

**PLEASANT-DARBY UNION CEMETERY DISTRICT  
MADISON COUNTY  
Regular Audit  
For the Years Ended December 31, 2012 and 2011**

***Perry & Associates***  
Certified Public Accountants, A.C.





# Dave Yost • Auditor of State

Board of Trustees  
Pleasant-Darby Union Cemetery District  
8095 Robinson Road  
Mt. Sterling, OH 43143

We have reviewed the *Independent Auditors' Report* of the Pleasant-Darby Union Cemetery District, Madison County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2011 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Pleasant-Darby Union Cemetery District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

November 1, 2013

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**PLEASANT-DARBY UNION CEMETERY DISTRICT  
MADISON COUNTY**

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## **INDEPENDENT AUDITOR'S REPORT**

August 9, 2013

Pleasant-Darby Union Cemetery District  
Madison County  
8095 Robinson Road  
Mt. Sterling, OH 43143

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of **Pleasant-Darby Union Cemetery District**, Madison County, (the Cemetery) as of and for the years ended December 31, 2012 and 2011.

### ***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 of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fair 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 1B 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, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***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, 2012 and 2011, 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 Pleasant-Darby Union Cemetery District, Madison County, as of December 31, 2012 and 2011, 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 permits, described in Note 1B.

***Emphasis of Matter***

As discussed in Note 1F to the financial statements, during 2011 the Pleasant-Darby Union Cemetery District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Our opinion is not modified with respect to this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2013, 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.

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio



**PLEASANT-DARBY UNION CEMETERY DISTRICT  
MADISON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCE (CASH BASIS)  
GOVERNMENTAL FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General
<b>Cash Receipts</b>	
Property and Other Local Taxes	\$ 58,353
Charges for Services	50,896
Sale of Lots	17,190
Intergovernmental	17,862
Earnings on Investments	7
Miscellaneous	2,093
<i>Total Cash Receipts</i>	146,401
<b>Cash Disbursements</b>	
Current:	
General Government	145,611
<i>Total Cash Disbursements</i>	145,611
<i>Net Change in Fund Cash Balances</i>	790
<i>Fund Cash Balances, January 1</i>	7,936
<b>Fund Cash Balances, December 31</b>	
Unassigned	8,726
<i>Fund Cash Balances, December 31</i>	\$ 8,726

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

**PLEASANT-DARBY UNION CEMETERY DISTRICT  
MADISON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCE (CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Private Purpose Trust</u>
<b>Operating Cash Disbursements</b>	
Supplies	<u>\$ 35</u>
<i>Total Operating Cash Disbursements</i>	<u>35</u>
<i>Operating (Loss)</i>	(35)
<i>Fund Cash Balances, January 1</i>	<u>18,221</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 18,186</u></u>

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

**PLEASANT-DARBY UNION CEMETERY DISTRICT  
MADISON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCE (CASH BASIS)  
GOVERNMENTAL FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General
<b>Cash Receipts</b>	
Property and Other Local Taxes	\$ 37,364
Charges for Services	54,811
Sale of Lots	8,520
Intergovernmental	5,941
Earnings on Investments	396
<i>Total Cash Receipts</i>	107,032
<b>Cash Disbursements</b>	
Current:	
General Government	139,988
<i>Total Cash Disbursements</i>	139,988
<i>Excess of Receipts (Under) Disbursements</i>	(32,956)
<b>Other Financing Receipts</b>	
Other Financing Sources	75
<i>Total Other Financing Receipts</i>	75
<i>Net Change in Fund Cash Balances</i>	(32,881)
<i>Fund Cash Balances, January 1 (Restated - See Note 7)</i>	40,817
<b>Fund Cash Balances, December 31</b>	
Unassigned	7,936
<i>Fund Cash Balances, December 31</i>	\$ 7,936

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

**PLEASANT-DARBY UNION CEMETERY DISTRICT  
MADISON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCE (CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Private Purpose Trust</u>
<b>Operating Cash Disbursements</b>	
Supplies	<u>\$ 65</u>
<i>Total Operating Cash Disbursements</i>	<u>65</u>
<i>Operating (Loss)</i>	(65)
<i>Fund Cash Balances, January 1 (Restated - See Note 7)</i>	<u>18,286</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 18,221</u></u>

