



Dave Yost • Auditor of State

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Geneva Union Cemetery, Ashtabula County, (the Cemetery) as of and for the years ended December 31, 2014 and 2013.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Cemetery's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Cemetery's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Cemetery prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Cemetery does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Cemetery as of December 31, 2014 and 2013, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Geneva Union Cemetery, Ashtabula County as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cemetery's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

October 26, 2015

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Local Taxes	\$125,099	\$325	\$0	\$0	\$125,424
Charges for Services	25,628	0	0	0	25,628
Licences, Permits and Fees	45	0	0	0	45
Intergovernmental	15,013	0	0	0	15,013
Interest	26	0	0	11	37
Miscellaneous	29,269	0	0	0	29,269
Total Cash Receipts	<u>195,080</u>	<u>325</u>	<u>0</u>	<u>11</u>	<u>195,416</u>
Cash Disbursements:					
Current:					
General Government	172,258	0	49,514	0	221,772
Debt Service:					
Principal Retirement	0	5,054	0	0	5,054
Interest	0	257	0	0	257
Total Cash Disbursements	<u>172,258</u>	<u>5,311</u>	<u>49,514</u>	<u>0</u>	<u>227,083</u>
Excess of Receipts Over(Under) Disbursements	<u>22,822</u>	<u>(4,986)</u>	<u>(49,514)</u>	<u>11</u>	<u>(31,667)</u>
Other Financing Receipts (Disbursements)					
Loan Proceeds	0	0	50,000	0	50,000
Transfers In	0	5,001	0	0	5,001
Transfers Out	(5,001)	0	0	0	(5,001)
<i>Total Other Financing Receipts and (Disbursements)</i>	<u>(5,001)</u>	<u>5,001</u>	<u>50,000</u>	<u>0</u>	<u>50,000</u>
Net Change in Fund Cash Balances	17,821	15	486	11	18,333
<i>Fund Cash Balances, January 1</i>	<u>33,561</u>	<u>0</u>	<u>0</u>	<u>16,911</u>	<u>50,472</u>
Fund Cash Balances, December 31					
Nonspendable	0	0	0	16,693	16,693
Restricted	0	15	486	229	730
Unassigned	51,382	0	0	0	51,382
Fund Cash Balances, December 31	<u><u>\$51,382</u></u>	<u><u>\$15</u></u>	<u><u>\$486</u></u>	<u><u>\$16,922</u></u>	<u><u>\$68,805</u></u>

See accompanying notes to the financial statements

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	<u>Permanent</u>	
Cash Receipts:				
Local Taxes	\$125,901	\$0	\$0	\$125,901
Charges for Services	39,021	0	0	39,021
Licences, Permits and Fees	105	0	0	105
Intergovernmental	17,106	0	0	17,106
Interest	26	0	13	39
Miscellaneous	25,600	0	430	26,030
	<u>207,759</u>	<u>0</u>	<u>443</u>	<u>208,202</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	183,221	0	100	183,321
Capital Outlay	330	0	0	330
Debt Service:				
Principal Retirement	0	6,875	0	6,875
Interest	0	128	0	128
Total Cash Disbursements	<u>183,551</u>	<u>7,003</u>	<u>100</u>	<u>190,654</u>
Excess of Receipts Over(Under) Disbursements	<u>24,208</u>	<u>(7,003)</u>	<u>343</u>	<u>17,548</u>
Other Financing Receipts (Disbursements)				
Transfers In	0	4,876	0	4,876
Transfers Out	(4,876)	0	0	(4,876)
Total Other Financing Receipts and (Disbursements)	<u>(4,876)</u>	<u>4,876</u>	<u>0</u>	<u>0</u>
Net Change in Fund Cash Balances	19,332	(2,127)	343	17,548
Fund Cash Balances, January 1	<u>14,229</u>	<u>2,127</u>	<u>16,568</u>	<u>32,924</u>
Fund Cash Balances, December 31				
Nonspendable	0	0	16,693	16,693
Restricted	0	0	218	218
Unassigned	33,561	0	0	33,561
Fund Cash Balances, December 31	<u>\$33,561</u>	<u>\$0</u>	<u>\$16,911</u>	<u>\$50,472</u>

