



**COAL TOWNSHIP UNION CEMETERY  
PERRY COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**COAL TOWNSHIP UNION CEMETERY  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Coal Township Union Cemetery  
Perry County  
P.O. Box 244  
New Straitsville, Ohio 43766

To the Board of Trustees:

We have audited the accompanying financial statements of Coal Township Union Cemetery, Perry County, Ohio, (the Cemetery) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards 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 fund cash balances of Coal Township Union Cemetery, Perry County, as of December 31, 1999 and 1998, and its cash receipts and cash 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 August 11, 2000 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.

This report is intended solely for the information and use of the 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

August 11, 2000



**COAL TOWNSHIP UNION CEMETERY  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GENERAL FUND  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

	<b>General Fund</b>	
	<b>1999</b>	<b>1998</b>
<b>Cash Receipts:</b>		
Intergovernmental	\$ 13,889	\$ 4,243
Charges for Services	5,300	4,010
Sale of Lots	500	2,050
Total Cash Receipts	19,689	10,303
<b>Cash Disbursements:</b>		
Salaries	9,229	8,411
Utility	320	374
Miscellaneous	4,004	5,682
Total Cash Disbursements	13,553	14,467
Excess of Cash Receipts Over/(Under) Cash Disbursements	6,136	(4,164)
Fund Cash Balance, January 1	5,806	9,970
<b>Fund Cash Balance, December 31</b>	<b>\$ 11,942</b>	<b>\$ 5,806</b>

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

**COAL TOWNSHIP UNION CEMETERY  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
NONEXPENDABLE TRUST FUND  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

	<u>Nonexpendable Trust Fund</u>	
	<u>1999</u>	<u>1998</u>
<b>Cash Receipts:</b>		
Interest	\$ 21	\$ 37
Total Cash Receipts	<u>21</u>	<u>37</u>
<b>Cash Disbursements:</b>		
Bank Charges	<u>12</u>	<u>12</u>
Total Cash Disbursements	<u>12</u>	<u>12</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	9	25
Fund Cash Balance, January 1	<u>1,586</u>	<u>1,561</u>
<b>Fund Cash Balance, December 31</b>	<b><u><u>\$ 1,595</u></u></b>	<b><u><u>\$ 1,586</u></u></b>

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



**COAL TOWNSHIP UNION CEMETERY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Coal Township Union Cemetery, Perry County, Ohio, 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 and an appointed Clerk/Treasurer. The Board is appointed by the Village of New Straitsville and Coal Township. These entities also provide funding from locally levied property taxes to meet the Cemetery's operating costs under the agreement which established the Cemetery. The Cemetery provides general governmental services and maintenance of the cemeteries under its jurisdiction. The Cemetery contracts with certain individuals for services such as digging of graves (personal services).

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.

**2. Nonexpendable Trust Fund**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Cemetery to maintain the corpus of the trust, the fund is classified as a non-expendable trust fund. Other funds are classified as expendable. The Cemetery had the following Nonexpendable Trust Fund:

*Cemetery Endowment Fund* - This fund receives interest from fund investments. Proceeds are used to maintain grave sites.

**D. Budgetary Process**

The Cemetery is not required to follow the budgetary requirements under Ohio Rev. Code Chapter 5705. Accordingly, no budgetary information is presented.

**COAL TOWNSHIP UNION CEMETERY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Property, Plant and Equipment**

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

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

The Cemetery maintains a cash 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>1999</u>	<u>1998</u>
Demand deposits	<u>\$ 13,537</u>	<u>\$ 7,392</u>

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation.

**3. RETIREMENT SYSTEM**

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 1999 and 1998, PERS 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, 1999.

**4. RISK MANAGEMENT**

The Cemetery's insurance coverage is carried by the Village of New Straitsville through a contract with the Ohio Municipal League who assumes the risk of loss up to the limits of the Village's policy. Coverage is subject to deductibles and scheduled property. The following risks are covered by the Ohio Municipal League:

- General liability and casualty
- Vehicles
- Inland marine
- Property



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

Coal Township Union Cemetery  
Perry County  
P.O. Box 244  
New Straitsville, Ohio 43766

To the Board of Trustees:

We have audited the accompanying financial statements of Coal Township Union Cemetery, Perry County, Ohio, (the Cemetery) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated August 11, 2000. We conducted our audit in accordance with generally accepted auditing standards 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. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management and Board of Trustees in a separate letter dated August 11, 2000.