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

**PLEASANT - DARBY UNION CEMETERY DISTRICT  
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**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 of Pleasant - Darby Union Cemetery District, Madison County, Ohio (the Cemetery), as a body corporate and politic. The Cemetery is directed by an appointed three-member Board of Trustees. One member of the Board is appointed by Darby Township, Pickaway County; one member by Pleasant Township, Madison County; and the third member is appointed by the two members appointed by the member Townships. The Cemetery became its own taxing authority by vote of the people in 2001. The Cemetery receives tax monies from both Madison and Pickaway Counties. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. The accompanying financial statements classify the tax levy as Property Taxes, and classify the additional funding as Intergovernmental Receipts. The Cemetery provides grounds maintenance, opening and closing of graves, and the sale of grave lots.

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

**B. Accounting Basis**

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Cemetery 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 Auditor of State prescribes or permits.

**C. Deposits and Investments**

The Cemetery's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Cemetery records certificates of deposit at cost.

**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 accounts for and reports all financial resources not accounted for and reported in another fund.

**PLEASANT - DARBY UNION CEMETERY DISTRICT  
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Fiduciary Fund**

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Cemetery's own programs.

The Cemetery's private purpose trust fund is for the benefit of certain individuals to periodically place flowers on certain gravesites.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Cemetery to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2012 and 2011 budgetary activity appears in Note 3.

**F. Fund Balance**

In 2011, the Cemetery adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which had no effect on fund balances. 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.

**PLEASANT - DARBY UNION CEMETERY DISTRICT  
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Fund Balance (Continued)**

**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 it is imposed by law through constitutional provisions.

**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.

**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:

	<u>2012</u>	<u>2011</u>
Demand Deposits	\$ 21,912	\$ 21,157
Certificates of Deposit	5,000	5,000
Total	<u>\$ 26,912</u>	<u>\$ 26,157</u>

**PLEASANT - DARBY UNION CEMETERY DISTRICT  
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

**2. EQUITY IN POOLED DEPOSITS (Continued)**

Deposits are insured by the Federal Deposit Insurance Corporation.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2012 and 2011 follows:

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 132,000	\$ 146,401	\$ 14,401
Total	\$ 132,000	\$ 146,401	\$ 14,401

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 153,370	\$ 145,611	\$ 7,759
Fiduciary	35	35	-
Total	\$ 153,405	\$ 145,646	\$ 7,759

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 134,800	\$ 107,107	\$ (27,693)
Total	\$ 134,800	\$ 107,107	\$ (27,693)

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 167,733	\$ 139,988	\$ 27,745
Fiduciary	65	65	-
Total	\$ 167,798	\$ 140,053	\$ 27,745

Contrary to Ohio Law, appropriations exceeded estimated resources in the General Fund for the year ended December 31, 2012.

**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.



**PLEASANT - DARBY UNION CEMETERY DISTRICT  
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

**4. PROPERTY TAX (Continued)**

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.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**5. RETIREMENT SYSTEMS**

The Cemetery's employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. 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 2012 and 2011, OPERS members contributed 10.0% of their gross salaries, and the Cemetery contributed an amount equaling 14.0% of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2012.

**6. RISK MANAGEMENT**

The Cemetery belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 767 and 765 members as of December 31, 2012 and 2011 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

**PLEASANT - DARBY UNION CEMETERY DISTRICT  
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

**6. RISK MANAGEMENT (Continued)**

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2012 and 2011.

	<b>2012</b>	<b>2011</b>
Assets	\$13,100,381	\$12,501,280
Liabilities	(6,687,193)	(5,328,761)
Members' Equity	\$6,413,188	\$7,172,519

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**7. PRIOR PERIOD RESTATEMENT**

The Cemetery posted several adjustments in 2011 to correct flower expenses from 2006 through 2010 posted to the General Fund rather than the Private Purpose Trust Fiduciary Fund. Also, the balance of the trust fund was presented as a Permanent Fund rather than a Private Purpose Trust Fiduciary Fund. The adjustments are as follows:

