



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

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**STATE OF OHIO**



**SCOTTS UNION CEMETERY  
ERIE COUNTY**

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center  
Suite 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Scotts Union Cemetery  
Erie County  
317 Brunswick Drive  
Huron, Ohio 44839-1553

To the Board of Trustees:

We have audited the accompanying financial statements of Scotts Union Cemetery (the Cemetery) as of and for the years ended December 31, 2001 and 2000. 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, 2001 and 2000, 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 30, 2002, 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 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, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

**Jim Petro**  
Auditor of State

May 30, 2002

**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, 2001**

	<u>Governmental Fund Type</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$10,000		\$10,000
Charges for Services	7,925		7,925
Sale of Lots	12,250		12,250
Interest		\$14	14
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	30,175	14	30,189
<b>Cash Disbursements:</b>			
Current:			
Salaries	20,153		20,153
Supplies	189		189
Contracts - Services	3,582		3,582
Miscellaneous	250		250
Capital Outlay	2,024		2,024
	<hr/>	<hr/>	<hr/>
Total Disbursements	26,198		26,198
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	3,977	14	3,991
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	50		50
Transfers - Out		(50)	(50)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	50	(50)	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	4,027	(36)	3,991
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	22,701	1,980	24,681
<b>Fund Cash Balances, December 31</b>	<hr/> <b>\$26,728</b> <hr/>	<hr/> <b>\$1,944</b> <hr/>	<hr/> <b>\$28,672</b> <hr/>

*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, 2000**

	<u>Governmental Fund Type</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$10,000		\$10,000
Charges for Services	5,150		5,150
Sale of Lots	9,750		9,750
Interest		\$25	25
Total Cash Receipts	<u>24,900</u>	<u>25</u>	<u>24,925</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries	18,818		18,818
Supplies	95		95
Contracts - Services	2,508		2,508
Miscellaneous	125		125
Capital Outlay	2,639		2,639
Total Disbursements	<u>24,185</u>		<u>24,185</u>
Total Receipts Over/(Under) Disbursements	<u>715</u>	<u>25</u>	<u>740</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	60		60
Transfers-Out		(60)	(60)
Total Other Financing Receipts/(Disbursements)	<u>60</u>	<u>(60)</u>	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	775	(35)	740
Fund Cash Balances, January 1	<u>21,926</u>	<u>2,015</u>	<u>23,941</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$22,701</b></u>	<u><b>\$1,980</b></u>	<u><b>\$24,681</b></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, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Scotts Union Cemetery (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 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. As of December 31, 2000 and 2001, respectively, the Cemetery had no investments.

**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. 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 significant 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.

**SCOTTS UNION CEMETERY  
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(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 Cemetery maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 follows:

	<u>2001</u>	<u>2000</u>
Demand deposits	\$26,727	\$22,701
Savings Accounts	1,945	1,980
Total deposits	<u>\$28,672</u>	<u>\$24,681</u>

Deposits are insured by the Federal Depository Insurance Corporation.

**3. RISK MANAGEMENT**

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



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

Scotts Union Cemetery  
Erie County  
317 Brunswick Drive  
Huron, Ohio 44839-1553

To the Board of Trustees:

We have audited the accompanying financial statements of Scotts Union Cemetery (the Cemetery) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 30, 2002. 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. 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 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 a certain matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Cemetery in a separate letter dated May 30, 2002.

Scotts Union Cemetery  
Erie County  
Report of Independent Accountants 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 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 stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

May 30, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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  
JULY 2, 2002**