



**Auditor of State  
Betty Montgomery**



**SAND HILL TOWNSHIP CEMETERY  
ERIE COUNTY**

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**Auditor of State  
Betty Montgomery**

## **INDEPENDENT ACCOUNTANTS' REPORT**

Sand Hill Township Cemetery  
Erie County  
7215 Magill Road  
Castalia, Ohio 44824-9304

To the Board of Trustees:

We have audited the accompanying financial statements of the Sand Hill Township Cemetery (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 audits.

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. Those standards require that we plan and perform the audits 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 audits provide 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 cash balances of the Cemetery as of December 31, 2003 and 2002, and its 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 June 23, 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 audits.

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

June 23, 2004

**SAND HILL TOWNSHIP CEMETERY  
ERIE COUNTY**

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

|                                       | 2003             | 2002             |
|---------------------------------------|------------------|------------------|
| <b>Cash Receipts</b>                  |                  |                  |
| Operating Fees                        | \$ 2,400         | \$ 2,400         |
| Cemetery Lot Sales                    | 6,770            | 5,880            |
| Interest                              | 208              | 327              |
| Miscellaneous                         | 15               |                  |
|                                       | 9,393            | 8,607            |
| <b>Total Cash Receipts</b>            |                  |                  |
| <b>Cash Disbursements</b>             |                  |                  |
| Contract, Grounds Keeper              | 3,000            | 2,700            |
| Contract, Secretary                   | 640              | 640              |
| Workers' Compensation                 | 126              | 39               |
| Insurance                             | 500              | 510              |
| Retirement Contributions              | 155              | 95               |
| Gas                                   | 122              | 97               |
| Parts and Supplies                    | 237              | 117              |
| Checking Account Service Charges      | 115              | 114              |
| New Equipment                         | 3,228            | 753              |
| Refunds (Lots resold to the Cemetery) | 560              |                  |
| Audit Cost                            |                  | 131              |
| Miscellaneous                         | 254              | 685              |
|                                       | 8,937            | 5,881            |
| <b>Total Disbursements</b>            |                  |                  |
| Total Receipts Over Disbursements     | 456              | 2,726            |
| Cash Balances, January 1              | 19,731           | 17,005           |
| <b>Cash Balances, December 31</b>     | <b>\$ 20,187</b> | <b>\$ 19,731</b> |

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

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**SAND HILL TOWNSHIP CEMETERY  
ERIE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Sand Hill Township Cemetery, Erie 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 four-member Board of Trustees. The Board is appointed by Perkins Township, Oxford Township, Groton Township, and Margaretta Township. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. This accompanying financial statement presents 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 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.

Certificates of deposit are valued at cost

**D. Fund Accounting**

The Cemetery has one fund and classifies it as the General Fund. It is used to account for all financial resources of the Cemetery.

**SAND HILL TOWNSHIP CEMETERY  
ERIE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

**E. 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.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

|                         | 2003             | 2002             |
|-------------------------|------------------|------------------|
| Demand deposits         | \$ 8,436         | \$ 8,154         |
| Certificates of deposit | 11,751           | 11,577           |
| Total deposits          | <u>\$ 20,187</u> | <u>\$ 19,731</u> |

Deposits are insured by the Federal Depository Insurance Corporation.

**3. RETIREMENT SYSTEMS**

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 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 2003 and 2002, OPERS employee members contributed 8.5 percent of their gross salaries. The Cemetery contributed an amount equal to 13.55 percent of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2003.

**4. RISK MANAGEMENT**

The Sand Hill Township Cemetery has obtained commercial insurance for the following risks:

- Commercial General Liability Coverage
- Commercial Inland Marine Coverage



**Auditor of State  
Betty Montgomery**

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

Sand Hill Township Cemetery  
Erie County  
7215 Magill Road  
Castalia, Ohio 44824-9304

To the Board of Trustees:

We have audited the accompanying financial statements of the Sand Hill Township Cemetery (the Cemetery) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 23, 2004. 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 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 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.

This report is intended solely for the information and use of the audit committee, management, and the Board of Trustees, 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

June 23, 2004



**Auditor of State  
Betty Montgomery**

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**SAND HILL TOWNSHIP CEMETERY**

**ERIE 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  
JULY 20, 2004**