



**GNADENHUTTEN-CLAY UNION CEMETERY
TUSCARAWAS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2003-2002



**Auditor of State
Betty Montgomery**

**GNADENHUTTEN-CLAY UNION CEMETERY
TUSCARAWAS COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Gnadenhutten-Clay Union Cemetery
Tuscarawas County
156 Spring Street
Gnadenhutten, Ohio 44629

To the Board of Trustees:

We have audited the accompanying financial statements of the Gnadenhutten-Clay Union Cemetery, Tuscarawas County, Ohio, (the Cemetery) as of and for the years ended December 31, 2003 and 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 of the Cemetery as of December 31, 2003 and 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 September 10, 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.

Gnadenhutten-Clay Union Cemetery
Tuscarawas County
Independent Accountants' Report
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This report is intended solely for the information and use of management, 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.

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Betty Montgomery
Auditor of State

September 10, 2004

**GNADENHUTTEN-CLAY UNION CEMETERY
TUSCARAWAS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	2003	2002
Cash Receipts:		
Local Taxes	\$9,257	\$9,151
Intergovernmental	1,007	1,006
Interment	6,900	5,500
Sale of Lots	1,250	5,400
Rental Income	3,740	1,983
Utility Income	637	297
Interest	51	186
Grants and Donations	5,600	
Total Cash Receipts	28,442	23,523
Cash Disbursements:		
Current:		
Salaries	5,325	4,595
Supplies	1,784	1,773
Equipment	7,852	6,678
Public Employees' Retirement	672	575
Workers' Compensation	150	130
Medicare	73	60
Lot Repurchase	300	
Miscellaneous	2,844	9,535
Debt Service:		
Principal	6,200	6,200
Interest	1,000	1,000
Total Disbursements	26,200	30,546
Total Receipts Over/(Under) Disbursements	2,242	(7,023)
Fund Cash Balances, January 1	4,807	11,830
Fund Cash Balances, December 31	\$7,049	\$4,807

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

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**GNADENHUTTEN-CLAY UNION CEMETERY
TUSCARAWAS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Gnadenhutten-Clay Union Cemetery, Tuscarawas 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. The Board is appointed by the Village of Gnadenhutten and Clay 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.

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.

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 type:

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.

E. Budgetary Process

Union cemeteries are not required to follow budgetary regulations under the Ohio Revised Code.

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.

**GNADENHUTTEN-CLAY UNION CEMETERY
TUSCARAWAS 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
Total deposits	\$7,049	\$4,807

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

3. DEBT

Debt outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
Loan with Indian Village Community Bank	\$2,387	5.50%

In 1999, a note was entered into the Village of Gnadenhutten and Indian Village Community Bank in the amount of \$31,000 to pay the balance owed on property purchased for the Gnadenhutten-Clay Union Cemetery. All the land of the Cemetery is in the name of the Village of Gnadenhutten, but the Cemetery is responsible for paying off the note from their monies.

Amortization of the above debt, including interest, is scheduled as follows:

	Indian Village Loan
Year ending December 31: 2004	\$2,762

4. RISK MANAGEMENT

Commercial Insurance

The Gnadenhutten-Clay Union Cemetery has obtained commercial insurance for the following risks:

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



Auditor of State Betty Montgomery

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

Gnadenhutzen-Clay Union Cemetery
Tuscarawas County
156 Spring Street
Gnadenhutzen, Ohio 44629

To the Board of Trustees:

We have audited the financial statements of the Gnadenhutzen-Clay Union Cemetery, Tuscarawas County, Ohio, (the Cemetery) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated September 10, 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance we must report under *Government Auditing Standards*.

However, we noted other certain immaterial instances of noncompliance that we have reported to management of the Cemetery in a separate letter dated September 10, 2004.

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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Cemetery's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2003-001.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

Also, 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 September 10, 2004.

This report is intended for the information and use of management, and the Board, 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

September 10, 2004

**GNADENHUTTEN-CLAY UNION CEMETERY
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2003-001

Reportable Condition

Lot Purchases

The Cemetery does not have a map of the Cemetery that shows the dates the lots were purchased, the lot/deed number, name of the deed holder, and the date of sale. The Cemetery also does not keep a journal that shows those residents/nonresidents who are making payments on the purchase of a lot. This could lead to discrepancies with residents/nonresidents about cemetery lots and the amounts paid toward them.

The Cemetery should have better record keeping for cemetery lots sold (updated maps, etc.) and cemetery lots being paid on. This will help ensure that amounts are properly recorded and that lots sold are properly documented.



**Auditor of State
Betty Montgomery**

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**GNADENHUTTEN-CLAY 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
NOVEMBER 9, 2004**