



**WOODVALE UNION CEMETERY
CUYAHOGA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2003 & 2002



**Auditor of State
Betty Montgomery**

**WOODVALE UNION CEMETERY
CUYAHOGA COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Woodvale Union Cemetery
Cuyahoga County
7535 Engle Road
Middleburg Heights, Ohio 44130

To the Board of Trustees:

We have audited the accompanying financial statements of the Woodvale Union Cemetery, Cuyahoga County, Ohio, (the Cemetery) as of and for the years ended December 31, 2003 and December 31, 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 described 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 December 31, 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 May 19, 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 the audit committee, 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

May 19, 2004

**WOODVALE CEMETERY
CUYAHOGA 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**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Intergovernmental	\$15,000	\$0	\$0	\$0	\$15,000
Charges for Services	215,831	26,807	3,659	7,500	253,797
Interest	11,582	8,674	6	23,525	43,787
Miscellaneous	2,854	0	0	0	2,854
Total Cash Receipts	245,267	35,481	3,665	31,025	315,438
Cash Disbursements:					
Current:					
General Government	199,753	0	0	0	199,753
Basic Utilities	5,153	0	0	0	5,153
Pre-need services	0	10,841	0	0	10,841
Miscellaneous	4,448	63	0	3	4,514
Total Cash Disbursements	209,354	10,904	0	3	220,261
Total Receipts Over Disbursements	35,913	24,577	3,665	31,022	95,177
Other Financing Receipts/(Disbursements):					
Transfers-In	0	0	2,800	0	2,800
Transfers-Out	(2,800)	0	0	0	(2,800)
Total Other Financing Receipts/(Disbursements)	(2,800)	0	2,800	0	0
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	33,113	24,577	6,465	31,022	95,177
Fund Cash Balances, January 1	248,139	167,053	300	428,655	844,147
Fund Cash Balances, December 31	<u>\$281,252</u>	<u>\$191,630</u>	<u>\$6,765</u>	<u>\$459,677</u>	<u>\$939,324</u>

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

**WOODVALE CEMETERY
CUYAHOGA 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**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Intergovernmental	\$15,171	\$0	\$0	\$0	\$15,171
Charges for Services	224,240	22,011	3,600	8,400	258,251
Interest	11,116	8,584	375	20,893	40,968
Miscellaneous	2,049	0	0	0	2,049
	<u>252,576</u>	<u>30,595</u>	<u>3,975</u>	<u>29,293</u>	<u>316,439</u>
Total Cash Receipts					
	<u>252,576</u>	<u>30,595</u>	<u>3,975</u>	<u>29,293</u>	<u>316,439</u>
Cash Disbursements:					
Current:					
General Government	211,850	350	22,600	0	234,800
Basic Utilities	4,817	0	0	0	4,817
Pre-need Services	0	10,753	0	0	10,753
Miscellaneous	4,448	0	0	0	4,448
	<u>221,115</u>	<u>11,103</u>	<u>22,600</u>	<u>0</u>	<u>254,818</u>
Total Cash Disbursements					
	<u>221,115</u>	<u>11,103</u>	<u>22,600</u>	<u>0</u>	<u>254,818</u>
Total Receipts Over/(Under) Disbursements	<u>31,461</u>	<u>19,492</u>	<u>(18,625)</u>	<u>29,293</u>	<u>61,621</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	0	2,700	642	0	3,342
Transfers-Out	(3,342)	0	0	0	(3,342)
	<u>(3,342)</u>	<u>2,700</u>	<u>642</u>	<u>0</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)					
	<u>(3,342)</u>	<u>2,700</u>	<u>642</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>28,119</u>	<u>22,192</u>	<u>(17,983)</u>	<u>29,293</u>	<u>61,621</u>
Fund Cash Balances, January 1	<u>220,020</u>	<u>144,861</u>	<u>18,283</u>	<u>399,362</u>	<u>782,526</u>
Fund Cash Balances, December 31	<u><u>\$248,139</u></u>	<u><u>\$167,053</u></u>	<u><u>\$300</u></u>	<u><u>\$428,655</u></u>	<u><u>\$844,147</u></u>

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

**WOODVALE UNION CEMETERY
CUYAHOGA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Woodvale Union Cemetery, Cuyahoga 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 Councils of the City of Berea and City of Middleburg Heights. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. These accompanying financial statements present this funding as Intergovernmental Receipts. The Cemetery provides grounds maintenance, opening and closing of graves, the sale of grave lots, and perpetual care of graves.

