



**Auditor of State
Betty Montgomery**

**PAINT-BLOOMINGBURG JOINT CEMETERY
FAYETTE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2003.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2002.....	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9
Schedule of Findings.....	11
Schedule of Prior Audit Findings	13

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Paint-Bloomington Joint Cemetery
Fayette County
P.O. Box 217
Bloomington, Ohio 43106

To the Board of Trustees:

We have audited the accompanying financial statements of Paint-Bloomington Joint Cemetery, Fayette 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 March 30, 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.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, 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

March 30, 2004

**PAINT-BLOOMINGBURG JOINT CEMETERY
FAYETTE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Local Taxes	\$11,894		\$11,894
Intergovernmental	26,656		26,656
Charges for Services	11,511		11,511
Sale of Lots	5,675		5,675
Interest	311	\$514	825
Miscellaneous	2,425		2,425
Total Cash Receipts	58,472	514	58,986
Cash Disbursements:			
Current:			
Salaries	19,415		19,415
Supplies	4,225		4,225
Equipment	7,087		7,087
Contracts - Repair	13,223		13,223
Contracts - Services	4,924		4,924
Public Employees' Retirement	3,347		3,347
Workers' Compensation	1,282		1,282
Miscellaneous	4,405	674	5,079
Total Cash Disbursements	57,908	674	58,582
Total Receipts Over/(Under) Disbursements	564	(160)	404
Fund Cash Balances, January 1	27,071	25,998	53,069
Fund Cash Balances, December 31	\$27,635	\$25,838	\$53,473

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

**PAINT-BLOOMINGBURG JOINT CEMETERY
FAYETTE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Local Taxes	\$11,552		\$11,552
Intergovernmental	1,389		1,389
Charges for Services	9,211		9,211
Sale of Lots	5,525		5,525
Interest	982	\$946	1,928
Miscellaneous	819	657	1,476
Total Cash Receipts	29,478	1,603	31,081
Cash Disbursements:			
Current:			
Salaries	6,704		6,704
Supplies	5,115		5,115
Equipment	1,154		1,154
Contracts - Services	11,135		11,135
Public Employees' Retirement	826		826
Workers' Compensation	488		488
Miscellaneous	5,023	16	5,039
Total Cash Disbursements	30,445	16	30,461
Total Receipts Over/(Under) Disbursements	(967)	1,587	620
Fund Cash Balances, January 1	28,038	24,411	52,449
Fund Cash Balances, December 31	\$27,071	\$25,998	\$53,069

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

**PAINT-BLOOMINGBURG JOINT CEMETERY
FAYETTE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Paint-Bloomington Joint Cemetery, Fayette 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 Paint Township and the Village of Bloomington. 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

Cemetery funds are deposited in a "NOW" checking account with a local commercial bank, a passbook savings which retains endowment interest and certificates of deposit which represent both endowments bequeathed to the Cemetery and interest earning monies. Interest earnings are distributed to Cemetery funds based upon the investment. Endowment interest is prorated to the appropriate endowment based on carrying balances. All other interest earned is credited to the general fund.

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. Special Revenue Funds

These funds are used to account for proceeds from specific sources (endowments) that are restricted to expenditure for specific purposes. The Cemetery has several endowment funds which are used to account for donations according to the terms of the endowments.

**PAINT-BLOOMINGBURG JOINT CEMETERY
FAYETTE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Cemetery is not a taxing subdivision as defined by the Ohio Revised Code (the legislative authority being the Village of Bloomingburg and the Trustees of Paint Township) and is not subject to Ohio budgetary law.

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.

2. DEPOSITS

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>2003</u>	<u>2002</u>
Demand deposits	\$17,167	\$16,774
Savings Account	11,527	11,917
Certificates of deposit	<u>24,779</u>	<u>24,378</u>
Total deposits	<u><u>\$53,473</u></u>	<u><u>\$53,069</u></u>

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

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Cemetery.

**PAINT-BLOOMINGBURG JOINT CEMETERY
FAYETTE COUNTY**

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

5. RETIREMENT SYSTEMS

The Cemetery's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS 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, PERS 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, 2003.

