



**Auditor of State
Betty Montgomery**

**CHESTERHILL-MARION UNION CEMETERY
MORGAN COUNTY**

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**Auditor of State
Betty Montgomery**

Chesterhill-Marion Union Cemetery
Morgan County
1375 State Route 555
Chesterhill, Ohio 43728

To the Members of the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS 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. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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Betty Montgomery
Auditor of State

April 22, 2005

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Chesterhill-Marion Union Cemetery
Morgan County
1375 State Route 555
Chesterhill, Ohio 43728

To the Board of Trustees:

We have audited the accompanying financial statements of the Chesterhill-Marion Union Cemetery, Morgan 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 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 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 (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.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Cemetery as of December 31, 2004, or their changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Chesterhill-Marion Union Cemetery, Morgan County, Ohio, as of December 31, 2004 and 2003, and its cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 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. While we did not opine on the internal control over financial reporting and compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. 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.

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

Betty Montgomery
Auditor of State

April 22, 2005

**CHESTERHILL-MARION UNION CEMETERY
MORGAN 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:			
Local Taxes	\$ 504	\$	\$ 504
Charges for Services	2,700		2,700
Sale of Lots	975		975
Interest	174		174
Miscellaneous	300		300
	<u>4,653</u>	<u>0</u>	<u>4,653</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries	10,393		10,393
Supplies	472		472
Utilities	382		382
Contracts - Services	2,200		2,200
Insurance	379		379
Miscellaneous	415		415
	<u>14,241</u>	<u>0</u>	<u>14,241</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	(9,588)	0	(9,588)
Fund Cash Balances, January 1	<u>15,516</u>	<u>6,324</u>	<u>21,840</u>
Fund Cash Balances, December 31	<u>\$ 5,928</u>	<u>\$ 6,324</u>	<u>\$ 12,252</u>

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

**CHESTERHILL-MARION UNION CEMETERY
MORGAN 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:			
Local Taxes	\$ 2,611	\$	\$ 2,611
Charges for Services	3,150		3,150
Sale of Lots	750		750
Interest	210		210
Miscellaneous	5,000		5,000
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	11,721	0	11,721
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
Salaries	13,717		13,717
Supplies	552		552
Utilities	381		381
Contracts - Services	3,150		3,150
Insurance	399		399
Miscellaneous	1,844		1,844
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	20,043	0	20,043
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(8,322)	0	(8,322)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	23,838	6,324	30,162
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$ 15,516</u>	<u>\$ 6,324</u>	<u>\$ 21,840</u>

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

**CHESTERHILL-MARION UNION CEMETERY
MORGAN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Chesterhill-Marion Union Cemetery, Morgan County (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 appointed by the Village of Chesterhill and one from Marion Township. The residents of the Village of Chesterhill and Marion Township have approved a special property tax levy for the purpose of maintaining the Cemetery and distributes to the Cemetery levy monies collected. 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. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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

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 presents all financial resources except those required to be accounted for in another fund.

2. Fiduciary Funds (Trust Fund)

This fund is used to account for resources restricted by legally binding trust agreements. The Cemetery had the following Fiduciary Fund:

Cemetery Bequest Fund – This fund maintains the trust corpus. The income is to be used for perpetual care of certain graves or cemeteries. This fund is classified as a Nonexpendable Trust Fund.

**CHESTERHILL-MARION UNION CEMETERY
MORGAN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Cemetery is not required to follow the budgetary requirements under Ohio Rev. Code Chapter 5705. Accordingly, no budgetary information is presented.

F. 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.

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:

	<u>2004</u>	<u>2003</u>
Demand deposits	\$ 5,928	\$ 15,516
Certificates of deposit	6,324	6,324
Total deposits	<u>\$ 12,252</u>	<u>\$ 21,840</u>

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

3. RETIREMENT SYSTEM

The Cemetery's employee belongs 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 the Ohio Revised Code prescribes.

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, OPERS employee members contributed 8.5 percent of their gross salaries. The Cemetery contributes an amount equal to 13.55 percent of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2004.

4. RISK MANAGEMENT

Commercial Insurance

The Cemetery has obtained commercial insurance for the following risks:

- General Liability and Casualty;
- Equipment; and
- Property.



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*

Chesterhill-Marion Union Cemetery
Morgan County
1375 State Route 555
Chesterhill, Ohio 43728

To the Board of Trustees:

We have audited the financial statements of the Chesterhill-Marion Union Cemetery, Morgan County, Ohio (the Cemetery), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated April 12, 2005, wherein we noted the 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 Cemetery's internal control over financial reporting to determine our auditing procedures 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 to be material weaknesses. In a separate letter to the Cemetery's management dated April 22, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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 an opinion. The results of our tests disclosed no instances of noncompliance we must report under *Government Auditing Standards*. In a separate letter to the Cemetery's management dated April 22, 2005, we reported other matters related to noncompliance we deemed immaterial.

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Chesterhill-Marion Union Cemetery
Morgan 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

April 22, 2005



**Auditor of State
Betty Montgomery**

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**CHESTERHILL - MARION UNION CEMETERY
MORGAN 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
SEPTEMBER 20, 2005**