

**UNION CEMETERY
TUSCARAWAS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2004 - 2003



**Auditor of State
Betty Montgomery**

Board of Trustees
Union Cemetery
227 West 7th St.
Uhrichsville, OH 44683

We have reviewed the *Independent Accountants' Report* of Union Cemetery, Tuscarawas County, prepared by Knox & Knox, for the audit period January 1, 2003 through December 31, 2004. 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 Accountants' 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 Accountants' 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. Union Cemetery is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

December 20, 2005

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**UNION CEMETERY
TUSCARAWAS COUNTY**

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Independent Accountants' Report

Union Cemetery
Tuscarawas County
227 West 7th Street
Urichsville, Ohio 44683

To the Board of Trustees:

We have audited the accompanying financial statements of Union Cemetery, Tuscarawas 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 *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, if any, 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 has prepared its 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 accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP would require the Cemetery to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e., major) funds separately for 2004. While the Cemetery does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of the State of Ohio permits, but does not require, governments to reformat their statements. The Cemetery has elected not

to reformat its statements. Since this Cemetery does not use GAAP to measure financial statements, 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 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 its 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 combined fund cash balances of the Union Cemetery, Tuscarawas 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.

The aforementioned revision to generally accepted accounting principles also requires the Cemetery to include Management's Discussion and Analysis for the year ended December 31, 2004. The 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 date October 18, 2005, on our consideration of the Cemetery's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts, and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on 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 *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Knox & Knox

Orrville, Ohio
October 18, 2005

**UNION CEMETERY
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
GENERAL FUND AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

	General	Non-Expendable Trust	Totals (Memorandum Only)
Cash Receipts:			
Local Taxes	\$124,647		\$ 124,647
Intergovernmental	10,018		10,018
Charges for Services	11,615		11,615
Sale of Lots	4,883		4,883
Interest	1,227		1,227
Miscellaneous	3,959		3,959
General Fund Budget Reserve	543		543
Total Cash Receipts	156,892		156,892
 Cash Disbursements:			
Current:			
Salaries	102,576		102,576
Supplies	2,953	\$8,635	11,588
Equipment	4,765		4,765
Contracts - Repair	1,751		1,751
Contracts - Services		9,375	9,375
Public Employee's Retirement	13,743		13,743
Workers' Compensation	7,529		7,529
Medical Insurance	28,781		28,781
Utilities	6,568		6,568
County Auditor's Fees	3,897		3,897
Miscellaneous	11,050		11,050
Total Cash Disbursements	183,613	18,010	201,623
Total Cash Receipts (Under) Disbursements	<26,721>	<18,010>	< 44,731>
Fund Cash Balances, January 1	157,007	51,580	208,587
Fund Cash Balances, December 31	\$130,286	\$ 33,570	\$ 163,856

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

**UNION CEMETERY
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
GENERAL FUND AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

	General	Non-Expendable Trust	Totals (Memorandum Only)
Cash Receipts:			
Local Taxes	\$122,466		\$ 122,466
Intergovernmental	10,227		10,227
Charges for Services	12,545		12,545
Sale of Lots	9,864		9,864
Interest	1,854		1,854
Miscellaneous	3,702		3,702
General Fund Budget Reserve	1,096		1,096
Total Cash Receipts	161,754		161,754
Cash Disbursements:			
Current:			
Salaries	99,961		99,961
Supplies	1,505		1,505
Equipment	4,627		4,627
Contracts - Repair	3,325		3,325
Contracts - Services		\$4,697	4,697
Public Employee's Retirement	13,143		13,143
Workers' Compensation	3,720		3,720
Medical Insurance	26,271		26,271
Utilities	6,082		6,082
County Auditor's Fees	2,508		2,508
Miscellaneous	14,780		14,780
Total Cash Disbursements	175,922	4,697	180,619
Total Cash Receipts (Under) Disbursements	< 14,168 >	< 4,697 >	< 18,865 >
Fund Cash Balances, January 1	171,175	56,277	227,452
Fund Cash Balances, December 31	\$157,007	\$ 51,580	\$ 208,587

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

**UNION CEMETERY
TUSCARAWAS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Union Cemetery, Tuscarawas 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. The Board is appointed by the City of Urichsville, the Village of Dennison and Mill Township. 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

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 is used to account for all financial resources except those required to be accounted for in another fund.

2. Fiducial Fund (Expendable Trust Fund)

Trust funds are used to account for resources restricted by legally binding bequest. The Cemetery had the following Expendable Trust Fund:

Underwood Bequeth Fund - This fund receives bequeth receipts for the maintenance of the cemetery and the Lanning-Underwood burial plot and the construction of the cemetery entranceway.

**UNION CEMETERY
TUSCARAWAS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Budgetary Process

The Cemetery budgets the General Fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control and appropriations may not exceed estimated resource in the General Fund, which is the only fund budgeted by the Cemetery. The Board annually approves an appropriation measure and any 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 reappropriated.

A summary of 2004 and 2003 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 Sick Leave

Employees are entitled to cash payments for unused sick leave in certain circumstances, such as upon leaving employment. Unpaid sick leave is not reflected as liabilities under the basis of accounting used by the Cemetery.

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:

	2004	2003
Demand deposits	\$ 96,456	\$141,187
Certificates of deposit	67,400	67,400
Total deposits	\$163,856	\$208,587

**UNION CEMETERY
TUSCARAWAS COUNTY**

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

2. EQUITY IN POOLED CASH (continued)

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Cemetery.

Restricted Cash: Pursuant to Ohio Rev. Code Section 5705.13(A), the cash balance in the General Fund Budget Reserve Account is restricted. A summary of the activity in the General Fund Budget Reserve Account during 2004 and 2003 follows:

	2004	2003
Beginning balance	\$2,016	\$ 920
Receipts	543	1,096
Ending balance	\$2,559	\$2,016

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$161,700	\$156,892	<\$4,808>

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Receipts	Budgetary Expenditures	Variance
General	\$227,540	\$183,613	\$43,927

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$153,000	\$161,754	\$ 8,754

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Receipts	Budgetary Expenditures	Variance
General	\$223,540	\$175,922	\$47,618

**UNION CEMETERY
TUSCARAWAS COUNTY**

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

4. RETIREMENT SYSTEM

The Cemetery's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including post retirement 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 2004 and 2003, 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, 2004.

5. RISK MANAGEMENT

Commercial Insurance:

The Cemetery has obtained commercial insurance for the following risks:

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

The Cemetery also provides health insurance for full time employees through a private carrier.

KNOX & KNOX

Accountants and Consultants

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

Union Cemetery
Tuscarawas County
227 West 7th Street
Urichsville, Ohio 44683

We have audited the accompanying financial statements of the Union Cemetery, Tuscarawas County, Ohio, (the Cemetery) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated October 18, 2005. 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 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 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 October 18, 2005.

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

Knox & Knox

Orrville, Ohio
October 18, 2005



**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

**UNION CEMETERY
TUSCARAWAS 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
DECEMBER 30, 2005**