



**Auditor of State
Betty Montgomery**

**SCOTTS UNION CEMETERY
ERIE 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 and Fiduciary 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 and Fiduciary 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>	7

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Scotts Union Cemetery
Erie County
507-C Liberty Drive
Huron, Ohio 44839-1529

To the Board of Trustees:

We have audited the accompanying financial statements of the Scotts Union 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 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 July 12, 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 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.

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

Betty Montgomery
Auditor of State

July 12, 2004

**SCOTTS UNION CEMETERY
ERIE COUNTY**

COMBINED 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

	General Fund	Fiduciary Funds	Totals (Memorandum Only)
Cash Receipts:			
Intergovernmental	\$ 8,850		\$ 8,850
Sale of lots and burial fees	19,775		19,775
Interest		\$ 4	4
	28,625	4	28,629
Total Cash Receipts	28,625	4	28,629
Cash Disbursements:			
Current:			
Salaries	21,206		21,206
Contract services	3,604		3,604
Miscellaneous	1,773		1,773
	26,583		26,583
Total Disbursements	26,583		26,583
Excess of Cash Receipts Over Cash Disbursements	2,042	4	2,046
Fund Cash Balances, January 1	22,848	1,884	24,732
Fund Cash Balances, December 31	\$ 24,890	\$ 1,888	\$ 26,778

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

**SCOTTS UNION CEMETERY
ERIE COUNTY**

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

	General Fund	Fiduciary Funds	Totals (Memorandum Only)
	<u> </u>	<u> </u>	<u> </u>
Cash Receipts:			
Intergovernmental	\$ 10,000		\$ 10,000
Sale of lots and burial fees	12,125		12,125
Interest		\$ 10	
Miscellaneous	70		70
	<u> </u>	<u> </u>	<u> </u>
Total Cash Receipts	<u>22,195</u>	<u>10</u>	<u>22,195</u>
 Cash Disbursements:			
Current:			
Salaries	20,440		20,440
Contract services	3,917		3,917
Miscellaneous	1,718	70	1,788
	<u> </u>	<u> </u>	<u> </u>
Total Disbursements	<u>26,075</u>	<u>70</u>	<u>26,145</u>
 Excess of Cash Disbursements Over Cash Receipts	(3,880)	(60)	(3,940)
 Fund Cash Balances, January 1	<u>26,728</u>	<u>1,944</u>	<u>28,672</u>
 Fund Cash Balances, December 31	<u><u>\$ 22,848</u></u>	<u><u>\$ 1,884</u></u>	<u><u>\$ 24,732</u></u>

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

**SCOTTS UNION CEMETERY
ERIE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Scotts Union 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 three-member Board of Trustees. One member each is appointed by the City of Huron, Huron Township, and Milan Township. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. 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. 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.

**SCOTTS UNION CEMETERY
ERIE COUNTY**

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

2. Fiduciary Funds (Trust and Agency Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Cemetery is acting in an agency capacity. The Cemetery had the following Fiduciary Funds:

Mary E. Sales Trust, Ruby Schnell Trust, and the Wilbor Trust - These funds receive interest from fund investments. Proceeds are used to maintain grave sites.

D. 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

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

	2003	2002
Demand deposits	\$ 24,890	\$ 22,848
Savings accounts	1,888	1,884
Total deposits	<u>\$ 26,778</u>	<u>\$ 24,732</u>

Deposits are insured by the Federal Depository Insurance Corporation.

3. RISK MANAGEMENT

The City of Huron provides general insurance coverage for the Cemetery.



**Auditor of State
Betty Montgomery**

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

Scotts Union Cemetery
Erie County
507-C Liberty Drive
Huron, Ohio 44839-1529

To the Board of Trustees:

We have audited the accompanying financial statements of the Scotts Union Cemetery (the Cemetery) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated July 12, 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 tested its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could directly and materially affect 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 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

Scotts Union Cemetery
Erie County
Independent Accountants' Report on Compliance and on Internal
Control Required by *Government Auditing Standards*
Page 2

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 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

July 12, 2004



**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

SCOTTS UNION 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
AUGUST 5, 2004**