



Mary Taylor, CPA
Auditor of State

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Geneva Union Cemetery
Ashtabula County
P.O. Box 474
Geneva, Ohio 44041

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, its major fund, and the aggregate remaining fund information of Geneva Union Cemetery, Ashtabula County, Ohio (the Cemetery, as of and for the year ended December 31, 2007, which collectively comprise the Cemetery's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Cemetery's management. Our responsibility is to express opinions 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 opinions.

As discussed in Note 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, its major fund, and the aggregate remaining fund information of Geneva Union Cemetery, Ashtabula County, Ohio, as of December 31, 2007, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the year then ended in conformity with the basis of accounting Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2009 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

October 23, 2009

**GENEVA UNION CEMETERY
ASHTABULA COUNTY
Management's Discussion and Analysis
For the Year Ending December 31, 2007
Unaudited**

Highlights

Key Highlights for 2007 are as follows:

Net assets of governmental activities decreased \$15,621 or 12 percent from the prior year. The decrease was primarily the results of the preparation of Maplewood Cemetery.

The Cemeteries general receipts are primarily property taxes. These receipts represent about 78 percent of the total cash received. The other receipts are charges for burials as well as sale of plots.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Government's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Cemetery as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Cemetery as a way to segregate money whose use is restricted to a particular specific purpose. The Cemetery has a General Fund from which all operating expenditures are taken. The only other fund is a Private Purpose Trust fund, restricted to the use of interest to be used for grave maintenance. In the prior audit, the Cemetery reported the Private Purpose Trust fund as a Permanent fund, which was listed then as a Governmental Fund Type. The current audit has reclassified this fund then to a Private Purpose Trust fund (Fiduciary Fund Type) in order to better account for the use of only interest to be spent for grave maintenances.

The notes to the financial statements are an integral part of the cemetery wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Cemetery has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principals. Under the Cemeteries cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY
Management's Discussion and Analysis
For the Year Ending December 31, 2007
Unaudited**

Reporting the Cemetery as a Whole

The statement of net assets and the statement of activities reflect how the Cemetery did financially during 2007, within the limitations of cash basis accounting. The Cemetery, having only one activity, the statements compare the Cemetery's cash disbursements with receipts in the operation of the Cemetery.

Reporting the Cemeteries Most Significant Fund

Since the Cemetery has only one fund that can be used for its operation, the financial statements provide a complete financial picture of the Cemetery's operation.

The Cemetery as a Whole

Table 1 provides a summary of the Cemetery's net assets for 2007 compared to 2006.

(Table 1)		
Net Assets		
	Governmental Activities	
	2007	2006
Assets		
Cash	\$97,535	\$113,156
Total Assets	<u>97,535</u>	<u>113,156</u>
Net Assets		
Unrestricted	97,535	113,156
Total Net Assets	<u>\$97,535</u>	<u>\$113,156</u>

As mentioned previously, net assets of the Cemetery activity decreased by \$15,621 or 12 percent during 2007. The primary reasons contributing to the decrease in cash balances are as follows:

The final preparation of Maplewood Cemetery which opened in September resulted in an additional investment. This included land preparation, planting of trees, plotting out the grave locations. Chip and Seal of the roads within the Cemetery was also completed as well as a complete drainage system.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY
Management's Discussion and Analysis
For the Year Ending December 31, 2007
Unaudited**

Table 2 reflects the changes in net assets on a cash basis in 2007 and 2006 for governmental activities.

(Table 2)		
Changes in Net Assets		
	Governmental	
	Activities	
	2007	2006
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$46,425	\$43,549
Operating Grants and Contributions	15,058	14,060
Total Program Receipts	<u>61,483</u>	<u>57,609</u>
General Receipts:		
Property and Other Local Taxes	130,897	127,337
Interest	5,211	3,270
Miscellaneous	3,896	2,697
Total General Receipts	<u>140,004</u>	<u>133,304</u>
Total Receipts	<u>201,487</u>	<u>190,913</u>
Disbursements:		
General Government	161,906	149,410
Capital Outlay	55,202	38,140
Total Disbursements	<u>217,108</u>	<u>187,550</u>
Increase (Decrease) in Net Assets	(15,621)	3,363
Net Assets, Beginning of Year	113,156	109,793
Net Assets, End of Year	<u>\$97,535</u>	<u>\$113,156</u>

Program receipts represent 31 percent of total receipts and are primarily comprised of charges for graves and grave openings.

