



**GLENDALE UNION CEMETERY  
MORROW COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2001 - 2000**



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

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**STATE OF OHIO**



**GLENDALE UNION CEMETERY  
MORROW COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Glendale Union Cemetery  
Morrow County  
P.O. Box 86  
Cardington, Ohio 43315

To the Board of Trustees:

We have audited the accompanying financial statements of Glendale Union Cemetery, Morrow County, Ohio, (the Cemetery) as of and for the years ended December 31, 2001, and December 31, 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 December 31, 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 April 23, 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 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", with a large, stylized flourish at the end.

**JIM PETRO**  
Auditor of State

April 23, 2002

**GLENDALE UNION CEMETERY  
MORROW 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</u>	<u>Fiduciary</u>		<u>Totals</u>
	<u>General</u>	<u>Expendable Trust</u>	<u>Non-Expendable Trust</u>	<u>(Memorandum Only)</u>
<b>Cash Receipts:</b>				
Local Taxes	\$90,607	\$0	\$0	\$90,607
Intergovernmental	7,135	0	0	7,135
Charges for Services	14,747	0	0	14,747
Sale of Lots	13,027	0	0	13,027
Earnings on Investments	4,880	47	499	5,426
Miscellaneous	2,941	0	0	2,941
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	133,337	47	499	133,883
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>				
Current:				
Salaries	66,520	0	0	66,520
Supplies	6,896	0	0	6,896
Equipment	4,324	0	0	4,324
Contracts - Services	5,915	0	0	5,915
Miscellaneous	5,244	135	0	5,379
Capital Outlay	9,343	0	0	9,343
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	98,242	135	0	98,377
	<hr/>	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	35,095	(88)	499	35,506
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	110,483	2,467	8,048	120,998
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$145,578</b>	<b>\$2,379</b>	<b>\$8,547</b>	<b>\$156,504</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**GLENDALE UNION CEMETERY  
MORROW 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</u>	<u>Fiduciary</u>		<u>(Memorandum Only)</u>
	<u>General</u>	<u>Expendable Trust</u>	<u>Non-Expendable Trust</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$72,015	\$0	\$0	\$72,015
Intergovernmental	6,836	0	0	6,836
Charges for Services	14,049	0	0	14,049
Sale of Lots	10,275	0	0	10,275
Earnings on Investments	4,874	54	302	5,230
Miscellaneous	1,063	0	0	1,063
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	109,112	54	302	109,468
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>				
Current:				
Salaries	63,107	0	0	63,107
Supplies	7,569	0	0	7,569
Equipment	11,934	0	0	11,934
Contracts - Services	3,643	0	0	3,643
Miscellaneous	5,684	0	0	5,684
Capital Outlay	38,653	0	0	38,653
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	130,590	0	0	130,590
	<hr/>	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(21,478)	54	302	(21,122)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	131,961	2,413	7,746	142,120
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$110,483</b>	<b>\$2,467</b>	<b>\$8,048</b>	<b>\$120,998</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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



**GLENDALE UNION CEMETERY  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Glendale Union Cemetery, Morrow 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. One trustee is a village council member, one is a Cemetery trustee and one is a member appointed at large. 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Investments are included in fund cash balances. 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 are valued at cost. Money market mutual funds are recorded at share values reported by the mutual 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. Fiduciary Funds (Trust 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. If the agreement requires the Cemetery to maintain the corpus of the trust, the fund is classified as a non-expendable trust fund. Other trust funds are classified as expendable.

**GLENDALE UNION CEMETERY  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**E. Budgetary Process**

The Cemetery budgets each fund annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Board annually approves an appropriation measure and any subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Cemetery to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and re-appropriated in the subsequent year. The Cemetery did not encumber all commitments required by Ohio law.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**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. 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:

	<u>2001</u>	<u>2000</u>
Demand deposits	\$ 119,397	\$ 83,893
Certificates of deposit	<u>36,105</u>	<u>36,105</u>
Total deposits	<u>\$ 155,502</u>	<u>\$ 119,998</u>
Mutual Fund	<u>1,000</u>	<u>1,000</u>
Total investments	<u>1,000</u>	<u>1,000</u>
Total deposits and investments	<u>\$ 156,502</u>	<u>\$ 120,998</u>

**GLENDALE UNION CEMETERY  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Cemetery.

**Investments:** The Cemetery's mutual fund is held by Key Trust Company of Ohio, the trustee under the will of Mabel Lamprecht. The market values of the mutual fund on December 31, 2001 and December 31, 2000 were \$ 3,856 and \$4,262 respectively. The mutual fund is not evidenced by securities that exist in physical or book-entry form. The mutual fund was received by the Cemetery as a bequest.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2001 and December 30, 2000 follows:

**2001 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 100,500	\$ 133,336	\$ 32,386
Fiduciary Funds	<u>\$ 400</u>	<u>\$ 546</u>	<u>\$ 146</u>
Total	<u>\$ 100,900</u>	<u>\$ 133,882</u>	<u>\$ 32,532</u>

**2001 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 142,040	\$ 98,243	\$ 43,797
Fiduciary Funds	<u>\$ 0</u>	<u>\$ 135</u>	<u>(\$ 135)</u>
Total	<u>\$ 142,040</u>	<u>\$ 98,378</u>	<u>\$ 43,662</u>

**GLENDALE UNION CEMETERY  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY**

<b>2000 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 113,000	\$ 109,112	\$ ( 3,888 )
Fiduciary Funds	<u>\$ 400</u>	<u>\$ 356</u>	<u>\$ ( 44 )</u>
Total	<u>\$ 113,400</u>	<u>\$ 109,468</u>	<u>\$ ( 3,932 )</u>

<b>2000 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 141,940	\$ 130,589	\$ 11,351
Fiduciary Funds	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 141,940</u>	<u>\$ 130,589</u>	<u>\$ 11,351</u>

**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.

**GLENDALE UNION CEMETERY  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**5. 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 prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Cemetery contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The Cemetery has paid all contributions required through December 31, 2001.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Glendale Union Cemetery has obtained commercial insurance for the following risks:

- General liability
- Official's liability
- Vehicles
- Property

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OFFICE OF THE AUDITOR**

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

Glendale Union Cemetery  
Morrow County  
P.O. Box 86  
Cardington, Ohio 43315

To the Board of Trustees:

We have audited the accompanying financial statements of Glendale Union Cemetery, Morrow County, Ohio, (the Cemetery) as of and for the years ended December 31, 2001, and 2000, and have issued our report thereon dated April 23, 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 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 2001-30659-001.

**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 April 23, 2002.

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

April 23, 2002



**GLENDALE UNION CEMETERY  
MORROW COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001, AND 2000**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>Finding Number</b>	<b>2001-30659-001</b>
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**Certification of Expenditures**

Ohio Rev. Code Section 5705.41(D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification should be considered null and void.

This section also provides two exceptions to the above requirements:

- A. Then and Now Certificate - if no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the purchase order or contract and at the time of the certificate, appropriated and free of any previous encumbrance, the Board of Trustees may authorize the issuance of a check in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less than \$1,000, the fiscal officer may authorize it to be paid without the affirmation of the Board, if such expenditure is otherwise valid.

Sixty-eight percent of transactions tested were not certified by the Clerk prior to the commitment being incurred, nor were they certified using a then-and-now certification. This procedure is not only required by Ohio law but is a key control in the disbursement process to assure that purchase commitments receive prior approval, and to help reduce the possibility of Cemetery funds being over expended or exceeding budgetary spending limitations as set by the Board.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**GLENDALE UNION CEMETERY**

**MORROW 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 30, 2002**