



Mary Taylor, CPA
Auditor of State

**WELLINGTON UNION CEMETERY
LORAIN COUNTY**

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Mary Taylor, CPA Auditor of State

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

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor, CPA
Auditor of State

September 23, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of Wellington Union Cemetery, Lorain County, Ohio, (the Cemetery) as of and for the years ended December 31, 2007 and December 31, 2006. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Cemetery has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present for 2007 and 2006, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2007 and 2006. While the Cemetery does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Cemetery has elected not to reformat its statements. Since this Cemetery does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and December 31, 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Cemetery as of December 31, 2007 and December 31, 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Wellington Union Cemetery, Lorain County, Ohio, as of December 31, 2007 and December 31, 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Cemetery has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2008, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Mary Taylor, CPA
Auditor of State

September 23, 2008

**WELLINGTON UNION CEMETERY
LORAIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Governmental Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	General	Trust Funds	
Cash Receipts:			
Local Taxes	\$69,865	\$0	\$69,865
Charges for Services	19,820	0	19,820
Sale of Lots	18,700	0	18,700
Interest	3,346	1,284	4,630
Miscellaneous	72	0	72
	<u>111,803</u>	<u>1,284</u>	<u>113,087</u>
Total Cash Receipts			
	<u>111,803</u>	<u>1,284</u>	<u>113,087</u>
Cash Disbursements:			
Current:			
Salaries	33,675	0	33,675
Supplies	2,686	0	2,686
Equipment	1,591	0	1,591
Contracts - Repair	1,459	0	1,459
Contracts - Services	14,729	0	14,729
Public Employees' Retirement	4,259	0	4,259
Workers' Compensation	2,019	0	2,019
Miscellaneous	5,854	0	5,854
Capital Outlay	66,049	0	66,049
	<u>132,321</u>	<u>0</u>	<u>132,321</u>
Total Disbursements			
	<u>132,321</u>	<u>0</u>	<u>132,321</u>
Total Receipts Over/(Under) Disbursements	<u>(20,518)</u>	<u>1,284</u>	<u>(19,234)</u>
Fund Cash Balances, January 1	<u>132,307</u>	<u>29,067</u>	<u>161,374</u>
Fund Cash Balances, December 31	<u><u>\$111,789</u></u>	<u><u>\$30,351</u></u>	<u><u>\$142,140</u></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
GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Governmental Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	General	Trust Funds	
Cash Receipts:			
Local Taxes	\$65,599	\$0	\$65,599
Charges for Services	13,130	0	13,130
Sale of Lots	5,700	0	5,700
Interest	3,750	531	4,281
Miscellaneous	6,692	0	6,692
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	94,871	531	95,402
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
Salaries	31,588	0	31,588
Supplies	5,499	0	5,499
Equipment	5,580	0	5,580
Contracts - Repair	1,332	0	1,332
Contracts - Services	13,195	0	13,195
Public Employees' Retirement	4,236	0	4,236
Workers' Compensation	3,125	0	3,125
Unemployment Compensation	6,410	0	6,410
Miscellaneous	1,821	0	1,821
Capital Outlay	21,656	0	21,656
	<hr/>	<hr/>	<hr/>
Total Disbursements	94,442	0	94,442
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	429	531	960
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	131,878	28,536	160,414
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$132,307</u>	<u>\$29,067</u>	<u>\$161,374</u>

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

**WELLINGTON UNION CEMETERY
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND DECEMBER 31, 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges for the Wellington Union Cemetery, Lorain County, Ohio, (the Cemetery) as a body corporate and politic. The Village of Wellington and Wellington Township appoint a three-member Board of Trustees to direct cemetery operations. These entities also provide funding to meet the Cemetery's operating costs through property tax levies. The accompanying financial statements present this funding as local taxes. 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 the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements basis of accounting. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. 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 presents all financial resources except those required to be accounted for in another fund.

2. Fiduciary Funds (Trust Funds)

These funds account for resources restricted by legally binding trust agreements. These funds receive interest from fund investments. Proceeds are used to maintain grave sites.

D. Property, Plant, and Equipment

The financial statements report acquisitions of property, plant, and equipment as capital outlay disbursements when paid. The financial statements do not report these items as assets.

E. Budgetary Process

The Cemetery's Board budgets the General fund annually.

**WELLINGTON UNION CEMETERY
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND DECEMBER 31, 2006
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Process (Continued)

1. Estimated Expenses

Budgetary expenditures (that is, disbursements) may not exceed estimated expenses at the fund/function level of control. The Board annually approves expense measures and subsequent amendments. Estimated expenses lapse at year end.

2. Estimated Income

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

A summary of 2007 and 2006 budgetary activity appears in Note 3.

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>2007</u>	<u>2006</u>
Demand deposits	<u>\$142,140</u>	<u>\$161,374</u>

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2007 and December 31, 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Estimated Income	Actual Receipts	Variance
General	\$93,641	\$111,803	\$18,162
Fiduciary (Trust Funds)	0	1,284	1,284
Total	\$93,641	\$113,087	\$19,446

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Estimated Expenses	Budgetary Expenditures	Variance
General	\$128,840	\$132,321	(\$3,481)
Fiduciary (Trust Funds)	0	0	0
Total	\$128,840	\$132,321	(\$3,481)

**WELLINGTON UNION CEMETERY
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND DECEMBER 31, 2006
(CONTINUED)**

3. BUDGETARY ACTIVITY (CONTINUED)

2006 Budgeted vs. Actual Receipts			
Fund Type	Estimated Income	Actual Receipts	Variance
General	\$93,400	\$94,871	\$1,471
Fiduciary (Trust Funds)	0	531	531
Total	\$93,400	\$95,402	\$2,002

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Estimated Expenses	Budgetary Expenditures	Variance
General	\$109,340	\$94,442	\$14,898
Fiduciary (Trust Funds)	0	0	0
Total	\$109,340	\$94,442	\$14,898

Budgetary expenditures exceeded estimated expenses at December 31, 2007 by \$3,481.

4. RETIREMENT SYSTEM

The Cemetery's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as the Ohio Revised Code prescribes.

The Ohio Revised Code also prescribes contribution rates. For 2007 OPERS employee members contributed 9.5 percent of their gross salaries and for 2006 contributed 9 percent of their gross salaries. The Cemetery contributes an amount equal to 13.85 percent in 2007 and 13.7 percent for 2006 of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2007.

5. RISK MANAGEMENT

Commercial Insurance

The Cemetery has obtained commercial insurance for the following risks:

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

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Board of Trustees:

We have audited the financial statements of Wellington Union Cemetery, Lorain County, Ohio, (the Cemetery) as of and for the years ended December 31, 2007 and December 31, 2006 and have issued our report thereon dated September 23, 2008, wherein we noted the Cemetery followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Cemetery's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Cemetery's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Cemetery's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Cemetery's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Cemetery's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Cemetery's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the Cemetery's management in a separate letter dated September 23, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the Cemetery's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management and the Board of Trustees. We intend it for no one other than these specified parties.

Mary Taylor, CPA
Auditor of State

September 23, 2008