



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, 2006, 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, each major fund, and the aggregate remaining fund information of Geneva Union Cemetery, Ashtabula County, Ohio, as of December 31, 2006, and the respective changes in 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 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.

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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

January 23, 2008

**GENEVA UNION CEMETERY  
ASHTABULA COUNTY**

*Management's Discussion and Analysis  
For the Year Ending December 31, 2006  
Unaudited*

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**Highlights**

Key Highlights for 2006 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 increased \$3,703 or 3 percent from the prior year. The increase was primarily the results of a Real Property reevaluation.

The Cemetery's general receipts are primarily property taxes. These receipts represent about 75 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 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 only a General Fund from which all expenditures are taken for the daily operations. The only other fund is a Permanent Fund for bequests, 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 recorder 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, 2006  
Unaudited*

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**Reporting the Cemetery as a Whole**

The statement of net assets and the statement of activities reflect how the Cemetery did financially during 2006, within the limitations of cash basis accounting. Having only one activity, these statements compare 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 two funds, one fund the General that can be used for its operation, the financial statements provide a complete financial picture of their operation.

**The Cemetery as a Whole**

As mentioned previously, net assets of the Cemetery's activity increased by \$3,703 or 3 percent during 2006. The primary reasons contributing to the increase in cash balances are as follows:

Increase in receipts was as a result of Real Property reevaluation.

**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 General fund had receipts of \$190,913 and disbursements of \$187,550. The greatest change within the funds 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.

**Current Issues**

The Cemetery's have begun the final development stage of Maplewood Cemetery. The design and layout of the first four sections have been completed by Grever & Ward. Drainage work has begun, as well as contracting for clearing and landscaping. The goal is to open the first two sections of the Cemetery by July 2007.

**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, 2006*

|  | Governmental<br>Activities |
|--|----------------------------|
| Assets                                     |                            |
| Equity in Pooled Cash and Cash Equivalents | \$ 130,266                 |
| <i>Total Assets</i>                        | <i>130,266</i>             |
| <br>Net Assets                             |                            |
| Permanent Fund: Bequest Funds              |                            |
| Expendable                                 | 717                        |
| Nonexpendable                              | 16,393                     |
| Unrestricted                               | 113,156                    |
| <i>Total Net Assets</i>                    | <i>\$ 130,266</i>          |

See accompanying notes to the basic financial statements

**GENEVA UNION CEMETERY, ASHTABULA COUNTY**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2006*

|                                      | Cash<br>Disbursements | Program Cash Receipts                |  | Net (Disbursements)<br>Receipts and Changes<br>in Net Assets<br>Governmental<br>Activities |
|--------------------------------------|-----------------------|--------------------------------------|--|--|
|                                      |                       | Charges<br>for Services<br>and Sales | Operating<br>Grants and<br>Contributions |  |
| <b>Governmental Activities</b>       |                       |                                      |  |  |
| General Government                   | \$ 149,735            | \$ 43,549                            | \$ 14,060                                | \$ (92,126)  |
| Capital Outlay                       | 38,141                | -                                    | -  | (38,141)   |
| <i>Total Governmental Activities</i> | <u>\$ 187,875</u>     | <u>\$ 43,549</u>                     | <u>\$ 14,060</u>                         | \$ (130,266)   |
| <b>General Receipts</b>              |                       |                                      |  |  |
| Property Taxes                       |                       |                                      |  | \$ 127,337   |
| Earnings on Investments              |                       |                                      |  | 3,935  |
| Miscellaneous                        |                       |                                      |  | 2,697  |
| <i>Total General Receipts</i>        |                       |                                      |  | 133,970  |
| Change in Net Assets                 |                       |                                      |  | 3,703  |
| <i>Net Assets Beginning of Year</i>  |                       |                                      |  | <u>126,563</u>   |
| <i>Net Assets End of Year</i>        |                       |                                      |  | <u>\$ 130,266</u>  |