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 and U.S. Treasury Notes 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. Special Revenue Fund

This fund is used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Cemetery had the following significant Special Revenue Fund:

**WOODVALE UNION CEMETERY
CUYAHOGA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Fund (Continued)

Pre-need Services Fund - This fund was established to hold funds deposited with the cemetery in advance of needed services and to be made available at some future time when the services are provided.

3. Capital Project Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through trust funds).

4. Fiduciary Fund

This fund is used to account for resources restricted by legally binding trust agreements. The Cemetery had the following significant Fiduciary Fund:

Permanent Endowment Fund - Established to reserve funds for the on-going maintenance and care of the Cemetery upon full capacity.

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.

F. Unpaid Vacation and Sick Leave

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Cemetery maintains a cash and investment 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
Demand deposits	\$ 163,665	\$ 20,633
Certificates of deposit	715,659	763,514
Total deposits	879,324	784,147
U.S. Treasury Notes	60,000	60,000
Total deposits and investments	\$939,324	\$ 844,147

**WOODVALE UNION CEMETERY
CUYAHOGA COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

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

The Cemetery had funds on deposit with various financial institutions at December 31, 2003 and 2002 in the amount of \$326,043 and \$242,304, respectively, which were not collateralized, contrary to Ohio Rev. Code Section 135.18.

Investments: U.S. Treasury Notes are held in book-entry form by the Federal Reserve, in the name of the Cemetery's financial institution. The financial institution maintains records identifying the Cemetery as owner of these securities.

3. RETIREMENT SYSTEM

Cemetery employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. This 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, members of OPERS members contributed 8.5% of their gross salaries. The Cemetery contributed an amount equal to 13.55% of participants' gross salaries for 2003 and 2002. The Cemetery has paid all contributions required through December 31, 2003.

4. 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 has contractually agreed to cover employee health costs through United Health Care.

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Auditor of State Betty Montgomery

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

Woodvale Union Cemetery
Cuyahoga County
7535 Engle Road
Middleburg Heights, Ohio 44130

To the Board of Trustees:

We have audited the financial statements of the Woodvale Union Cemetery, Cuyahoga County, Ohio, (the Cemetery) as of and for the years ended December 31, 2003 and December 31, 2002, and have issued our report thereon dated May 19, 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. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2003-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Cemetery in a separate letter dated May 19, 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. 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 May 19, 2004.

Woodvale Union Cemetery
Cuyahoga County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
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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

May 19, 2004

**WOODVALE UNION CEMETERY
CUYAHOGA COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	2003-001
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Noncompliance Citation

Ohio Rev. Code Sections 135.18 requires the treasurer of any public subdivision to require all depositories holding public funds to provide security for those public funds in an amount equal to the amount of deposit with the institution.

The Cemetery had funds on deposit with various financial institutions at December 31, 2003 and 2002 in the amount of \$326,043 and \$242,304, respectively, which were not collateralized. To ensure public deposits are secured by either the federal deposit insurance, surety company bonds, pledged or pooled securities; the treasurer should require, by agreement, that the financial institution provide security for those public funds deposited. The treasurer should periodically review deposit and collateral amounts to determine whether the required collateral is being provided.

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**Auditor of State
Betty Montgomery**

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800-282-0370

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WOODVALE UNION CEMETERY

CUYAHOGA 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
JUNE 22, 2004**