

**RIVERCLIFF UNION CEMETERY
MORROW COUNTY, OHIO**

Financial Statements
(Audited)

For The Years Ended
December 31, 2009 and 2008

ROSE WEST, CLERK



Mary Taylor, CPA

Auditor of State

Board of Trustees
Rivercliff Union Cemetery
201 East Marion Street
Mt. Gilead, Ohio 43338

We have reviewed the *Independent Auditor's Report* of the Rivercliff Union Cemetery, Morrow County, prepared by Julian & Grube, Inc., for the audit period January 1, 2008 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Rivercliff Union Cemetery is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 28, 2010

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**RIVERCLIFF UNION CEMETERY
MORROW COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Board of Trustees
Rivercliff Union Cemetery
201 E. Marion Street
Mount Gilead, Ohio 43338

We have audited the accompanying financial statements of Rivercliff Union Cemetery, Morrow County, Ohio, as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of Rivercliff Union 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 the 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 2, Rivercliff Union 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 (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also presenting Rivercliff Union Cemetery's larger (i.e. major) funds separately. While Rivercliff Union Cemetery does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Rivercliff Union Cemetery to reformat their statements. Rivercliff Union Cemetery has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Rivercliff Union Cemetery as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Rivercliff Union Cemetery, Morrow County, Ohio as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 2 describes.

Rivercliff Union Cemetery has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2010, on our consideration of Rivercliff Union 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Julian & Grube, Inc.
April 16, 2010

**RIVERCLIFF UNION CEMETERY
MORROW COUNTY, OHIO**

COMBINED STATEMENT OF CASH FUND BALANCES
ALL FUND TYPES
DECEMBER 31, 2009 AND 2008

<u>Cash and Cash Equivalents</u>	<u>2009</u>	<u>2008</u>
Cash and Cash Equivalents	\$ 111,608	\$ 116,537
Total Cash and Cash Equivalents	<u>\$ 111,608</u>	<u>\$ 116,537</u>
 <u>Cash Fund Balances</u>		
<u>Governmental Fund Types:</u>		
General Fund	\$ 90,169	\$ 115,098
Permanent Fund	<u>21,439</u>	<u>1,439</u>
Total Governmental Fund Types	<u>111,608</u>	<u>116,537</u>
Total Fund Balances	<u>\$ 111,608</u>	<u>\$ 116,537</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**RIVERCLIFF UNION CEMETERY
MORROW COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES - GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009

	Governmental Fund Types		Total (Memorandum Only)
	General	Permanent	
Cash receipts:			
Intergovernmental	\$ 51,185	\$ -	\$ 51,185
Charges for services	7,375	-	7,375
Sale of Lots	3,000	-	3,000
Interest	1,092	-	1,092
Donations	12,600	-	12,600
Miscellaneous	189	-	189
Total cash receipts	<u>75,441</u>	<u>-</u>	<u>75,441</u>
Cash disbursements:			
Current:			
Salary contracts	6,682	-	6,682
Supplies	1,024	-	1,024
Contract services	67,213	-	67,213
Miscellaneous	8,128	-	8,128
Debt Service:			
Principal retirement	15,713	-	15,713
Interest and fiscal charges	1,610	-	1,610
Total cash disbursements	<u>100,370</u>	<u>-</u>	<u>100,370</u>
Total cash receipts over/(under) cash disbursements	<u>(24,929)</u>	<u>-</u>	<u>(24,929)</u>
Endowment	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Change in fund balances	(24,929)	20,000	(4,929)
Cash fund balances, January 1, 2009	<u>115,098</u>	<u>1,439</u>	<u>116,537</u>
Cash fund balances, December 31, 2009	<u>\$ 90,169</u>	<u>\$ 21,439</u>	<u>\$ 111,608</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**RIVERCLIFF UNION CEMETERY
MORROW COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES - GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008

	Governmental Fund Types		Total (Memorandum Only)
	General	Permanent	
Cash receipts:			
Intergovernmental	\$ 48,334	\$ -	\$ 48,334
Charges for services	8,725	-	8,725
Sale of lots	6,680	-	6,680
Interest	3,383	-	3,383
Miscellaneous	72	-	72
Total cash receipts	<u>67,194</u>	<u>-</u>	<u>67,194</u>
Cash disbursements:			
Current:			
Salary contracts	7,524	-	7,524
Supplies	1,484	-	1,484
Contract Services	54,801	-	54,801
Capital outlay	17,038	-	17,038
Miscellaneous	1,567	-	1,567
Debt Service:			
Principal retirement	14,965	-	14,965
Interest and fiscal charges	2,358	-	2,358
Total cash disbursements	<u>99,737</u>	<u>-</u>	<u>99,737</u>
Total cash receipts over/(under) cash disbursements	<u>(32,543)</u>	<u>-</u>	<u>(32,543)</u>
Cash fund balances, January 1, 2008	<u>147,641</u>	<u>1,439</u>	<u>149,080</u>
Cash fund balances, December 31, 2008	<u>\$ 115,098</u>	<u>\$ 1,439</u>	<u>\$ 116,537</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**RIVERCLIFF UNION CEMETERY
MORROW COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1 - DESCRIPTION OF THE ENTITY

Rivercliff Union Cemetery, Morrow County, Ohio (the "Cemetery") is a body politic and corporate established for the purpose of exercising 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 council members of the Village of Mt. Gilead and one is a Gilead Township trustee. 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most significant of the Cemetery's accounting policies are described below.

A. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Cemetery are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Cemetery:

GOVERNMENTAL FUNDS

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.

Permanent Fund

These funds receive donations and interest bound by trust agreements to be spent on perpetual care of certain graves and the Cemetery.

The Cemetery had the following permanent funds:

Ewart Mausoleum fund: This fund receives interest and principal donations for the upkeep of the Mausoleum.

**RIVERCLIFF UNION CEMETERY
MORROW COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Wiseman Endowment fund: This fund received an endowment in 2009 in the amount of \$20,000 from the estate of Evalyn Wiseman. Annually, flowers are to be purchased for specific graves from the interest earned. Any remaining interest earnings may be used for general upkeep and maintenance of the Cemetery. Should the flowers purchased for the particular graves exceed the interest earned, the principal portion of the endowment may be used however, no principal portion may be used for the general upkeep and maintenance of the Cemetery.

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 CASH EQUIVALENTS

For reporting purposes, the Cemetery considers "Cash and Cash Equivalents" to be cash on hand, demand deposits, and all investments held by the Cemetery with a maturity date less than or equal to three months from the date of purchase. Interest income earned and received by the Cemetery totaled \$1,092 and \$3,383 for the years ended December 31, 2009 and 2008, respectively.

D. PROPERTY, PLANT AND EQUIPMENT

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

E. INTERGOVERNMENTAL REVENUES

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Cemetery's cash basis method of accounting.

F. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

**RIVERCLIFF UNION CEMETERY
MORROW COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 3 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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

	<u>2009</u>	<u>2008</u>
Deposits:		
Demand deposits	\$ 28,521	\$ 23,526
Certificates of deposit	<u>83,087</u>	<u>93,011</u>
Total deposits	<u>\$ 111,608</u>	<u>\$ 116,537</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation; or (2) collateralized by the financial institutions public entity deposit pool.

NOTE 4 - DEBT OBLIGATIONS

At December 31, 2009 and 2008, debt obligations consisted of the following issuance:

<u>Description</u>	<u>Balance 12/31/2009</u>	<u>Balance 12/31/2008</u>
2005 Gilead Township promissory note for erection of a building, due in annual installments of \$17,323 through 2010 at a rate of 5%.	<u>\$ 16,495</u>	<u>\$ 32,208</u>

Transactions for the years ended December 31, 2009 and 2008 are summarized as follows:

<u>Description</u>	<u>Balance 12/31/2008</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance 12/31/2009</u>
<u>2009</u>				
Loan - Gilead Township	<u>\$ 32,208</u>	<u>\$ -</u>	<u>\$ 15,713</u>	<u>\$ 16,495</u>
	<u>Balance 12/31/2007</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance 12/31/2008</u>
<u>2008</u>				
Loan - Gilead Township	<u>\$ 47,173</u>	<u>\$ -</u>	<u>\$ 14,965</u>	<u>\$ 32,208</u>

**RIVERCLIFF UNION CEMETERY
MORROW COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 4 - DEBT OBLIGATIONS - (Continued)

The principal and interest requirements to retire the debt obligation outstanding at December 31, 2009, are as follows:

Year Ending December 31	Loan - Gilead Township		
	Principal	Interest	Total
2010	\$ 16,495	\$ 828	\$ 17,323

NOTE 5 - RISK MANAGEMENT

For the years ended December 31, 2009 and 2008, the Cemetery obtained commercial insurance for the following risks:

- General Liability
- Vehicles
- Property

NOTE 6 - RETIREMENT SYSTEM

The Cemetery's employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. 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 2009 and 2008, OPERS employee members contributed 10% of their gross salaries. The Cemetery contributed an amount equal to 14% of participants' gross salaries for 2009 and 2008. The Cemetery has paid all contributions required through December 31, 2009.

NOTE 7 - CONTINGENT LIABILITY

LITIGATION

The Cemetery is currently not involved in litigation.



Julian & Grube, Inc.
Serving Ohio Local Governments

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**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Board of Trustees
Rivercliff Union Cemetery
201 E. Marion Street
Mount Gilead, Ohio 43338

We have audited the financial statements of Rivercliff Union Cemetery, Morrow County, Ohio, as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated April 16, 2010, wherein we noted Rivercliff Union Cemetery followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 Rivercliff Union Cemetery's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Rivercliff Union Cemetery's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Rivercliff Union Cemetery's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that a material misstatement of the Rivercliff Union Cemetery's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Board of Trustees
Rivercliff Union Cemetery

Compliance and Other Matters

As part of reasonably assuring whether Rivercliff Union 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 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 or other matters we must report under *Government Auditing Standards*.

This report is intended solely for the information and use of the management and Trustees of Rivercliff Union Cemetery, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
April 16, 2010

**RIVERCLIFF UNION CEMETERY
MORROW COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2007-RUC-001	Ohio Revised Code Sections 135.21 and 135.351 maintain various requirements regarding the allocation of interest among funds. As a general rule, interest earned must be credited to the general fund of the subdivision with some exceptions; including, but not limited to, interest derived from a private purpose trust fund or permanent fund must follow the principal or the terms and conditions contained in the will or bequest.	Yes	N/A
2007-RUC-002	<u>Significant Deficiency/Material Weakness</u> - Receipts and disbursements were posted incorrectly in accordance with the Uniform Accounting Numbering (UAN) handbook and the Ohio Revised Code.	Yes	N/A



Mary Taylor, CPA
Auditor of State

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
JUNE 17, 2010**