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, 2006*

|                                      | GENERAL           | PERMANENT        | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|--------------------------------------|-------------------|------------------|--------------------------------|
| <b>Assets</b>                        |                   |                  |                                |
| Cash                                 | \$ 59,501         | \$ 717           | \$ 60,218                      |
| Investments                          | 53,655            | 16,393           | 70,048                         |
| <i>Total Assets</i>                  | <u>113,156</u>    | <u>17,110</u>    | <u>130,266</u>                 |
| <b>Fund Balances</b>                 |                   |                  |                                |
| Unreserved:                          |                   |                  |                                |
| Undesignated (Deficit), Reported in: |                   |                  |                                |
| General Fund                         | 113,156           | -                | 113,156                        |
| Permanent Fund                       | -                 | 17,110           | 17,110                         |
| <i>Total Fund Balances</i>           | <u>\$ 113,156</u> | <u>\$ 17,110</u> | <u>\$ 130,266</u>              |

See accompanying notes to the basic financial statements

**GENEVA UNION CEMETERY, ASHTABULA COUNTY**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2006*

|   | GENERAL           | PERMANENT        | TOTAL             |
|---|-------------------|------------------|-------------------|
| <b>Receipts</b>                               |                   |                  |                   |
| Property and Other Local Taxes                | \$ 127,337        | \$ -             | \$ 127,337        |
| Charges for Services                          | 25,882            | -                | 25,882            |
| Licenses, Permits and Fees                    | 432               | -                | 432               |
| Intergovernmental                             | 14,060            | -                | 14,060            |
| Earnings on Investments                       | 3,270             | 665              | 3,935             |
| Miscellaneous                                 | 19,932            | -                | 19,932            |
| <b>Total Receipts</b>                         | <u>190,913</u>    | <u>665</u>       | <u>191,579</u>    |
| <b>Disbursements</b>                          |                   |                  |                   |
| Current:                                      |                   |                  |                   |
| General Government                            | 149,410           | 325              | 149,735           |
| Capital Outlay                                | 38,141            | -                | 38,141            |
| <b>Total Disbursements</b>                    | <u>187,550</u>    | <u>325</u>       | <u>187,875</u>    |
| Excess of Receipts Over (Under) Disbursements | <u>3,363</u>      | <u>340</u>       | <u>3,703</u>      |
| Net Change in Fund Balances                   | 3,363             | 340              | 3,703             |
| Fund Balances Beginning of Year               | <u>109,793</u>    | <u>16,770</u>    | <u>126,563</u>    |
| Fund Balances End of Year                     | <u>\$ 113,156</u> | <u>\$ 17,110</u> | <u>\$ 130,266</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, 2006*

|  | Budgeted Amounts |                  | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|-------------------|---|
|  | Original         | Final            |                   |   |
| <b>Receipts</b>                                      |                  |                  |                   |   |
| Property and Other Local Taxes                       | \$ 139,500       | \$ 139,500       | \$ 127,337        | \$ (12,163)   |
| Charges for Services                                 | 28,000           | 28,000           | 25,882            | (2,118)   |
| Licenses, Permits and Fees                           | 500              | 500              | 432               | (68)  |
| Intergovernmental                                    | 13,500           | 13,500           | 14,060            | 560   |
| Earnings on Investments                              | 1,800            | 1,800            | 3,270             | 1,470   |
| Miscellaneous  | 29,400           | 29,400           | 19,932            | (9,468)   |
| <i>Total receipts</i>                                | <u>212,700</u>   | <u>212,700</u>   | <u>190,913</u>    | <u>(21,787)</u>   |
| <b>Disbursements</b>                                 |                  |                  |                   |   |
| Current:   |                  |                  |                   |   |
| General Government                                   | 188,200          | 188,200          | 149,410           | 38,791  |
| Capital Outlay                                       | 69,000           | 69,000           | 38,141            | 30,859  |
| <i>Total Disbursements</i>                           | <u>257,200</u>   | <u>257,200</u>   | <u>187,550</u>    | <u>69,650</u>   |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(44,500)</u>  | <u>(44,500)</u>  | <u>3,363</u>      | <u>47,863</u>   |
| <i>Net Change in Fund Balance</i>                    | <u>(44,500)</u>  | <u>(44,500)</u>  | <u>3,363</u>      | <u>47,863</u>   |
| <i>Fund Balance Beginning of Year</i>                | 109,793          | 109,793          | 109,793           | -   |
| <i>Fund Balance End of Year</i>                      | <u>\$ 65,293</u> | <u>\$ 65,293</u> | <u>\$ 113,156</u> | <u>\$ 47,863</u>  |

