



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
5195 East Maple Street
Geneva, Ohio 44041

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each 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, 2005, 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. 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 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, as of December 31, 2005, and the respective changes in its cash financial position and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with the basis of accounting Note 1 describes.

For the year ended December 31, 2005, the Cemetery revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

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

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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

January 23, 2008

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR THEN ENDED DECEMBER 31, 2005
UNAUDITED**

Highlights

Key Highlights for 2005 are as follows: (Note we will not include any tables for comparisons in that the Cemetery is a single function operation with only one fund used for current activities. Narratives will be utilized in this MD&A to explain the changes for the year.)

Net assets of governmental activities – General Fund, increased \$44,688 or 30 percent from the prior year. The increase was primarily the results of a replacement for our .50 mills levy which was passed in November 2003.

The Cemetery's general receipts are primarily property taxes. These receipts represent about 63 percent of the total cash received. The other receipts are for 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 Cemetery'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 District 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 expenditures are made for the current operations of the Cemetery. The only other fund is a Permanent Fund restricted to the use of interest only to be used for grave maintenance.

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 Cemetery's cash basis of accounting, receipts and disbursements are recorder 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 DISCUSSION AND ANALYSIS
FOR THE YEAR THEN ENDED DECEMBER 31, 2005
UNAUDITED**

Reporting the Cemetery as a Whole

The statement of net assets and the statement of activities reflect how the Cemetery did financially during 2005, within the limitations of cash basis accounting. Having only one activity, the statements do a comparison of the Cemetery's cash disbursements with receipts in the operation of the Cemetery.

Reporting the Cemetery's Most Significant Funds

Since the Cemetery has only one fund that can be used for its operation, the financial statements provide a complete financial picture of their operation. In that the only other fund, the Permanent Fund used for bequest accounts, it will also be reflected on the statements.

The Cemetery as a Whole

As mentioned previously, net assets of the Cemetery's activity increased over \$44,000 or 30 percent during 2005. The primary reasons contributing to the increase in cash balances are as follows:

Increase in receipts was as a result of a replacement levy passed in November of 2003.

The Cemetery did not spend a great deal in capital projects. The new Maplewood Cemetery required a period of settling time from the base roads created in 2004 and the paving and lying out of the new Cemetery will take place in the future.

Governmental Activities

The major program disbursements for the Cemetery activities are for maintenance of the Cemetery grounds and buildings and the burial of our citizens. The Cemetery has no other activity.

The Cemetery's Funds

The totals in the Cemetery's General fund were receipts of \$195,320 and disbursements of \$150,731. The greatest change within the fund occurred within the property tax receipts for the year.

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 2005, the Cemetery did not amend its Certificate of estimated revenues.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR THEN ENDED DECEMBER 31, 2005
UNAUDITED**

Current Issues

The Cemetery has experienced a complete turnover of personnel over the passed year including, new Trustees, a new Sexton and new Assistant Sexton. We have also upgraded many of our records including the automation of our Cemetery using the UAN Cemetery software. We recently published new Rules, Regulation and Fee's document. This is the first update of some of the material since 1957. Our biggest challenge will be the completion and opening our new Cemetery at Maplewood.

Contacting the Cemetery's Financial Management

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Cemetery's finances and to reflect the Cemetery's 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's, P.O. Box 474, Geneva, OH 44041-0474.

GENEVA UNION CEMETERY - ASHTABULA COUNTY

Statement of Net Assets - Cash Basis

December 31, 2005

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$126,563</u>
<i>Total Assets</i>	<u><u>126,563</u></u>
Net Assets	
Restricted for:	
Permanent Fund: Bequest Funds	
Expendable	377
Nonexpendable	16,393
Unrestricted	<u>109,793</u>
<i>Total Net Assets</i>	<u><u>\$126,563</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, 2005

	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets Governmental Activities
	Cash Disbursements	Charges for Services and Sales	
Governmental Activities			
General Government	\$138,515	\$49,503	\$18,004
Capital Outlay	12,486	0	0
<i>Total Governmental Activities</i>	\$151,001	\$49,503	\$18,004
General Receipts			
Property Taxes			\$121,745
Earnings on Investments			1,738
Miscellaneous			4,699
<i>Total General Receipts</i>			128,182
Change in Net Assets			44,688
<i>Net Assets Beginning of Year</i>			81,875
<i>Net Assets End of Year</i>			\$126,563

See accompanying notes to the basic financial statements

GENEVA UNION CEMETERY - ASHTABULA COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2005

	GENERAL	PERMANENT	TOTAL GOVERNMENTAL FUNDS
Assets			
Equity in Pooled Cash and Cash Equivalents	\$109,793	\$16,770	\$126,563
<i>Total Assets</i>	109,793	16,770	126,563
Fund Balances			
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	109,793		109,793
Permanent Fund		16,770	16,770
<i>Total Fund Balances</i>	\$109,793	\$16,770	\$126,563

See accompanying notes to the basic financial statements

GENEVA UNION CEMETERY - ASHTABULA COUNTY
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2005

	<u>GENERAL</u>	<u>PERMANENT</u>	<u>TOTAL</u>
Receipts			
Property and Other Local Taxes	\$121,745	\$0	\$121,745
Charges for Services	27,033		27,033
Licenses, Permits and Fees	425		425
Intergovernmental	18,004		18,004
Earnings on Investments	1,369	369	1,738
Miscellaneous	26,744		26,744
Total Receipts	<u>195,320</u>	<u>369</u>	<u>195,689</u>
Disbursements			
Current:			
General Government	138,245	270	138,515
Capital Outlay	12,486		12,486
Total Disbursements	<u>150,731</u>	<u>270</u>	<u>151,001</u>
Excess of Receipts Over (Under) Disbursements	<u>44,589</u>	<u>99</u>	<u>44,688</u>
Net Change in Fund Balances	44,589	99	44,688
Fund Balances Beginning of Year	<u>65,204</u>	<u>16,671</u>	<u>81,875</u>
Fund Balances End of Year	<u><u>\$109,793</u></u>	<u><u>\$16,770</u></u>	<u><u>\$126,563</u></u>

