



**LEXINGTON UNION CEMETERY
RICHLAND COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**LEXINGTON UNION CEMETERY
RICHLAND COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Lexington Union Cemetery
Richland County
3481 Lindsey Road
Lexington, Ohio 44904

To the Board of Trustees:

We have audited the accompanying financial statements of Lexington Union Cemetery, Richland County, Ohio, (the Cemetery) as of and for the years ended December 31, 2000 and 1999. 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 fund cash balances of the Cemetery as of December 31, 2000 and 1999, 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 March 22, 2001 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.

Jim Petro
Auditor of State

March 22, 2001

**LEXINGTON UNION CEMETERY
RICHLAND COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL AND NON-EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>General</u>	<u>Non-Expendable Trust</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Intergovernmental	\$31,017		\$31,017
Charges for Services	5,050		5,050
Sale of Lots	2,300	\$900	3,200
Interest	29,056	1,948	31,004
Miscellaneous	26		26
	<u>67,449</u>	<u>2,848</u>	<u>70,297</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries	24,380		24,380
Supplies	3,673		3,673
Contracts - Repair	1,601		1,601
Contracts - Services	2,546		2,546
Public Employees' Retirement	1,869		1,869
Unemployment Compensation	808		808
Miscellaneous	2,509		2,509
Equipment	1,490		1,490
	<u>38,876</u>	<u>0</u>	<u>38,876</u>
Total Cash Disbursements			
Total Cash Receipts Over Cash Disbursements	<u>28,573</u>	<u>2,848</u>	<u>31,421</u>
Fund Cash Balances, January 1	<u>331,631</u>	<u>41,084</u>	<u>372,715</u>
Fund Cash Balances, December 31	<u>\$360,204</u>	<u>\$43,932</u>	<u>\$404,136</u>

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

**LEXINGTON UNION CEMETERY
RICHLAND COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL AND NON-EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	General	Non-Expendable Trust	Totals (Memorandum Only)
Cash Receipts:			
Intergovernmental	\$36,398		\$36,398
Charges for Services	3,550		3,550
Sale of Lots	3,625	\$1,450	5,075
Interest	6,548	176	6,724
Miscellaneous	2,283		2,283
	<u>52,404</u>	<u>1,626</u>	<u>54,030</u>
Cash Disbursements:			
Current:			
Salaries	25,535		25,535
Supplies	1,932		1,932
Miscellaneous	1,535		1,535
Equipment	8,719		8,719
	<u>37,721</u>	<u>0</u>	<u>37,721</u>
Total Cash Disbursements	<u>37,721</u>	<u>0</u>	<u>37,721</u>
Total Cash Receipts Over Cash Disbursements	<u>14,683</u>	<u>1,626</u>	<u>16,309</u>
Fund Cash Balances, January 1	<u>316,948</u>	<u>39,458</u>	<u>356,406</u>
Fund Cash Balances, December 31	<u>\$331,631</u>	<u>\$41,084</u>	<u>\$372,715</u>

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

**LEXINGTON UNION CEMETERY
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Lexington Union Cemetery, Richland County, (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 legislative authorities of the Village of Lexington and Troy Township. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. 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.

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

C. Cash and Investments

Certificates of deposit and U.S. Treasury Stripped Interest securities are valued at cost.

Investments are included in the cash fund 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.

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.

**LEXINGTON UNION CEMETERY
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Non-Expendable Trust Fund

Trust funds are used to account for resources restricted by legally binding trust agreements. The agreement requires the Cemetery to maintain the corpus of the trust, therefore, the fund is classified as a non-expendable trust fund. The Cemetery had the following significant non-expendable trust fund:

Cemetery Endowment Fund - This fund receives interest from investments and a portion of grave lot sales. Such proceeds are used to maintain cemetery grounds.

E. 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 cash and investments in segregated accounts for each fund. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	<u>2000</u>	<u>1999</u>
Deposits:		
Demand deposits	\$ 33,953	\$ 63,237
Certificates of deposit	<u>370,183</u>	<u>210,194</u>
Total deposits	<u>404,136</u>	<u>273,431</u>
Investments:		
U.S. treasury stripped interest security	<u>0</u>	<u>99,284</u>
Total deposits and investments	<u>\$ 404,136</u>	<u>\$ 372,715</u>

At December 31, 1999, the Cemetery held ineligible investments in U.S. Treasury Stripped Interest Securities. Such securities are not eligible investments for the Cemetery under Chapter 135, Ohio Revised Code.

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

Investments: U.S. Treasury Stripped Interest Securities are held in book-entry form by the Federal Reserve, in the name of the Cemetery's financial institution. The financial institution maintains records identifying the Cemetery as owner of these securities.

**LEXINGTON UNION CEMETERY
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. RETIREMENT SYSTEM

The Cemetery's employees and clerk 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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Cemetery contributed an amount equal to 10.84% in 2000 and 13.55% in 1999 of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2000.

4. RISK MANAGEMENT

The Cemetery has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions

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

Lexington Union Cemetery
Richland County
3481 Lindsey Road
Lexington, Ohio 44904

To the Board of Trustees:

We have audited the accompanying financial statements of Lexington Union Cemetery, Richland County, Ohio, (the Cemetery) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 22, 2001. 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 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 certain immaterial instances of noncompliance that we have reported to management of the Cemetery in a separate letter dated March 22, 2001.

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 22, 2001.

Lexington Union Cemetery
Richland County
Report of Independent Accountants 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

March 22, 2001



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LEXINGTON UNION CEMETERY

RICHLAND 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 15, 2001**