**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 certain matters involving the internal control over financial reporting and its operation that we consider to be a reportable conditions. 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 judgement, could adversely effect the Cemetery's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying Schedule of Findings as items 1999-31064-001 and 1999-31064-002.

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 do not consider the reportable conditions described above to be material weaknesses. 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 the management of the Cemetery in a separate letter dated August 11, 2000.

Coal Township Union Cemetery  
Perry County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of the 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, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

August 11, 2000

**COAL TOWNSHIP UNION CEMETERY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998**

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

**Finding Number 1999-31064-001**

**Reportable Condition – Monitoring Financial Activity**

The size of the Cemetery's staff did not allow for an adequate segregation of duties; the Clerk performed all accounting functions, including receipting, depositing, disbursing, and reconciling. It is therefore important that the Board of Trustees monitor financial activity closely. Although the Board approved all vouchers for payment and the Clerk submitted a monthly statement of balances, there is no documentation of the extent to which Board reviewed financial and budgetary information to monitor the activities of the Cemetery. This could result in errors and/or irregularities occurring and remaining undetected for an extended period of time.

Since we do not consider it practical for the Board to hire additional employees in order to segregate the accounting duties, we recommend that, after the Clerk has performed the monthly bank reconciliation, the Board review the validity of the computations and attest their agreement thereto. Also, the Board should carefully review and formally approve pertinent financial and budgetary information, such as the cash journal, receipts ledger and appropriations ledger on a monthly basis, and make appropriate inquiries to help determine the continued integrity of financial information. Appropriate inquiries would include:

- C Are current receipts sufficient to cover expenditures?
- C Are actual receipts and expenditures in line with the budget?
- C Are receipts and expenditures in line with prior years?
- C If unusual fluctuations in receipts or expenditures occur, is the reason understood, and has it been appropriately budgeted for?
- C Are anticipated receipts being received in a timely manner?

The information obtained as a result of such reviews and inquiries will provide important data necessary to properly manage the Cemetery.

The Clerk and Board of Trustees should also become familiar with the Ohio Compliance Supplement (revised May 2000) which has been provided to them, as a tool to assist them in complying with applicable Ohio laws and regulations.

**Finding Number 1999-31064-002**

**Reportable Condition – Payroll Procedures**

The Cemetery's payroll, tax withholdings, and PERS contributions were combined with the Village of New Straitsville's payroll, tax withholdings, and PERS contributions for the purpose of reporting and remitting to the various agencies. This procedure made it difficult to determine if proper distribution of expense between the Village and the Cemetery had occurred.

We recommend the Cemetery establish its own account with each of those agencies, reporting and remitting separately from the Village. This would include issuing W-2 and 1099 information in the name of the Cemetery.

**COAL TOWNSHIP UNION CEMETERY  
SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 1999 AND 1998**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; Finding no Longer Valid
1997-31064-001	Tax levied proceeds received by the Village for the Cemetery were not remitted to the Cemetery timely. The Cemetery made no formal application to the Village for these funds.	No	Finding No Longer Valid: The Village's levy expired in 1999 and no levy money from the Village of New Straitsville is due to the Cemetery.
1997-31064-002	The Cemetery Clerk performed all accounting functions. There was no documentation of the extent to which the Trustees reviewed financial information.	No	Not Corrected. This is repeated in the current audit as finding 1999-31064-001.
1997-31064-003	The Cemetery combine payroll, tax withholdings and PERS contributions with the Village of New Straitsville for the purpose of reporting and remitting to the various agencies.	No	Not Corrected. However, effective in April, 2000, the Cemetery Clerk is no longer the Village Clerk. This is repeated in the current audit as finding 1999-31064-002.



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**COAL TOWNSHIP UNION CEMETERY**

**PERRY 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  
SEPTEMBER 19, 2000**