General receipts represent 69 percent of the Cemetery's total receipts, and of this amount, 93 percent are property taxes.

Disbursements for General Government represent the overhead costs of running the Cemetery and the support services provided for the other Cemetery activities.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY
Management's Discussion and Analysis
For the Year Ending December 31, 2007
Unaudited**

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements are for General Government and Capital Outlay. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service, and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
General Government	\$161,906	(\$100,423)	\$149,410	(\$149,410)
Capital Outlay	55,202	(55,202)	38,141	(38,141)
Total Expenses	<u>\$217,108</u>	<u>(\$155,625)</u>	<u>\$187,551</u>	<u>(\$187,551)</u>

The dependence upon property taxes is apparent as over 65 percent of governmental activities are supported through these general receipts.

The Cemeteries Funds

The Cemetery General fund had receipts of \$201,487 and disbursements of \$217,108. The greatest change within the fund occurred within the capital improvement of sites area.

General Budgeting Highlights

The Cemetery's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. During 2007, the Cemetery did not amend its Certificate of estimated revenues.

Current Issues

The Cemeteries have continued the development of Maplewood Cemetery. The design and layout of the first four sections have been completed by Grever & Ward. Drainage work in the first two sections has been completed. The roads have been chip and sealed, trees planted and plotted out. The goal to open the first two sections of the Cemetery was completed in September 2007.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY
Management's Discussion and Analysis
For the Year Ending December 31, 2007
Unaudited**

Contacting the Cemeteries Financial Management

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Cemeteries finances and to reflect the Cemeteries accountability for monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Tony Long, Fiscal Officer, Geneva Union Cemetery, P.O. Box 474, Geneva, OH 44041-0474.

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GENEVA UNION CEMETERY
ASHTABULA COUNTY
Statement of Net Assets - Cash Basis
December 31, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$97,535</u>
<i>Total Assets</i>	<u><u>\$97,535</u></u>
Net Assets	
Unrestricted	<u>97,535</u>
<i>Total Net Assets</i>	<u><u>\$97,535</u></u>

See accompanying notes to the basic financial statements.

GENEVA UNION CEMETERY
ASHTABULA COUNTY
Statement of Activities - Cash Basis
For the Year Ended December 31, 2007

	<u>Program Cash Receipts</u>			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities				
General Government	\$161,906	\$46,425	\$15,058	(\$100,423)
Capital Outlay	55,202			(55,202)
<i>Total Governmental Activities</i>	<u>\$217,108</u>	<u>\$46,425</u>	<u>\$15,058</u>	(155,625)
		General Receipts		
		Property Taxes Levied for:		
				\$130,897
				5,211
				3,896
				<u>140,004</u>
				(15,621)
				<u>113,156</u>
				<u>\$97,535</u>

See accompanying notes to the basic financial statements.

GENENVA UNION CEMETERY

ASHTABULA COUNTY

Statement of Cash Basis Assets and Fund Balances

Governmental Fund

December 31, 2007

	<u>General</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$97,535</u>
<i>Total Assets</i>	<u><u>\$97,535</u></u>
Fund Balances	
Unreserved:	
Undesignated (Deficit), Reported in:	
General Fund	<u>97,535</u>
<i>Total Fund Balances</i>	<u><u>\$97,535</u></u>

See accompanying notes to the basic financial statements.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

*Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balances
Governmental Fund
For the Year Ended December 31, 2007*

	General
Receipts	
Property and Other Local Taxes	\$130,897
Charges for Services	23,510
Licenses, Permits and Fees	245
Intergovernmental	15,058
Interest	5,211
Other	26,566
	<hr/>
<i>Total Receipts</i>	201,487
	<hr/>
Disbursements	
Current:	
General Government	161,906
Capital Outlay	55,202
	<hr/>
<i>Total Disbursements</i>	217,108
	<hr/>
<i>Net Change in Fund Balances</i>	(15,621)
<i>Fund Balances Beginning of Year</i>	113,156
	<hr/>
<i>Fund Balances End of Year</i>	\$97,535
	<hr/> <hr/>

See accompanying notes to the basic financial statements.

