



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of Trustees
Wellington Union Cemetery
Lorain County
115 Willard Memorial Square
Wellington, Ohio 44090

To the Trustees:

We have audited the accompanying financial statements of the Wellington Union Cemetery, Lorain County, Ohio, (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 audits.

We conducted our audits 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 audits 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 audits provide 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 Wellington Union Cemetery, Lorain County, Ohio, as of December 31, 1999 and December 31, 1998, 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 February 25, 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 Trustees, management, 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.

Jim Petro
Auditor of State

February 25, 2000

Wellington Union Cemetery

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**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
THE GOVERNMENTAL FUND TYPE AND SIMILAR FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Totals (Memorandum Only)</u>
	<u>Fund Type</u>		
	<u>General</u>	<u>Expendable Trust</u>	
Cash Receipts:			
Local Taxes	\$42,734	\$0	\$42,734
Intergovernmental	4,339	0	4,339
Charges for Services	22,180	0	22,180
Interest	1,706	1,169	2,875
Miscellaneous	1,725	0	1,725
Total Cash Receipts	<u>72,684</u>	<u>1,169</u>	<u>73,853</u>
Cash Disbursements:			
Current:			
Public Health Services	63,920	0	63,920
General Government	0	176	176
Total Disbursements	<u>63,920</u>	<u>176</u>	<u>64,096</u>
Total Receipts Over/(Under) Disbursements	<u>8,764</u>	<u>993</u>	<u>9,757</u>
Fund Cash Balances, January 1, 1999	<u>\$68,694</u>	<u>\$25,068</u>	<u>\$93,762</u>
Fund Cash Balances, December 31, 1999	<u><u>\$77,458</u></u>	<u><u>\$26,061</u></u>	<u><u>\$103,519</u></u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
THE GOVERNMENTAL FUND TYPE AND SIMILAR FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental</u>	<u>Fiduciary</u>	Totals (Memorandum Only)
	<u>Fund Type</u>		
	<u>General</u>	<u>Expendable Trust</u>	
Cash Receipts:			
Local Taxes	\$40,381	\$0	\$40,381
Intergovernmental	4,111	0	4,111
Charges for Service	26,690	0	26,690
Interst	1,639	1,165	2,804
Miscellaneous	2,577	0	2,577
Total Cash Receipts	<u>75,398</u>	<u>1,165</u>	<u>76,563</u>
Cash Disbursements:			
Current:			
Public Health Services	58,642	0	58,642
General Government	0	151	151
Total Disbursements	<u>58,642</u>	<u>151</u>	<u>58,793</u>
Total Receipts Over/(Under) Disbursements	<u>16,756</u>	<u>1,014</u>	<u>17,770</u>
Fund Cash Balances, January 1, 1998	<u>51,938</u>	<u>24,054</u>	<u>75,992</u>
Fund Cash Balances, December 31, 1998	<u>\$68,694</u>	<u>\$25,068</u>	<u>\$93,762</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Wellington Union Cemetery, Lorain County, Ohio, (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 Wellington Union Cemetery is jointly owned by the Village of Wellington and Wellington Township, and is directed by an appointed three-member Board of Trustees. The Cemetery operates and maintains the West Herrick Cemetery and Greenwood Cemetery, both located in Wellington, Ohio. The Cemetery provides for the sale of burial lots, grave openings, and the 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

Certificates of deposit 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:

General Fund

The General Fund is the general operating fund of the Cemetery. It is used to account for all financial resources except those required by law or contract to be restricted.

Fiduciary Funds (Expendable Trust Funds)

Expendable Trust Funds are used to account for resources restricted by legally binding trust agreements.

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.

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 cash basis of accounting used by the Cemetery.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

2. Pooled Cash and Investments

The Cemetery maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$56,746	\$49,013
Certificates of deposit	<u>46,773</u>	<u>44,749</u>
Total Deposits	<u>\$103,519</u>	<u>\$93,762</u>

Deposits:

Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

3. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the legislative bodies of Wellington Township and the Village of Wellington. 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 owners, who must file a list of such property with the County by each April 30.

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.

4. Retirement Systems

The Cemetery's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides 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 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Cemetery contributed an amount equal 13.55% of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 1999.

5. Risk Management

The Cemetery has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Board of Trustees
Wellington Union Cemetery
Lorain County
115 Willard Memorial Square
Wellington, Ohio 44090

We have audited the financial statements of the Wellington Union Cemetery, Lorain County, Ohio, (Cemetery) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated February 25, 2000. We conducted our audits 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 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 audits 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 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 February 25, 2000.

Board of Trustees
Wellington Union Cemetery
Lorain County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

This report is intended 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.

Jim Petro
Auditor of State

February 25, 2000



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OFFICE OF THE AUDITOR

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WELLINGTON UNION CEMETERY

LORAIN 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
APRIL 11, 2000**