



**WELLINGTON UNION CEMETERY
LORAIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2003 & 2002



**Auditor of State
Betty Montgomery**

**WELLINGTON UNION CEMETERY
LORAIN COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of the Wellington Union Cemetery, Lorain County, Ohio, (the Cemetery) as of and for the years ended December 31, 2003 and December 31, 2002. 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 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 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 described 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, 2003 and December 31, 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

As described in Note 3, the beginning fund cash balances of the Non-Expendable Trust Fund were restated to properly account for the balance of the endowment trusts.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2004, 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 audits.

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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

March 4, 2004

**WELLINGTON UNION CEMETERY
LORAIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
THE GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Non-Expendable Trust Funds</u>	
Cash Receipts:			
Local Taxes	\$54,927		\$54,927
Intergovernmental	2,785		2,785
Charges for Services	15,200		15,200
Sale of Lots	16,700		16,700
Interest	2,067	\$1,118	3,185
Miscellaneous	640		640
	<hr/>		<hr/>
Total Cash Receipts	92,319	1,118	93,437
	<hr/>		<hr/>
Cash Disbursements:			
Current:			
Salaries and Benefits	41,651		41,651
Supplies	4,178		4,178
Equipment	4,350		4,350
Contracts - Repair	314		314
Contracts - Services	9,720		9,720
Public Employees' Retirement	5,273		5,273
Workers' Compensation	1,200		1,200
Miscellaneous	6,558	459	7,017
Capital Outlay	17,719		17,719
	<hr/>		<hr/>
Total Disbursements	90,963	459	91,422
	<hr/>		<hr/>
Total Receipts Over Disbursements	1,356	659	2,015
	<hr/>		<hr/>
Fund Cash Balances, January 1	105,576	26,641	132,217
	<hr/>		<hr/>
Fund Cash Balances, December 31	<u>\$106,932</u>	<u>\$27,300</u>	<u>\$134,232</u>

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

**WELLINGTON UNION CEMETERY
LORAIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
THE GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Non-Expendable Trust Funds</u>	
Cash Receipts:			
Local Taxes	\$55,643		\$55,643
Intergovernmental	5,331		5,331
Charges for Services	15,100		15,100
Sale of Lots	10,760		10,760
Interest	3,071	\$1,135	4,206
Miscellaneous	295		295
	<u>90,200</u>	<u>1,135</u>	<u>91,335</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries and Benefits	36,226		36,226
Supplies	4,447		4,447
Equipment	10,778		10,778
Contracts - Repair	547		547
Contracts - Services	10,875		10,875
Public Employees' Retirement	4,742		4,742
Workers' Compensation	577		577
Miscellaneous	7,173	131	7,304
	<u>75,365</u>	<u>131</u>	<u>75,496</u>
Total Cash Disbursements			
Total Receipts Over Disbursements	<u>14,835</u>	<u>1,004</u>	<u>15,839</u>
Fund Cash Balances, January 1, as restated	<u>90,741</u>	<u>25,637</u>	<u>116,378</u>
Fund Cash Balances, December 31	<u>\$105,576</u>	<u>\$26,641</u>	<u>\$132,217</u>

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

**WELLINGTON UNION CEMETERY
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Wellington Union Cemetery, Lorain 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. The Board is appointed by the Council of the Village of Wellington and the Trustees of Wellington Township. The Cemetery operates and maintains the West Herrick Cemetery and Greenwood Cemetery, both located in Wellington, Ohio. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. These accompanying financial statements present this funding as Intergovernmental Receipts. The Cemetery provides grounds maintenance, opening and closing of graves, and the sale of grave lots, and 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

Certificates of deposit are valued at cost.

D. Fund Accounting

The Cemetery uses fund accounting to segregate cash that is 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

These funds are used to account for resources restricted by legally binding trust agreements. The Cemetery had the following significant Fiduciary Funds:

**WELLINGTON UNION CEMETERY
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Evelyn Artz Endowment Fund and Mausoleum Endowment Fund – These funds receive interest from fund investments. Proceeds are used to maintain the mausoleums.

E. Budgetary Process

The Cemetery budgets the General Fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control. The Board annually approves appropriation measures and subsequent amendments. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

A summary of 2003 and 2002 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

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

	<u>2003</u>	<u>2002</u>
Demand deposits	\$ 78,596	\$ 79,169
Certificates of deposit	<u>55,636</u>	<u>53,048</u>
Total deposits	<u><u>\$ 134,232</u></u>	<u><u>\$ 132,217</u></u>

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

**WELLINGTON UNION CEMETERY
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. RESTATEMENT OF FUND CASH BALANCES

The December 31, 2002, fund cash balance of \$27,105 in the Non-Expendable Trust Fund was restated to \$25,637 to properly account for the balance of the endowment trusts.

4. BUDGETARY ACTIVITY

The Cemetery only budgets for their General Fund. Although the Cemetery is not subject to Ohio Rev. Code Section 5705, the Cemetery had budgetary expenditures of \$90,963 in excess of total appropriation of \$81,790 at December 31, 2003, in the General Fund, for a variance of \$9,173.

Budgetary activity for the years ending December 31, 2003 and December 31, 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 80,150	\$ 92,319	\$ 12,169

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 81,790	\$ 90,963	\$ (9,173)

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 78,800	\$ 90,200	\$ 11,400

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 88,140	\$ 75,365	\$ 12,775

5. 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.

**WELLINGTON UNION CEMETERY
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

6. 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 2003 and 2002, PERS employee members contributed 8.5% of their gross salaries. The Cemetery contributed an amount equal to 13.55% of participants' gross salaries for 2003 and from January 1, 2002 through June 30, 2003. The Cemetery has paid all contributions required through December 31, 2003.

7. RISK MANAGEMENT

The Cemetery has obtained commercial insurance for the following risks:

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



Auditor of State Betty Montgomery

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

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

To the Board of Trustees:

We have audited the financial statements of the Wellington Union Cemetery, Lorain County, Ohio, (the Cemetery) as of and for the years ended December 31, 2003 and December 31, 2002, and have issued our report thereon dated March 4, 2004, wherein the beginning fund cash balance of the Non-Expendable Trust Fund were restated to properly account for the balance of the endowment trusts. We conducted our audits 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 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*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Cemetery in a separate letter dated March 4, 2004.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 March 4, 2004.

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Wellington Union Cemetery
Lorain County
Independent Accountants' Report 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

March 4, 2004



**Auditor of State
Betty Montgomery**

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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 27, 2004**