	<b>General</b>	<b>Permanent</b>	<b>Fiduciary</b>
Fund Balance as of December 31, 2010	\$ 31,403	\$ 27,700	\$ -
Adjustments	9,414	(27,700)	18,286
Adjusted Fund Balance as of January 1, 2011	\$ 40,817	\$ -	\$ 18,286

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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***

August 9, 2013

Pleasant – Darby Union Cemetery District  
Madison County  
8095 Robinson Rd  
Mt. Sterling, Ohio 43143

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 **Pleasant – Darby Union Cemetery District**, Madison County (the Cemetery) as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements and have issued our report thereon dated August 9, 2013, wherein we noted the Cemetery followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits and the Cemetery implemented Governmental Accounting Standards Board Statement No. 54.

#### ***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 opinions 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of audit findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a 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. We consider finding 2012-001 described in the accompanying schedule of audit findings to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2012-002 described in the accompanying schedule of audit findings to be a significant deficiency.

***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 an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of audit findings as item 2012-002.

We also noted certain matters not requiring inclusion in this report that we reported to the Cemetery’s management in a separate letter dated August 9, 2013.

***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.

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.  
*Marietta, Ohio*

**PLEASANT - DARBY UNION CEMETERY DISTRICT  
MADISON COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2012-001**

**Material Weakness**

**Posting Receipts and Disbursements**

Receipts and disbursements should be posted to the fund and line item accounts as established by Ohio Administrative Code.

Receipts and disbursements were not always posted correctly. The following posting errors were noted:

- Tangible personal property tax reimbursements were posted as Property and Other Local Taxes instead of Intergovernmental in 2012 and 2011.
- Opening and closing of lots revenue was misclassified as Miscellaneous instead of Charges for Services in 2011.
- Disbursements for flower expenses were posted to the General Fund rather than the Private Purpose Trust Fund in 2006 through 2012.
- Trust fund activity was presented as a Permanent Fund instead of a Private Purpose Trust Fiduciary Fund.

This resulted in several adjusting and reclassification entries being made to the Cemetery's financial statements. The accompanying financial statements reflect all reclassifications and adjustments. The Cemetery is in agreement with the adjustments and has posted them to its accounting system.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to Ohio Administrative Code and UAN manual for guidance to determine the proper establishment of receipt and expenditure accounts and posting of receipts and expenditures.

**Management's Response** – We did not receive a response from officials to this finding.

**FINDING NUMBER 2012-002**

**Noncompliance/Significant Deficiency**

**Ohio Revised Code Section 9.38** states public money must be deposited with the treasurer of the public office *or* to a designated depository on the business day following the day of receipt. If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than 3 business days after receiving it.

All receipts for sale of lots for the audit period were held for seven to fourteen days prior to being deposited into the Cemetery's bank account.

**PLEASANT - DARBY UNION CEMETERY DISTRICT  
MADISON COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<p><b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b></p>
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**FINDING NUMBER 2012-002 (Continued)**

**Noncompliance/Significant Deficiency (Continued)**

We recommend the Cemetery take steps to ensure deposits are made timely as required by Ohio Revised Code. In addition, the Cemetery could adopt the above-mentioned policy to allow deposits of less than \$1,000 to be deposited within three business days.

**Management's Response** – We did not receive a response from officials to this finding.

**PLEASANT – DARBY UNION CEMETERY DISTRICT  
MADISON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2012 AND 2011**

	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2010-001	Posting Receipts and Expenditures	No	Not Corrected; Repeated as Finding 2012-001
2010-002	Destruction of Records – ORC 149.351(A)	Yes	
2010-003	Purchase Orders – ORC 5705.41(D)	Yes	
2010-004	Deposit of Public Monies – ORC 9.38	No	Not Corrected; Repeated as Finding 2012-002
2010-005	Certificates of Deposit – ORC 135.13	Yes	
2010-006	Leave Records – OAC 117-2-02(D)(4)(a)(v)	Yes	
2010-007	Capital Asset Records – OAC 117-2-02(D)(4)(c) & (E)	No	Partially Corrected; Moved to Management Letter

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# Dave Yost • Auditor of State

**PLEASANT-DARBY UNION CEMETERY DISTRICT**

**MADISON 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 14, 2013**