



**Auditor of State
Betty Montgomery**

**NEW LEXINGTON PIKE TOWNSHIP UNION CEMETERY
PERRY COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

New Lexington Pike Township Union Cemetery
Perry County
440 Swigart Street
New Lexington, Ohio 43764

To the Board of Trustees:

We have audited the accompanying financial statements of the New Lexington Pike Township Union Cemetery, Perry County, Ohio (the Cemetery), as of and for the years ended December 31, 2004 and 2003. 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 Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 described more fully in Note 1, the Cemetery has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the New Lexington Pike Township Union Cemetery, Perry County, as of December 31, 2004 and 2003, 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 25, 2005 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 grant agreements and other matters. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should be read it in conjunction with this report in assessing the results of our audit.

New Lexington Pike Township Union Cemetery
Perry 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 Section 117.26, Ohio Revised Code, and is not intended to be, and should not be used by anyone other than those 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 25, 2005

**NEW LEXINGTON PIKE TOWNSHIP UNION CEMETERY
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Nonexpendable Trust</u>	
Cash Receipts:			
Intergovernmental	\$57,959	\$	\$57,959
Charges for Services	29,290		29,290
Sale of Lots	7,615		7,615
Interest	7,062		7,062
Miscellaneous	1,584		1,584
	<u>103,510</u>	<u>0</u>	<u>103,510</u>
Cash Disbursements:			
Current:			
Personal Services	69,710		69,710
Utilities	4,453		4,453
Supplies and Materials	7,230		7,230
Contracts - Services	1,396		1,396
Miscellaneous	18,020		18,020
Insurance	26,000		26,000
	<u>126,809</u>	<u>0</u>	<u>126,809</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(23,299)</u>	<u>0</u>	<u>(23,299)</u>
Fund Cash Balances, January 1	<u>141,773</u>	<u>95,766</u>	<u>237,539</u>
Fund Cash Balances, December 31	<u><u>\$118,474</u></u>	<u><u>\$95,766</u></u>	<u><u>\$214,240</u></u>

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

**NEW LEXINGTON PIKE TOWNSHIP UNION CEMETERY
PERRY COUNTY**

**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 Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Nonexpendable Trust</u>	
Cash Receipts:			
Intergovernmental	\$63,311	\$	\$63,311
Charges for Services	31,810		31,810
Sale of Lots	15,455		15,455
Interest	8,206		8,206
Miscellaneous	3,269		3,269
Total Cash Receipts	<u>122,051</u>	<u>0</u>	<u>122,051</u>
Cash Disbursements:			
Current:			
Personal Services	68,513		68,513
Utilities	4,277		4,277
Supplies and Materials	14,677		14,677
Contracts - Services	1,421		1,421
Miscellaneous	12,357		12,357
Insurance	21,598		21,598
Total Cash Disbursements	<u>122,843</u>	<u>0</u>	<u>122,843</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(792)</u>	<u>0</u>	<u>(792)</u>
Fund Cash Balances, January 1	<u>142,565</u>	<u>95,766</u>	<u>238,331</u>
Fund Cash Balances, December 31	<u><u>\$141,773</u></u>	<u><u>\$95,766</u></u>	<u><u>\$237,539</u></u>

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

**NEW LEXINGTON PIKE TOWNSHIP UNION CEMETERY
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the state of Ohio establish the rights and privileges for the New Lexington Pike Township Union Cemetery, Perry County (the Cemetery), as a body corporate and politic. The Cemetery is directed by an appointed three-member Board of Trustees and an appointed Clerk. Two members of the Board of Trustees are appointed by the City of New Lexington and one by Pike Township. These entities also provide funding to meet the Cemetery's operating costs through levies. The 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 the Auditor of State prescribes or permits. This basis 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 the Auditor of State prescribes or permits.

C. Cash and Investments

Certificates of deposit are valued at cost. Interest earned is recognized and recorded when received.

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 Fund

These funds are used to account for resources restricted by legally binding trust agreements. The Cemetery had the following significant Nonexpendable Trust Fund:

Cemetery Bequest Fund – This fund is used to account for the corpus of the trust given to the Cemetery for perpetual care of cemetery lots.

**NEW LEXINGTON PIKE TOWNSHIP UNION CEMETERY
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Interest Earned on Trust Funds

Interest earned by the trust funds is recorded in the General Fund since it can be used for upkeep and maintenance, which are paid from the General Fund.

F. Property, Plant and Equipment

The financial statements report acquisitions of property, plant and equipment as capital outlay disbursements when paid. The financial statements do not report these items as assets.

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. The financial statements do not report unpaid vacation and sick leave as liabilities.

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 was as follows:

	2004	2003
Demand deposits	\$59,698	\$82,996
Certificates of deposit	154,542	154,543
Total deposits	\$214,240	\$237,539

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

3. RETIREMENT SYSTEM

The Cemetery's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, members of PERS 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 employer contributions required through December 31, 2004.

4. RISK MANAGEMENT

The Cemetery is uninsured for the following risks:

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



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

New Lexington Pike Township Union Cemetery
Perry County
440 Swigart Street
New Lexington, Ohio 43764

To the Board of Trustees:

We have audited the financial statements of the New Lexington Pike Township Union Cemetery, Perry County, Ohio (the Cemetery), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated March 25, 2005. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Cemetery's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Cemetery's management dated March 25, 2005, we reported other matters involving internal control over financial reporting.

Compliance and Other Matters

As part of reasonably assuring whether the Cemetery's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 or other matters we must report under *Government Auditing Standards*. In a separate letter to the Cemetery's management dated March 25, 2005, we reported an other matter related to noncompliance we deemed immaterial.

New Lexington Pike Township Union Cemetery
Perry County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of management and the Board of Trustees. It is not intended for 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 25, 2005

**NEW LEXINGTON PIKE TOWNSHIP UNION CEMETERY
PERRY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2002-001	Noncompliance Citation and Material Weakness - Ohio Rev. Code § 149.351 (A) – Destruction or damage of records	Yes.	Finding no longer valid
2002-002	Material Weakness - Ohio Admin. Code 117-02-02 – Failure to maintain an accounting system and accounting records.	Yes	Finding no longer valid
2002-003	Noncompliance Citation – Ohio Rev. Code § 135.18 – Deposits not adequately collateralized.	Yes	Finding no longer valid.
2002-004	Material Weakness – The Board of Trustees failed to adequately monitor the financial activity of the Cemetery.	No	Partially corrected. This finding will be modified and repeated in the management letter.
2002-005	Finding for Recovery – Repaid under audit.	Yes	Finding no longer valid.
2002-006	Finding for Recovery – Repaid under audit.	Yes	Finding no longer valid.



**Auditor of State
Betty Montgomery**

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**NEW LEXINGTON PIKE TOWNSHIP UNION CEMETERY
PERRY 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 17, 2005**