



Mary Taylor, CPA  
Auditor of State



**BATAVIA UNION CEMETERY  
CLERMONT COUNTY**

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Mary Taylor, CPA  
Auditor of State

Batavia Union Cemetery  
Clermont County  
389 East Main Street  
Batavia, Ohio 45103

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 a February 2, 2005 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 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*

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Auditor of State

September 30, 2008

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Batavia Union Cemetery  
Clermont County  
389 East Main Street  
Batavia, Ohio 45103

To the Board of Trustees

We have audited the accompanying financial statements of Batavia Union Cemetery, Clermont County, Ohio (the Cemetery), as of and for the years ended December 31, 2007 and 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. The Cemetery processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Cemetery because the Auditor of State designed, developed, implemented, and as requested, operates UAN. 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 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.

Revisions to GAAP would require the Cemetery to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2007 and 2006. Instead of the accompanying financial statements present for 2007 and 2006, the revisions require presenting entity wide statements and expanded note disclosure 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 year ended December 31, 2007 and 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 2006, or its changes in financial position for the year then ended.

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

The aforementioned revision to generally accepted accounting principles also requires the Cemetery to include Management's Discussion and Analysis for the year ended December 31, 2007 and 2006. 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 30, 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 30, 2008



**BATAVIA UNION CEMETERY  
CLERMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006**

	<b>2007</b>	<b>2006</b>
<b>Cash Receipts:</b>		
Intergovernmental	\$25,000	\$22,000
Charges for Services	24,330	23,005
Interest	135	149
Miscellaneous	20,233	17,020
Total Cash Receipts	69,698	62,174
<b>Cash Disbursements:</b>		
Current:		
General Government	26,892	12,164
Public Works	43,909	46,893
Miscellaneous	1,600	63
Total Disbursements	72,401	59,120
Total Receipts Over/(Under) Disbursements	(2,703)	3,054
Fund Cash Balances, January 1	13,448	10,394
<b>Fund Cash Balances, December 31</b>	<b>\$10,745</b>	<b>\$13,448</b>

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

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**BATAVIA UNION CEMETERY  
CLERMONT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 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 Batavia Union Cemetery, Clermont County, Ohio (the Cemetery), as a body corporate and politic. The Cemetery is directed by an appointed three-member Board of Trustees. The Board is appointed by the Village of Batavia, Batavia Township, and the Board appoints the third member. The Village of Batavia and Batavia Township also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. The 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.

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. Cash Deposits**

The Cemetery maintains all funds in an interest bearing checking account and certificates of deposit.

**D. Fund Accounting**

The Cemetery has no segregate cash and investments that are restricted as to use. Therefore, the Cemetery accounts for all resources in the General Fund.

**E. 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.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Cemetery maintains a checking account and certificate of deposit. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

**BATAVIA UNION CEMETERY  
CLERMONT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

	<u>2007</u>	<u>2006</u>
Demand deposits	\$7,513	\$10,215
Certificates of deposit	3,232	3,232
Total deposits	<u>\$10,745</u>	<u>\$13,448</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**3. RETIREMENT SYSTEMS**

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 and 2006, OPERS employee members contributed 9.5 percent and 9 percent of their gross salaries respectively. The Cemetery contributes an amount equal to 13.85 percent and 13.70 of participants' gross salaries respectively. The Cemetery has paid all contributions required through December 31, 2007.

**4. RISK MANAGEMENT**

**Commercial Insurance**

The Batavia Union Cemetery has obtained commercial insurance for the following risks:

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



# 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*

Batavia Union Cemetery  
Clermont County  
389 East Main Street  
Batavia, Ohio 45103

To the Board of Trustees:

We have audited the financial statements of the Batavia Union Cemetery, Clermont County, Ohio (the Cemetery), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Cemetery's basic financial statements and have issued our report thereon dated September 30, 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 also noted that the Cemetery uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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.

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2007-001.

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 deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe that the significant deficiency described above is not a material weakness.

### **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 did note a certain noncompliance or other matter not requiring inclusion in this report that we reported to the Cemetery management in a separate letter dated September 30, 2008.

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. It is not intended for anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

September 30, 2008

**BATAVIA UNION CEMETERY  
CLERMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2007-001**

**Significant Deficiency**

Disbursements should be posted in the Cemetery's records in the period they are incurred. In 2007 the Cemetery issued a manual check for \$1,600 which was signed by the trustees. The Clerk during the period under audit did not post this to the Uniform Accounting System (UAN) in 2007 but was carried as an adjusting item on the subsequent bank reconciliations until 2008 when the current Clerk posted it to the UAN System.

As a result the Cemetery records did not properly reflect the disbursements for 2007 and resulted in an incorrect report submitted to the Auditor of State.

We recommend that all disbursements be posted to the records in the period they are incurred. This would ensure that the records properly reflect the actual disbursements made by the Cemetery.

The Clerk should adjust the beginning fund balances and reverse the 2008 entry to bring her books into balance with the audited amounts.

**Officials Response:**

We did not receive a response from officials regarding this finding.







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Auditor of State

**BATAVIA UNION CEMETERY**

**CLERMONT 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 6, 2008**