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$122,000	\$122,000	\$121,745	(\$255)
Charges for Services	28,000	28,000	27,033	(967)
Licenses, Permits and Fees	250	250	425	175
Intergovernmental	8,000	8,000	18,004	10,004
Earnings on Investments	1,800	1,800	1,369	(431)
Miscellaneous	26,200	26,200	26,744	544
<i>Total receipts</i>	<u>186,250</u>	<u>186,250</u>	<u>195,320</u>	<u>9,070</u>
Disbursements				
Current:				
General Government	179,920	179,920	138,245	41,675
Capital Outlay	69,000	69,000	12,486	56,514
<i>Total Disbursements</i>	<u>248,920</u>	<u>248,920</u>	<u>150,731</u>	<u>98,189</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(62,670)</u>	<u>(62,670)</u>	<u>44,589</u>	<u>107,259</u>
<i>Net Change in Fund Balance</i>	(62,670)	(62,670)	44,589	107,259
<i>Fund Balance Beginning of Year</i>	<u>65,204</u>	<u>65,204</u>	<u>65,204</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,534</u>	<u>\$2,534</u>	<u>\$109,793</u>	<u>\$107,259</u>

See accompanying notes to the basic financial statements

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

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 just the primary government.

A. Primary Government

The primary government consists of all funds 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.

The Cemetery provides ground maintenance, opening and closing of graves, and the sale of grave lots.

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.

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.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

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

Fund Financial Statements

During the year, the Cemetery segregates transactions related to certain Cemetery functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Cemetery at this more detailed level. The focus of governmental fund financial statements is on major funds. The Cemetery has only one major fund – the General Fund. In that the Cemetery has only one other fund, the Permanent Fund, it also will be presented in a single column.

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 Cemetery are:

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 major governmental fund is the General Fund. The only other fund of the Cemetery is the Permanent Fund, which are bequest funds used to maintain grave sites.

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.

C. Basis of Accounting

The Cemetery's financial statements are prepared using the cash basis of accounting. 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.

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.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

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

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 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.

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 2005, 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. Interest receipts credited to the General Fund during 2005 was \$1,369 and \$369 assigned to the Permanent fund.

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

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

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

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.

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 8 and 9, 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. Net assets restricted for other purposes include resources restricted for specific cemetery bequests

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, 2005 is \$16,770.

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 – CHANGE IN BASIS OF ACCOUNTING

Last year the Cemetery reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. This year the Cemetery has implemented the cash basis of accounting described in note 2. The fund financial statements now present its major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type. For 2005, the Cemetery implemented GASB Statement Number 40, "Deposits and Investment Risk Disclosures." This statement established new disclosure requirements for risks associated with deposits and investments.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

NOTE 4 – ACCOUNTABILITY AND COMPLIANCE

A. Accountability

No deficit balances to report.

B. Compliance

No violations to report.

NOTE 5 – 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, Gasoline Tax Fund, Road and Bridge Fund, and Fire District 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) (and outstanding year end advances are treated as other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis).

NOTE 6 – 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.

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;

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

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.

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".

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

Deposits

At year end, the carrying amount of the Cemetery's deposits was \$126,563 and the bank balance was \$131,706. Of the bank balance \$131,706 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, 2005, the Cemetery had no investments:

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

NOTE 7 – 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 2005 represent the collection of 2004 taxes. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, 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 2005 represent the collection of 2004 taxes. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2004, were levied after October 1, 2004, 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.

Tangible personal property tax receipts received in 2005 (other than public utility property) represent the collection of 2005 taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2004, on the true value as of December 31, 2004. 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.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

NOTE 7 – PROPERTY TAXES – (Continued)

The full tax rate for all Cemetery operations for the year ended December 31, 2005, 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
Agriculture	
Commercial/Industrial/Mineral	5,467,600
Public Utility Property	
Real	54,690
Personal	2,804,160
Tangible Personal Property	1,418,220
Total Assessed Value	<u>\$ 52,626,620</u>

NOTE 8 - 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.

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) 222-6701 or (800) 222-7377.

For the year ended December 31, 2005, the members were required to contribute 8.5% of their annual covered salaries. The employer contribution rate for pension benefits for 2005 was 13.55%. The Ohio Revised Code provides statutory authority for member and employer contributions.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

NOTE 8 - DEFINED BENEFIT PENSION PLANS - (Continued)

The Cemetery's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$10,302, \$11,506, and \$11,315 respectively; 100 percent has been contributed for 2005 and 100 percent for 2004 and 2003. Contributions to the member-directed plan for 2005 were \$10,302 made by the Cemetery and \$6,458 made by the plan members.

NOTE 9- POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll; 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional plan was 8. Actual employer contributions for 2005 which were used to fund postemployment benefits were \$10,302. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.58 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

NOTE 10 – 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 2005 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
5195 East Maple Street
Geneva, Ohio 44041

To the Board of Trustees:

We have audited the financial statements of the governmental activities, its major fund, and the aggregate remaining fund information of Geneva Union Cemetery, Ashtabula County, (the Cemetery) as of and for the year ended December 31, 2005, which collectively comprise the Cemetery's basic financial statements and have issued our report thereon dated January 23, 2008 wherein we noted the Cemetery uses a comprehensive accounting basis other than generally accepted accounting principles. 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.

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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 management and the 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

January 23, 2008



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
MARCH 11, 2008**