

**OAKDALE JOINT UNION CEMETERY  
DISTRICT**

**ASHTABULA COUNTY**

**REGULAR AUDIT**

**For The Years Ended  
December 31, 2009 and 2008**





# Dave Yost • Auditor of State

Board of Trustees  
Oakdale Joint Union Cemetery District  
245 East Jefferson Street  
Jefferson, Ohio 44047

We have reviewed the *Independent Auditor's Report* of Oakdale Joint Union Cemetery District, Ashtabula County, prepared by S.R. Snodgrass, A.C., for the audit period January 1, 2008 through December 31, 2009. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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. Oakdale Joint 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

January 26, 2011

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Oakdale Joint Union Cemetery District  
Ashtabula County

REGULAR AUDIT  
For the Years Ended December 31, 2009 and 2008

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INDEPENDENT AUDITOR'S REPORT

Oakdale Joint Union Cemetery District  
Ashtabula County  
245 E. Jefferson Street  
Jefferson, Ohio 44047

To the Board of Trustees:

We have audited the accompanying financial statements of Oakdale Joint Union Cemetery District, Ashtabula County (the Cemetery) as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Cemetery's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Cemetery has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonable determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also presenting the Cemetery's larger (i.e. major) funds separately. While the Cemetery does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Cemetery has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Cemetery as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Oakdale Joint Union Cemetery District, Ashtabula County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Cemetery has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2010, 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.

*S. R. Smadgrass, A. C.*

Ashtabula, Ohio  
December 1, 2010

Oakdale Joint Union Cemetery District  
Ashtabula County

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL AND FIDUCIARY FUND TYPES  
For The Year Ended December 31, 2009

	Governmental Fund Type	Fiduciary Fund Type	Totals
	General	Private Purpose Trust	
<b>CASH RECEIPTS:</b>			
Local taxes	\$ 82,760	\$ -	\$ 82,760
Charges for services	13,705	-	13,705
Sale of lots and foundations	10,100	-	10,100
Interest income	200	35	235
Miscellaneous income	227	-	227
Total cash receipts	106,992	35	107,027
<b>CASH DISBURSEMENTS:</b>			
Salaries and other related payroll items	56,859	-	56,859
Supplies and materials	6,636	-	6,636
Equipment	100	-	100
Insurance and bonding	3,064	-	3,064
Public employees' retirement	7,605	-	7,605
Land and building	2,834	-	2,834
Utilities	3,424	-	3,424
Professional fees	7,507	-	7,507
Miscellaneous	991	-	991
Debt retirement	1,978	-	1,978
Interest expense	660	-	660
Total disbursements	91,658	-	91,658
Total receipts over disbursements	15,334	35	15,369
<b>FUND CASH BALANCES, JANUARY 1</b>	67,208	5,074	72,282
<b>FUND CASH BALANCES, DECEMBER 31</b>	\$ 82,542	\$ 5,109	\$ 87,651

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



Oakdale Joint Union Cemetery District  
Ashtabula County

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL AND FIDUCIARY FUND TYPES  
For The Year Ended December 31, 2008

	Governmental Fund Type	Fiduciary Fund Type	Totals
	General	Private Purpose Trust	
<b>CASH RECEIPTS:</b>			
Local taxes	\$ 83,183	\$ -	\$ 83,183
Charges for services	11,850	-	11,850
Sale of lots and foundations	7,300	-	7,300
Interest income	1,353	59	1,412
Miscellaneous income	433	-	433
<b>Total cash receipts</b>	<b>104,119</b>	<b>59</b>	<b>104,178</b>
<b>CASH DISBURSEMENTS:</b>			
Salaries and other related payroll items	55,101	-	55,101
Supplies and materials	5,910	33	5,943
Equipment	10,358	-	10,358
Insurance and bonding	2,830	-	2,830
Public employees' retirement	7,626	-	7,626
Land and building	1,036	-	1,036
Utilities	4,217	-	4,217
Professional fees	9,705	-	9,705
Miscellaneous	848	-	848
Debt retirement	1,884	-	1,884
Interest expense	754	-	754
<b>Total disbursements</b>	<b>100,269</b>	<b>33</b>	<b>100,302</b>
<b>Total receipts over disbursements</b>	<b>3,850</b>	<b>26</b>	<b>3,876</b>
<b>FUND CASH BALANCES, JANUARY 1</b>	<b>63,358</b>	<b>5,048</b>	<b>68,406</b>
<b>FUND CASH BALANCES, DECEMBER 31</b>	<b>\$ 67,208</b>	<b>\$ 5,074</b>	<b>\$ 72,282</b>