Geneva Union Cemetery
Ashtabula County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 126,000	\$ 126,000	\$ 130,898	\$4,898
Charges for Services	28,000	28,000	23,510	(4,490)
Licenses, Permits and Fees	500	500	245	(255)
Intergovernmental	15,000	15,000	15,058	58
Interest	2,500	2,500	5,211	2,711
Other	30,720	30,720	26,565	(4,155)
<i>Total receipts</i>	<u>202,720</u>	<u>202,720</u>	<u>201,487</u>	<u>(1,233)</u>
Disbursements				
Current:				
General Government	195,140	195,140	161,906	33,234
Capital Outlay	72,000	72,000	55,202	16,798
<i>Total Disbursements</i>	<u>267,140</u>	<u>267,140</u>	<u>217,108</u>	<u>50,032</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(64,420)</u>	<u>(64,420)</u>	<u>(15,621)</u>	<u>48,799</u>
<i>Net Change in Fund Balance</i>	(64,420)	(64,420)	(15,621)	48,799
<i>Fund Balance Beginning of Year</i>	<u>113,156</u>	<u>113,156</u>	<u>113,156</u>	<u>0</u>
Fund Balance End of Year	<u>\$48,736</u>	<u>\$48,736</u>	<u>\$97,535</u>	<u>\$48,799</u>

See accompanying notes to the basic financial statements

GENEVA UNION CEMETERY
AHSTABULA COUNTY
Statement of Fiduciary Net Assets - Cash Basis
Fiduciary Fund
December 31, 2007

	Private Purpose Trust
Assets	
Equity in Pooled Cash and Cash Equivalents	\$17,366
<i>Total Assets</i>	<i>\$17,366</i>
 Net Assets	
Restricted	\$16,394
Unrestricted	972
Total Net Assets	\$17,366
See accompanying notes to the basic financial statements.	

GENEVA UNION CEMETERY
ASHTABULA COUNTY
Statement of Changes in Fiduciary Net Assets - Cash Basis
Fiduciary Fund
For the Year Ended December 31, 2007

	Private Purpose Trust
Additions	
Interest	\$597
Deductions	
Payments in Accordance with Trust Agreements	341
Change in Net Assets	256
Net Assets - Beginning of Year	17,110
Net Assets - End of Year	\$17,366

See accompanying notes to the basic financial statements.

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**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 – REPORTING ENTITY

Geneva Union Cemetery, Ashtabula County, Ohio, is a body politic and corporation established to the rights and privileges conveyed to it by the constitution and laws of the state of Ohio. The Cemetery represents the City of Geneva, Geneva Township and the Village of Geneva on the Lake. The Cemetery is directed by a three member Board of Trustees appointed one each from the entities comprising the Cemetery. The Cemetery also has a Fiscal Officer appointed by the Board of Trustees.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments that are not legally separate from the Cemetery. The Cemetery is made up of five Cemeteries within the district: Sexton Road (maintenance shared with Saybrook Township), Lakeview, Mt. Pleasant, Evergreen, and Maplewood. There are no component units.

The Cemetery provides ground 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 responsible.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Cemetery's accounting policies.

A. Basis of Presentation

The Cemetery's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Cemetery as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash balance of the governmental activities of the Cemetery at year end. The statement of activities compares disbursements with program receipts for each of the Cemetery's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Cemetery is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function activity is self-financing on a cash basis or draws from the Cemetery's general receipts.

Fund Financial Statements

Having only two funds, the General fund for operating, the Cemetery statements display the total financial picture of the Cemetery. Fund accounting is used to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. With only a General fund as its operating fund, no funds are restricted to a specific use. The Private Purpose Trust Fund – for cemetery bequest accounts - is restricted to the use of only the interest for specific grave maintenance.

B. Fund Accounting

The Cemetery uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into two categories, governmental and fiduciary.

Governmental Funds

The Cemetery classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Cemetery's only major governmental fund is the General Fund.

The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Cemetery for any purpose provided it is expended or transferred according to the general laws of Ohio.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fiduciary Funds

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Cemetery's own programs. The Township's private purpose trust fund accounts for programs that are used to maintain specific gravesites. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Cemetery has no agency funds.

C. Basis of Accounting

The Cemetery's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Cemetery's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. No such modifications have been made by the Cemetery.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, *except agency funds*, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Cemetery may appropriate.

The appropriations ordinance is the Cemetery's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Cemetery. The legal level of control has been established at the fund/function level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Cemetery's Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Cemetery.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Cemetery during the year.

E. Cash and Investments

To improve cash management, cash received by the Cemetery is pooled and invested. Individual fund integrity is maintained through Cemetery records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. 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 negative receipts (contra revenue), respectively.

During 2007, the Cemetery invested in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported at cost.