See accompanying notes to the basic financial statements

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**GENEVA UNION CEMETERY  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

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**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.

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.

**GENEVA UNION CEMETERY  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006  
(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 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 Permanent Fund - Bequest Accounts is restricted to the use of only the interest for specific grave maintenance. Both funds will be presented on the financial statements.

*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 Permanent Fund being the only other fund, will also be reflected in a single column on the statements.

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. The other governmental fund accounts for resources whose use is restricted to a particular purpose.



**GENEVA UNION CEMETERY  
ASHTABULA COUNTY**

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

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

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. Any such modifications made by the Cemetery are described in the appropriate section in this note.

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 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, 2006  
(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 2006, 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 2006 was \$3,270 which includes \$665 assigned from other Cemetery 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, 2006  
(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 7 and 8, 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 \$17,110.

*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 – ACCOUNTABILITY AND COMPLIANCE**

*A. Accountability*

No deficit balances to report.

*B. Compliance*

No violations to report.

**NOTE 4 – 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) (and outstanding year end advances are treated as another financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis).

**GENEVA UNION CEMETERY  
ASHTABULA COUNTY**

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

**NOTE 5 – 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;
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).

**GENEVA UNION CEMETERY  
ASHTABULA COUNTY**

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

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

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".

**Deposits**

At year end, the carrying amount of the Cemetery's deposits was \$130,266 and the bank balance was \$132,441. Of the bank balance \$132,441 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, 2006, the Cemetery had no investments.

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

**GENEVA UNION CEMETERY  
ASHTABULA COUNTY**

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

**NOTE 6 – 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 2006 represent the collection of 2005 taxes. Real property taxes received in 2005 were levied after October 1, 2005, on the assessed values as of January 1, 2005, 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 2006 represent the collection of 2005 taxes. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2005, were levied after October 1, 2005, 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 2006 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. 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, 2006, 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 |

**GENEVA UNION CEMETERY  
ASHTABULA COUNTY**

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

**NOTE 7 - 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 ending December 31, 2006, the members were required to contribute 9.0% of their annual covered salaries. The employer was required to contribute 13.70%. The Ohio Revised code provides statutory authority for member and employer contributions.

The Cemetery requires contributions for pension obligations to the traditional and combined plans for the year ending December 31, 2006, 2005, 2004 were \$11,389, \$10,302, \$11,506 respectfully. The full amount has been contributed for 2006, 2005, and 2004. Contribution to the member-directed plan for 2006 were \$ 11,389 made by the Cemetery and \$ 7,482 made by plan members.

**NOTE 8- 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 13.70 percent of covered payroll; 4.00 percent of covered payroll was the portion that was used to fund health care.

**GENEVA UNION CEMETERY  
ASHTABULA COUNTY**

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

**NOTE 8– POSTEMPLOYMENT BENEFITS - (Continued)**

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 2006 which were used to fund postemployment benefits were \$11,389. 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.

**NOTE 9 – 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 2006 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, 2006, which collectively comprise the Cemetery's basic financial statements and have issued our report thereon dated November 15, 2007 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.

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

November 15, 2007



**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**