				
	<u>91,693</u>	<u>195</u>	<u>95</u>	<u>91,983</u>
Total Receipts Over Disbursements	29,482	835	152	30,469
Fund Cash Balances, January 1	<u>145,576</u>	<u>2,379</u>	<u>8,547</u>	<u>156,502</u>
Fund Cash Balances, December 31	<u>\$175,058</u>	<u>\$3,214</u>	<u>\$8,699</u>	<u>\$186,971</u>
Reserves for Encumbrances, December 31	<u>\$7,630</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,630</u>

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

**GLENDALE 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

Glendale 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. One trustee is a village council member, one is a Cemetery trustee and one is a member appointed at large. 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

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. Money market mutual funds are recorded at share values reported by the mutual fund.

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. 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.

**GLENDALE 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 function level of control, and appropriations may not exceed estimated resources. The Board annually approves appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Cemetery reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated. The Cemetery did not encumber all commitments required by Ohio Law.

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.

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.

**GLENDALE UNION CEMETERY
MORROW COUNTY**

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

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	\$97,943	\$79,850
Certificates of deposit	106,146	106,121
Total deposits	204,089	185,971
Mutual Fund	1,000	1,000
Total investments	1,000	1,000
Total deposits and investments	\$205,089	\$186,971

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Cemetery,

Investments: The Cemetery's mutual fund is held by Key Trust Company of Ohio, the trustee under the will of Mabel Lamprecht. The market values of the mutual fund on December 31, 2003 and December 31, 2002 were \$1,000 and \$1,000 respectively. The mutual fund is not evidenced by securities that exist in physical or book-entry form. The mutual fund was received by the Cemetery as a bequest.

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	\$108,300	\$129,271	\$20,971
Fiduciary (Trust Funds)	500	227	(273)
Total	\$108,800	\$129,498	\$20,698

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures Plus Encumbrances	Variance
General	\$182,940	\$119,496	\$63,444
Fiduciary (Trust Funds)	500	205	295
Total	\$183,440	\$119,701	\$63,739

**GLENDALE UNION CEMETERY
MORROW COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$107,600	\$121,175	\$13,575
Fiduciary (Trust Funds)	1,000	1,277	277
Total	\$108,600	\$122,452	\$13,852

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures Plus Encumbrances	Variance
General	\$152,140	\$99,323	\$52,817
Fiduciary (Trust Funds)	500	290	210
Total	\$152,640	\$99,613	\$53,027

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Cemetery.

5. RETIREMENT SYSTEM

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 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 for 2003. The Cemetery has paid all contributions required through December 31, 2003.

**GLENDALE UNION CEMETERY
MORROW COUNTY**

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

6. RISK MANAGEMENT

Commercial Insurance

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

- General liability
- Official's liability
- Vehicles
- Property

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**Auditor of State
Betty Montgomery**

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

Glendale Union Cemetery
Morrow County
P.O. Box 86
Cardington, Ohio 43315

To the Board of Trustees:

We have audited the accompanying financial statements of Glendale 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 March 15, 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 test 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 2003-001.

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 March 15, 2004.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

Glendale 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.

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Betty Montgomery
Auditor of State

March 15, 2004

**GLENDALE 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

Certification of Expenditures

Ohio Rev. Code Section 5705.41 (D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification should be considered null and void.

This section also provides two exceptions to the above requirements.

- A. Then and Now certificate- if no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the purchase order or contract and at the time of the certificate, appropriated and free of any previous encumbrance, the Board of Trustees may authorize the issuance of a check in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less than \$3,000 the fiscal officer may authorize it to be paid without the affirmation of the Board, if such expenditure is otherwise valid.

Sixty percent of transactions tested were not certified by the Clerk prior to the commitment being incurred, nor were they certified using a then-and-now certification. This procedure is not only required by Ohio law but is a key control in the disbursement process to assure that purchase commitments receive prior approval, and to help reduce the possibility of Cemetery funds being over expended or exceeding budgetary spending limitations as set by the Board.

**GLENDALE 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; <i>Explain:</i>
2001-30659-001	5705.41(D)	No	Not Corrected



**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

GLENDALE 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
APRIL 15, 2004**