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

Oakdale Joint Union Cemetery District  
Ashtabula County  
NOTES TO FINANCIAL STATEMENTS

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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 Oakdale Joint Union Cemetery District, Ashtabula County (the Cemetery). The Cemetery is directed by an appointed three-member Board of Trustees to direct cemetery operations. The Board is appointed by the Village of Jefferson and Jefferson Township. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. The Cemetery provides grounds maintenance, opening and closing of graves, and the sale of grave lots.

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

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements basis of accounting. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. 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 includes investments as assets. The Cemetery does not report purchases of investments as disbursements or investment sales as receipts. The Cemetery recognizes gains or losses at the time of sale as receipts or disbursements, respectively.

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual fund reports.

Oakdale Joint Union Cemetery District  
Ashtabula County  
NOTES TO FINANCIAL STATEMENTS (Continued)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

The Cemetery uses fund accounting to segregate cash and investments that are restricted as to use. The Cemetery classifies its fund 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. Private Purpose Trust Fund

This fund accounts for assets held under a trust agreement that is legally restricted to the extent that only earnings, not principal, are available to support the Cemetery's programs. The Cemetery had the following significant Private Purpose Trust Fund:

Redmond Bequest Fund – A \$5,000 donation was received by the Cemetery from the estate of Clara Redmond. The family's request was that the Cemetery deposits the money into a savings account. The interest earned is then to be used to maintain the grave site.

E. Budgetary Process

The Cemetery's Board budgets 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 and appropriations may not exceed estimated resources. The Board of Trustees annually approves an appropriation measure and any 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.

Oakdale Joint Union Cemetery District  
Ashtabula County  
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Encumbrances

The Cemetery reserves (encumbers) appropriations when it makes commitments. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent years.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

The financial statements report acquisitions of property, plant, and equipment as capital outlay disbursements when paid. The financial statements do not report these items as assets.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. The financial statements do not report unpaid vacation and sick leave as liabilities.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Cemetery maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 are as follows:

	2009	2008
Deposits:		
Demand deposits	\$ 28,492	\$ 9,309
Bequest passbook account	5,109	5,073
Total deposits	33,601	14,382
Investment:		
STAR Ohio	54,050	57,900
Total deposits and investments	\$ 87,651	\$ 72,282

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

Investment: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Oakdale Joint Union Cemetery District  
Ashtabula County  
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEBT OBLIGATIONS

At December 31, 2009 and 2008, debt obligations consisted of the following issuance:

<u>Description</u>	Balance at December 31, 2009	Balance at December 31, 2008
Note payable to Huntington Bank, due in monthly installments of \$219.83 through June 2015, at a variable interest rate currently at 4.7 percent per annum.	<u>\$ 12,785</u>	<u>\$ 14,763</u>

Transactions for the years ended December 31, 2009 and 2008 are summarized as follows:

<u>Description</u>	Balance at December 31, 2008	Proceeds	Payments	Balance at December 31, 2009
2009				
Loan – Huntington Bank	<u>\$ 14,763</u>	<u>\$ -</u>	<u>\$ 1,978</u>	<u>\$ 12,785</u>

<u>Description</u>	Balance at December 31, 2007	Proceeds	Payments	Balance at December 31, 2008
2008				
Loan – Huntington Bank	<u>\$ 16,647</u>	<u>\$ -</u>	<u>\$ 1,884</u>	<u>\$ 14,763</u>

Aggregate maturities of long term debt for the five years ended December 31, 2009 are as follows:

2010	\$ 2,043
2011	2,109
2012	2,261
2013	2,424
2014	2,598
Thereafter	<u>1,350</u>
	<u>\$ 12,785</u>

Oakdale Joint Union Cemetery District  
Ashtabula County  
NOTES TO FINANCIAL STATEMENTS (Continued)