6. RISK MANAGEMENT

Commercial Insurance

The Paint-Bloomington Joint Cemetery has obtained commercial insurance for the following risks:

- Commercial property;
- Commercial general liability;
- Officials Surety Bond;
- Wrongful Acts;
- Commercial Inland Marine; and
- Terrorism Risk Insurance Act of 2002.

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

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

Paint-Bloomington Joint Cemetery
Fayette County
P.O. Box 217
Bloomington, Ohio 43106

To the Board of Trustees:

We have audited the accompanying financial statements of Paint-Bloomington Joint Cemetery, Fayette County, Ohio (the Cemetery), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated March 30, 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 audit and, accordingly, we do not express such an opinion. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Cemetery in a separate letter dated March 30, 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 consider item 2003-001 to be a material weakness. We also 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 March 30, 2004.

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



Betty Montgomery
Auditor of State

March 30, 2004

**PAINT-BLOOMINGBURG JOINT CEMETERY
FAYETTE 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

Material Weakness

The Cemetery's reconciliations and financial reporting should be accurate and timely to enable management to monitor and safeguard Cemetery resources. Deficiencies noted include:

- The Cemetery's financial statements were incomplete and inaccurate resulting in numerous reclassifications and adjustments which are reflected in the accompanying financial statements.
- Receipts and expenditure ledgers maintained by the Cemetery did not foot throughout the year.
- Month-to-date totals were not being recorded in the receipts ledger, expenditure ledger, and cash book.
- Financial reports presented for audit did not contain all accounts/activity of the Cemetery. Endowment funds of the Cemetery were not recorded in the receipt and disbursement ledgers or cash book of the Cemetery. This activity was maintained in certificates of deposit or savings accounts. This activity is reflected in Special Revenue Fund Type of the accompanying financial statements.
- Interest earnings were not always posted to the cash book or receipts ledger. CD's were permitted to roll-over with interest being added to the principal of the CD. Adjustments were made to properly reflect interest earnings in the accompanying financial statements.
- The Cemetery did not prepare timely and accurate bank reconciliations.
- The Board of Trustees is not approving all bank reconciliations in the minutes.

Bank reconciliations are a vital control to help determine the completeness and occurrence of all transactions recorded on the Cemetery's financial statements. Failure to properly perform these reconciliations increases the likelihood that either 1) transactions will be omitted from the financial statements and not be detected; 2) that one transaction will be recorded twice and not be detected, thus, resulting in the understatement/overstatement of the financial statements. To help determine the completeness and occurrence of transactions recorded on the Cemetery's financial statements, the Clerk should prepare monthly bank reconciliations including all balances. As an added control, monthly reconciliations should be submitted to the Board of Trustees for review. All reconciling items should be justified.

To further aide in reconciling,

- The receipt ledger and cash book should contain monthly totals for each line item, as well as year-to-date subtotals and totals.
- The year-to-date totals should be taken to the Annual Financial Report completed by the Clerk.
- The receipt ledger and cash book should contain all balances of the Cemetery including CD's and Savings Accounts.
- These balances should be reconciled to the bank statements monthly or when a statement is received.

**FINDING NUMBER 2003-001
(Continued)**

- The Endowment accounts should be shown in the receipts ledger and cash book as a separate special revenue fund and all account activity should be listed. The current Endowment ledger should continue to be maintained and updated as a form of detailed supporting documentation. The Endowment accounts should be listed on the Annual Financial Report completed by the Clerk as a separate Special Revenue Fund and all account activity should be listed including beginning balance, receipts, disbursements, and a reconciled ending balance.

**PAINT-BLOOMINGBURG JOINT CEMETERY
FAYETTE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-30624-001	The Cemetery did not reconcile their records with the monthly bank statements.	No	Reissued as finding 2003-001.

This Page is Intentionally Left Blank.



**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

PAINT-BLOOMINGBURG JOINT CEMETERY

FAYETTE 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
MAY 4, 2004**