See accompanying notes to the financial statements

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges for the Geneva Union Cemetery, Ashtabula County, Ohio, (the Cemetery). The City of Geneva, Village of Geneva-on-the-Lake and Geneva Township appoint a three-member Board of Trustees to direct cemetery district operations. These entities also provide funding to meet the Cemetery's operating costs through property tax levies. The accompanying financial statements present this funding as local taxes. The Cemetery provides grounds maintenance, opening and closing of graves, and the sale of grave lots.

The Cemetery's management believes these financial statements present all activities for which the Cemetery is financially accountable.

B. Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. Deposits

The Cemetery only has deposits, which their accounting basis classifies as assets.

D. Fund Accounting

The Cemetery uses fund accounting to segregate cash and investments that are restricted as to use. The Cemetery classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It presents all financial resources except those required to be accounted for in another fund.

2. Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Debt Service Fund was to account for a loan for bridge repair.

3. Capital Project Fund

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Cemetery had a capital project fund for major renovations.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(CONTINUED)**

4. Permanent Funds

These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Permanent Fund received interest from fund investments. Proceeds are used to maintain grave sites.

E. Budgetary Process

The Ohio Revised Code requires the Board to budget each fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control (modify to reflect legal level of control) and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and any subsequent amendments. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

3. Encumbrances

The Ohio Revised Code requires the Cemetery to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2014 and 2013 budgetary activity appears in Note 3.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Cemetery must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Cemetery classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(CONTINUED)**

3. Committed

Trustees can *commit* amounts via formal action (resolution). The Cemetery must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Cemetery Trustees or a Cemetery official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Cemetery applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. Property, Plant, and Equipment

The Cemetery records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. Equity in Pooled Deposits

The Cemetery maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	2014	2013
Demand deposits	<u>\$68,805</u>	<u>\$50,472</u>

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

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(CONTINUED)**

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2014 and December 31, 2013 follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$170,860	\$195,080	\$24,220
Debt Service	5,000	5,326	326
Capital Projects	50,000	50,000	-
Permanent	50	11	(39)
Total	\$225,910	\$250,417	\$24,507

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$178,870	\$177,259	\$1,611
Debt Service	5,326	5,311	15
Capital Projects	50,000	49,514	486
Permanent	100	0	100
Total	\$234,296	\$232,084	\$2,212

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$172,816	\$207,759	\$34,943
Debt Service	4,897	4,876	(21)
Permanent	100	443	343
Total	\$177,813	\$213,078	\$35,265

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$193,036	\$188,427	\$4,609
Debt Service	7,025	7,003	22
Permanent	100	100	0
Total	\$200,161	\$195,530	\$4,631

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Cemetery.

**GENEVA UNION CEMETERY
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(CONTINUED)**

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Cemetery.

5. Debt

Debt outstanding at December 31, 2014 was as follows:

	Principal	Interest Rate
Permanent Improvement Loan	\$44,946	2.5%

In 2014, the Cemetery entered into a 5 year loan, maturing in 2019, with Andover Bank in the amount of \$50,000 for bridge replacement.

Amortization of the above debt, including interest, is scheduled as follows:

	Bridge Loan
Year ending December 31:	
2015	\$10,622
2016	10,622
2017	10,622
2018	10,622
2019	5,312
Total	\$47,800

6. Retirement Systems

The Cemetery's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2013, OPERS members contributed 10% of their gross salaries and the Cemetery contributed an amount equaling 14% of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2014.

7. Risk Management

Commercial Insurance

The Cemetery has obtained commercial insurance for the following risks:

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

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Geneva Union Cemetery, Ashtabula County, (the Cemetery) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2015, wherein we noted the Cemetery followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Cemetery's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Cemetery's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Cemetery's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Cemetery's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Cemetery's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

October 26, 2015



Dave Yost • Auditor of State

GENEVA UNION CEMETERY

ASHTABULA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 10, 2015**