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2009 and 2008 are as follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 100,039	\$ 106,992	\$ 6,953
Fiduciary	50	35	(15)
	<u>100,089</u>	<u>107,027</u>	<u>6,938</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 163,140	\$ 91,658	\$ 71,482
Fiduciary	50	0	50
	<u>163,190</u>	<u>91,658</u>	<u>71,532</u>

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 99,860	\$ 104,119	\$ 4,259
Fiduciary	60	59	(1)
	<u>99,920</u>	<u>104,178</u>	<u>4,258</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 132,956	\$ 100,269	\$ 32,687
Fiduciary	60	33	27
	<u>133,016</u>	<u>100,302</u>	<u>32,714</u>

5. PROPERTY TAX

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

Oakdale Joint Union Cemetery District  
Ashtabula County  
NOTES TO FINANCIAL STATEMENTS (Continued)

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5. PROPERTY TAX (Continued)

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.

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 plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants' as the Ohio Revised Code prescribes.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS employee members contributed 10 percent of their gross salaries. The Cemetery contributed an amount equal to 14 percent of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2009.

7. RISK MANAGEMENT

**Commercial Insurance**

The Cemetery has obtained commercial insurance for the following risks:

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

8. SUBSEQUENT EVENTS

In September 2010, the loan from Huntington Bank was paid in full.



**Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by Government Auditing Standards**

Oakdale Joint Union Cemetery District  
Ashtabula County  
245 E. Jefferson Street  
Jefferson, Ohio 44047

To the Board of Trustees:

We have audited the financial statements of the Oakdale Joint Union Cemetery District, Ashtabula County (the Cemetery) as of and for the years ended December 31, 2009, and 2008, and have issued our report thereon dated December 1, 2010, wherein we noted that the Cemetery followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United State of America. We conducted our audit in accordance with 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 Government's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Government's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Government's internal control over financial reporting.

*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 more than a reasonable possibility that a material misstatement of the Government's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 effect 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 such an opinion. The results of our tests disclosed two instances of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings.

The Cemetery's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the Cemetery's response and, accordingly, we express no opinion on it.

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



Ashtabula, Ohio  
December 1, 2010

**OAKDALE UNION CEMETERY  
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2009 AND 2008**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2009-001

Ohio Revised Code Sections 135.21, 135.351 and 5705.10 maintain various requirements regarding the allocations of interest among funds. As a general rule, interest earned must be credited to the general fund of the subdivision with some exceptions; including, but not limited to, interest derived from a private purpose trust fund or permanent fund must follow the principal or the terms and conditions contained in the will or bequest.

For the years ended December 31, 2009 and 2008, the Cemetery did not allocate interest earned to the private purpose trust as required. Audited financial statements were adjusted to properly record interest earned in the financial statements and to allocate it to the required funds.

The Cemetery is not accurately reflecting its various fund balances and cash balances by not allocating interest earnings to the required funds and recording interest when received.

We recommend that the Cemetery properly record interest earnings in the required funds according to the requirements above. The amount of the allocation should be calculated and documented on a monthly basis.

*Client Response:* Clerk is aware of issue and has corrected for fiscal year ended December 31, 2010.

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2009-002

Ohio Revised Code Section 5747.07(B) requires that every employer required to deduct and withhold any amount under section 5747.06 of the Revised Code shall file a return and shall pay the amount required by law.

During 2008, the Cemetery did not withhold local income taxes from the wages of one new employee. The UAN system should be updated and taxes should be withheld in the future.

The Trustees should periodically review the payroll records to help assure that all withholdings have been remitted to the proper agency.

*Client Response:* Clerk is aware of issue and has corrected for fiscal year ended December 31, 2010.

Oakdale Joint Union Cemetery District  
Ashtabula County

**SCHEDULE OF PRIOR AUDIT FINDINGS**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	ORC 135.21 Allocation of interest	No	Not Corrected
2007-002	ORC 149.35.1 Missing records	Yes	N/A
2007-003	ORC 5747.07(B) Not withholding local income tax	No	Corrected by end of 2008
2007-004	ORC 117.38 Publish notice	Yes	N/A

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# Dave Yost • Auditor of State

OAKDALE JOINT UNION CEMETERY DISTRICT

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  
FEBRUARY 8, 2011