Interest earnings are allocated to Cemetery funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts, credited to the General Fund during 2007 were \$5, 211, and \$597 to the Private Purpose Trust funds.

F. Inventory and Prepaid Items

The Cemetery reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Cemetery's cash basis of accounting.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Employer Contributions to Cost-Sharing Pension Plans

The Cemetery recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

J. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Cemetery's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available. The amount of net assets restricted by enabling legislation as of December 31, 2006 is \$16,393, which is the principal of the Private Purpose Trust accounts.

K. Fund Balance Reserves

The Cemetery reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis).

NOTE 4 – DEPOSITS AND INVESTMENTS

Monies held by the Cemetery are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Cemetery treasury. Active monies must be maintained either as cash in the Cemetery treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Cemetery can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Protection of the Cemetery's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Cemetery by the financial institution, or by a collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Cemetery, and must be purchased with the expectation that it will be held to maturity.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Cemetery or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

Deposits

At year end, the carrying amount of the Cemetery's deposits was \$110,656 and the bank balance was \$114,900. Of the bank balance \$114,900 was covered by federal depository insurance. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Cemetery to a successful claim by the FDIC.

Investments

As of December 31, 2007, the Cemetery had no investments.

The Cemetery has no investment policy dealing with investment credit risk beyond the requirements in state statutes.

NOTE 5 – PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Cemetery. Real property tax receipts received in 2007 represent the collection of 2006 taxes. Real property taxes received in 2007 were levied after October 1, 2006, on the assessed values as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2007 represent the collection of 2006 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2006, were levied after October 1, 2006, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

NOTE 5 – PROPERTY TAXES - (Continued)

Tangible personal property tax receipts received in 2007 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Cemetery operations for the year ended December 31, 2007, was \$13.18 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property	
Residential	42,881,950.00
Agriculture/ Commercial/Industrial/Mineral	5,467,600.00
Public Utility Property	
Real	54,690.00
Personal	2,804,160.00
Tangible Personal Property	1,418,220.00
Total Assessed Value	\$ 52,626,620.00

NOTE 6 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

The Cemetery participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ending December 31, 2007, the members participating in the traditional plan were required to contribute 9.5 percent of their annual covered salaries. The Cemetery's contribution rate for pension benefits for 2007 was 14.0 percent.

The Cemetery's required contributions (employer plus employee amounts) for pension obligations to the traditional plan for the years ending December 31, 2007, December 31, 2006 and December 31, 2005 were \$12,161, \$11,389 and \$10,302, respectively. The full amounts have been contributed for these three years.

NOTE 7- POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 - 7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)**

NOTE 7– POSTEMPLOYMENT BENEFITS - (Continued)

The amount of the employer contributions which was allocated to fund postemployment healthcare was 5 percent of covered payroll from January 1 through June 30, 2007, and 6 percent from July 1 through December 31, 2007.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Cemetery's contributions allocated to fund postemployment healthcare benefits for the year ended December 31, 2007 was \$4,952. 100 percent has been contributed for 2007.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and employer contribution rates increased or will increase as of January 1, 2006, January 1, 2007, and also in January 1, 2008, which allows additional funds to be allocated to the healthcare plan.

NOTE 8 – RISK MANAGEMENT

The Cemetery is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, error and omissions, injuries to employees and the public. During 2007 the Cemetery contracted with The Crawford Agency, Geneva, Ohio for insurance coverage.

Legal Liability	\$1,000,000 Per Occurrence
Automobile Liability	\$1,000,000 Per Occurrence
Property	\$ 250,000 Total Coverage

There were no significant reductions in coverage from prior years and claims have not exceeded coverage in any of the past three years. The Cemetery pays the State Workers' Compensation System a premium based on a rate per \$100 of Salaries. This rate is based on accident history and administrative costs.



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*

Geneva Union Cemetery
Ashtabula County
P.O. Box 474
Geneva, Ohio 44041

To the Board of Trustees:

We have audited the financial statements of the governmental activities, its major fund, and the remaining fund information of the Geneva Union Cemetery, Ashtabula County, (the Cemetery) as of and for the year ended December 31, 2007, and have issued our report thereon dated October 23, 2009, 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 also noted the Cemetery uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Cemetery. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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.

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 the management and the Cemetery Board of Trustees; we intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

October 23, 2009



Mary Taylor, CPA
Auditor of State

GENEVA UNION CEMETERY

ASHTABULA 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
NOVEMBER 19, 2009**