



**WINCHESTER UNION CEMETERY DISTRICT
ADAMS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001-2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**WINCHESTER UNION CEMETERY DISTRICT
ADAMS COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Winchester Union Cemetery District
Adams County
P. O. Box 1
Winchester, Ohio 45697

To the Board of Trustees:

We have audited the accompanying financial statements of the Winchester Union Cemetery District, Adams County, Ohio (the Cemetery District), as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Cemetery District'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 District 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 balance of the Cemetery District as of December 31, 2001 and 2000, and its 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 15, 2002, on our consideration of the Cemetery District'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 our audit performed in accordance with the *Governmental 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". 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 15, 2002

**WINCHESTER UNION CEMETERY DISTRICT
ADAMS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

Cash Receipts:	
Local Taxes	\$13,379
Intergovernmental	1,639
Cemetery Lot Sales	1,200
Interest	397
Other Revenue	<u>213</u>
Total Cash Receipts	<u>16,828</u>
Cash Disbursements:	
Current:	
Salaries	1,783
Contracts - Services	9,073
Public Employees' Retirement	426
Workers' Compensation	20
Miscellaneous	795
Capital Outlay	<u>7,215</u>
Total Cash Disbursements	<u>19,312</u>
Total Receipts Over/(Under) Disbursements	<u>(2,484)</u>
Fund Cash Balance, January 1	<u>27,037</u>
Fund Cash Balance, December 31	<u><u>\$24,553</u></u>

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

**WINCHESTER UNION CEMETERY DISTRICT
ADAMS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

Cash Receipts:

Local Taxes	\$12,940
Intergovernmental	1,540
Cemetery Lot Sales	1,200
Interest	1,131
Other Revenue	<u>603</u>

Total Cash Receipts 17,414

Cash Disbursements:

Current:	
Salaries	1,769
Supplies	426
Contracts - Services	13,692
Public Employees' Retirement	450
Workers' Compensation	10
Miscellaneous	676
Capital Outlay	<u>9,527</u>

Total Cash Disbursements 26,550

Total Receipts Over/(Under) Disbursements (9,136)

Fund Cash Balance, January 1 36,173

Fund Cash Balance, December 31 \$27,037

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

**WINCHESTER UNION CEMETERY DISTRICT
ADAMS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Winchester Union Cemetery District, Adams County, Ohio (the Cemetery District), 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 District is directed by an appointed three-member Board of Trustees. The Village of Winchester and Winchester Township are represented on the Board of Trustees. The Cemetery District provides for the general maintenance of the grounds and sales of burial plots.

The Cemetery District's management believes these financial statements present all activities for which the Cemetery District 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 Deposits

The Cemetery District maintains all funds in an interest-bearing checking account and certificates of deposit. Certificates of deposit are valued at cost.

D. Fund Accounting

The Cemetery District has no cash and deposits that are restricted as to use; therefore, the Cemetery District accounts for all of its resources in the following fund type:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources of the Cemetery District. Currently, this is the only fund used by the Cemetery District.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

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

**WINCHESTER UNION CEMETERY DISTRICT
ADAMS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Cemetery District did not encumber commitments as required by Ohio law; however, the Cemetery District did not have material encumbrances outstanding at December 31, 2001 and 2000.

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 disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. POOLED CASH DEPOSITS

The Cemetery District maintains a checking account and certificates of deposit. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash deposits at December 31 was as follows:

	<u>2001</u>	<u>2000</u>
Demand deposits	\$8,253	\$10,737
Certificates of deposit	<u>16,300</u>	<u>16,300</u>
Total deposits	<u><u>\$24,553</u></u>	<u><u>\$27,037</u></u>

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

**WINCHESTER UNION CEMETERY DISTRICT
ADAMS COUNTY**

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

3. BUDGETARY ACTIVITY

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

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$14,200</u>	<u>\$16,828</u>	<u>\$2,628</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$20,800</u>	<u>\$19,312</u>	<u>\$1,488</u>

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$13,940</u>	<u>\$17,414</u>	<u>\$3,474</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$21,500</u>	<u>\$26,550</u>	<u>(\$5,050)</u>

Expenditures exceeded appropriations in 2000 as noted above, contrary to Ohio Law.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Cemetery District Board of Trustees. 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.

Public utilities are also taxed on personal and real property located within the Cemetery District.

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 District.

**WINCHESTER UNION CEMETERY DISTRICT
ADAMS COUNTY**

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

5. RETIREMENT SYSTEM

The Cemetery District officials belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan which provide retirement benefits, including post-retirement 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 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Cemetery District 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 District has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

The Cemetery District has obtained commercial insurance for the following risk:

- General Liability

The Cemetery District is uninsured for the following risk:

- Errors and Omissions



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

Winchester Union Cemetery District
Adams County
P.O. Box 1
Winchester, Ohio 45697

To the Board of Trustees:

We have audited the accompanying financial statements of the Winchester Union Cemetery District, Adams County, Ohio (the Cemetery District), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 15, 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 District'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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2001-30401-001 and 2001-30401-002. We also noted immaterial instances of noncompliance that we have reported to management of the Cemetery District in a separate letter dated May 15, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Cemetery District'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 a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. 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 affect the Cemetery District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2001-30401-001.

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 believe the reportable condition described above is a material weakness.

Winchester Union Cemetery District
Adams County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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We also noted certain matters involving the internal control structure over financial reporting that do not require inclusion in this report that we have reported to the management of the Cemetery District in a separate letter dated May 15, 2002.

This report is intended for the information and use of management, 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", with a stylized flourish at the end.

Jim Petro
Auditor of State

May 15, 2002

**WINCHESTER UNION CEMETERY DISTRICT
ADAMS COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2001-30401-001

Material Noncompliance / Reportable Condition

Ohio Rev. Code, Section 5705.41 (D), requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon. This Section also provides for two exceptions to the above requirement:

- A. Then-and-Now Certificates - 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 contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Cemetery District may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate.
- B. If the amount involved is less than \$1,000 dollars, the fiscal officer may authorize payment through a Then-and-Now Certificate without affirmation of the Board of Trustees, if such expenditure is otherwise valid.

Where a continuing contract is to be performed in whole or in part in an ensuing fiscal year, only the amount required to meet those amounts in the fiscal year in which the contract is made need be certified.

Contrary to the above requirement, the availability of funds was not certified for any of the Cemetery District's disbursements. Failure to certify the availability of funds and encumber appropriations can result in overspending funds and negative cash balances. Therefore, we recommend the Cemetery District obtain approved purchase orders, which contain the Clerk's certification that the amount required to meet the obligation has been lawfully appropriated and authorized, prior to making a commitment.

FINDING NUMBER 2001-30401-002

Material Noncompliance

Ohio Rev. Code, Section 5705.41(B), prohibits expenditures in excess of appropriations. For the year ended December 31, 2001, expenditures exceeded appropriations in the following fund:

Fund	Appropriation Amount	Expenditure Amount	Variance
General	\$21,500	\$26,550	(\$5,050)

This resulted from the Cemetery District not appropriately monitoring budgetary expenditures as compared to appropriations and could result in the Cemetery District expending funds illegally.

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WINCHESTER UNION CEMETERY DISTRICT
ADAMS COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001 AND 2000

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-30401-001	Noncompliance citation of Ohio Rev. Code, Section 5705.41(D) for not obtaining prior certification of funds available for expenditure.	No	Finding repeated in current Schedule of Findings - Finding #2001-30401-001.



STATE OF OHIO
OFFICE OF THE AUDITOR

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WINCHESTER UNION CEMETERY DISTRICT

ADAMS 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 18, 2002**