

**PLEASANT-DARBY UNION CEMETERY DISTRICT
MADISON COUNTY
Regular Audit
For the Years Ended December 31, 2010 and 2009**

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, Ohio 43143

We have reviewed the *Independent Accountants' 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, 2009 through December 31, 2010. 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 Accountants' 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 Accountants' 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. 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

February 21, 2012

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

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INDEPENDENT ACCOUNTANTS' REPORT

November 30, 2011

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

To the Board of Trustees:

We have audited the accompanying financial statements of **Pleasant-Darby Union Cemetery District**, Madison County, Ohio (the District) as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the District'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 District has prepared these financial statements using accounting practices the Auditor of State prescribed or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably 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 require presenting entity wide statements and also presenting the District's larger (i.e. major) funds separately. While the District 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 District 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.

Pleasant-Darby Union Cemetery District
Madison County
Independent Accountants' Report
Page 2

In our opinion, because of the effects of the matters discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of November 30, 2011, 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 as of December 31, 2010 and 2009 of Pleasant-Darby Union Cemetery District, Madison County, Ohio, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2011, on our consideration of the District'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.

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Permanent</u>	
Cash Receipts:			
Local Taxes	\$ 36,762	\$ -	\$ 36,762
Charges for Services - Opening/Closing	14,288	-	14,288
Sale of Lots	46,131	-	46,131
Intergovernmental	11,703	-	11,703
Earnings on Investments	1,272	-	1,272
Miscellaneous	20	-	20
	<u>110,176</u>	<u>-</u>	<u>110,176</u>
Total Cash Receipts			
	<u>110,176</u>	<u>-</u>	<u>110,176</u>
Cash Disbursements:			
Current:			
General Government	129,695	-	129,695
	<u>129,695</u>	<u>-</u>	<u>129,695</u>
Total Cash Disbursements			
	<u>129,695</u>	<u>-</u>	<u>129,695</u>
Total Cash Receipts Over/(Under) Disbursements	<u>(19,519)</u>	<u>-</u>	<u>(19,519)</u>
Fund Cash Balances, January 1	<u>50,922</u>	<u>27,700</u>	<u>78,622</u>
Fund Cash Balances, December 31	<u>\$ 31,403</u>	<u>\$ 27,700</u>	<u>\$ 59,103</u>

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

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Permanent</u>	
Cash Receipts:			
Local Taxes	\$ 34,999	\$ -	\$ 34,999
Charges for Services - Opening/Closing	23,794	-	23,794
Sale of Lots	58,530	-	58,530
Intergovernmental	11,989	-	11,989
Earnings on Investments	345	-	345
Miscellaneous	8,207	-	8,207
Total Cash Receipts	<u>137,864</u>	<u>-</u>	<u>137,864</u>
Cash Disbursements:			
Current:			
General Government	131,308	-	131,308
Total Cash Disbursements	<u>131,308</u>	<u>-</u>	<u>131,308</u>
Total Cash Receipts Over/(Under) Disbursements	<u>6,556</u>	<u>-</u>	<u>6,556</u>
Fund Cash Balances, January 1 (Restated - See Note 8)	44,366	27,700	72,066
Fund Cash Balances, December 31	<u>\$ 50,922</u>	<u>\$ 27,700</u>	<u>\$ 78,622</u>
Reserve for Encumbrances, December 31	<u>\$ 4,489</u>	<u>\$ -</u>	<u>\$ 4,489</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, 2010 AND 2009**

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, (the District) as a body corporate and politic. The District 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 District became its own taxing authority by vote of the people in 2001. The District receives tax monies from both Madison and Pickaway Counties. These entities also provide funding to meet the District's operating costs under the agreement which established the District. The accompanying financial statements classify the tax levy as Property Taxes, and classify the additional funding as Intergovernmental Receipts. The District provides grounds maintenance, opening and closing of graves, and the sale of grave lots.

The District's management believes these financial statements present all activities for which the District 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 accounting basis. The District 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

The District maintains all deposits in an interest bearing checking account and certificates of deposits.

The District records certificates of deposit at cost.

D. Fund Accounting

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

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Accounting (Continued)

2. Permanent Funds

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the District's programs. The District had the following significant permanent fund:

Cemetery Bequest Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the District.

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, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The District did not encumber all commitments required by Ohio law.

A summary of 2010 and 2009 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)**

2. EQUITY IN POOLED DEPOSITS

The District 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:

	2010	2009
Demand Deposits	\$ 23,010	\$ 42,529
Certificates of Deposit	36,093	36,093
Total Deposits	\$ 59,103	\$ 78,622

Deposits: Deposits are insured by the Federal Depository Insurance Corporation. The District held Certificates of Deposit with a maturity date of more than one year, which is contrary to Ohio Revised Code Section 135.13.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 135,200	\$ 110,176	\$ (25,024)
Total	\$ 135,200	\$ 110,176	\$ (25,024)

2010 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 170,215	\$ 129,695	\$ 40,520
Total	\$ 170,215	\$ 129,695	\$ 40,520

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 135,200	\$ 137,864	\$ 2,664
Total	\$ 135,200	\$ 137,864	\$ 2,664

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 139,400	\$ 135,797	\$ 3,603
Total	\$ 139,400	\$ 135,797	\$ 3,603

The District did not budget for the Permanent Fund during 2010 and 2009.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)**

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 District.

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 District's appointed officials and 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 2010 and 2009, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2010.

7. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

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

8. PRIOR PERIOD RESTATEMENT

The District posted several adjustments in 2009 to correct 2008 posting errors:

	General	Permanent
Fund Balance as of December 31, 2008	\$ 32,854	\$ 38,816
Adjustments	11,512	(11,116)
Adjusted Fund Balance as of January 1, 2009	<u>\$ 44,366</u>	<u>\$ 27,700</u>

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

November 30, 2011

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

To the Board of Trustees:

We have audited the financial statements of **Pleasant – Darby Union Cemetery District**, Madison County, Ohio (the District) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated November 30, 2011 wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting.

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

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 deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2010-001 and 2010-002 to be material weaknesses.

Pleasant-Darby Union Cemetery District
Madison County
Independent Accountants' Report on Internal Control
over Financial Reporting and on Compliance and
Other Matters Required by *Government Auditing Standards*

Internal Control over Financial Reporting (Continued)

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. We consider findings 2010-003 through 2010-007 described in the accompanying schedule of audit findings to be significant deficiencies.

Compliance and Other Matters

As part of reasonably assuring whether the District'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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of audit findings as items 2010-002 through 2010-007.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated November 30, 2011.

The District's responses to the findings identified in our audit are described in the accompanying schedule of audit findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of District's management, Board of Trustees, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code. We intend it for no one other than these specified parties.

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

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

**SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2010-001

Material Weakness

Posting Receipts and Expenditures

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

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

- Tangible personal property tax reimbursements were posted as Local Taxes instead of Intergovernmental in 2010 and 2009
- Intergovernmental receipts were misclassified as Miscellaneous in 2009.
- Opening and Closing of lots revenue was misclassified as Miscellaneous instead of Charges for Services in 2010 and 2009.
- Several expenditures were posted as Other Financing Sources instead of General Government in 2009.
- Beginning balance was restated in 2009 to correct 2008 posting errors.

Not posting revenues and disbursements accurately resulted in the financial statements requiring several adjustments and reclassifications. The accompanying financial statements reflect all adjustments and reclassifications.

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 and expenditures 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.

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

**SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2010-002

Noncompliance Finding/Material Weakness

Ohio Revised Code Section 149.351(A) establishes guidelines against the destruction or damage of records. All records are the property of the public office and shall not be mutilated, transferred or otherwise damaged or disposed of, in whole or in part, except as provided by law.

For the audit period the following documentation was not provided by the District:

- Non-Payroll Expenditures – no vouchers, invoices or contracts for expenditures paid from January 1, 2009 to April 1, 2009.

Inadequate supporting documentation eliminates a significant control point, obscures the audit trail and provides for the opportunity for errors and irregularities occurring and not being detected by management in a timely manner. Through alternative procedures, including review of bank statements and analysis over vendors and types of expenditures, we were able to determine expenditures were for proper public purpose.

We recommend the District keep all documentation to support all expenditures.

Management’s Response – The previous fiscal officer, Vickie Fryer, made this error. I took over the books 4/1/2009. This has been corrected.

FINDING NUMBER 2010-003

Noncompliance Finding/ Significant Deficiency

Ohio Revised Code § 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. The certificate need be signed only by the subdivision’s fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer’s certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: “then and now” certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

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

**SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2010-003 (Continued)

Ohio Revised Code § 5705.41(D) (Continued)

1. “Then and Now” certificate - If the fiscal officer can certify that both at the time that the contract or order was made (“then”), and at the time that the fiscal officer is completing the certification (“now”), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the “then and now” certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.
2. Blanket Certificate – Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The entity may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line-item appropriation.

The District did not properly certify the availability of funds prior to purchase commitment for 11% of the expenditures tested during 2010 and 28% of the expenditures tested during 2009. In addition, the District lack supporting documentation for 8% of the expenditures tested during 2010 and 36% of expenditures tested in 2009.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District’s funds exceeding budgetary spending limitations, we recommend that the Clerk certify that the funds are or will be available prior to an obligation being incurred by the District. When prior certification is not possible, “then and now” certification should be used.

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

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

**SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2010-004

Noncompliance Finding/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 from seven to fourteen days prior to being deposited into the District's bank account.

We recommend the District take steps to ensure deposits are made timely as required by Ohio Revised Code. In addition, the District 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.

FINDING NUMBER 2010-005

Noncompliance Finding/Significant Deficiency

Ohio Revised Code Section 135.13 states in part that interim deposits shall be evidenced by time certificates of deposits maturing not more than one year from the date of deposit.

The District had invested interim money in two (2) Certificates of Deposit, which had maturity dates in excess of one year.

We recommend the District follow the timetable established by the Ohio Revised Code when investing District monies.

Management's Response – This matter has been corrected.

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

**SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2010-006

Noncompliance Finding/Significant Deficiency

Leave Records

Ohio Administrative Code Section 117-2-02(D)(4)(a)(v) requires all local public offices to maintain or provide a report similar to accounting records, including information, by employee, regarding leave balances and usage.

According to the Fiscal Officer, there are employees at the District that earn and use vacation leave during the year. There are no leave records or approval of leave maintained by the District to support this activity. This could result in the employees taking time off for which they have no leave available.

We recommend the District establish a leave policy and maintain records required by the Administrative Code.

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

FINDING NUMBER 2010-007

Noncompliance Finding/Significant Deficiency

Capital Asset Records

Ohio Administrative Code Sections 117-2-02(D)(4)(c) & (E) require all local public offices to maintain capital asset records including such information as the original cost, acquisition date, voucher number, asset type, asset description, location, and tag number. Each local public office should establish a capitalization threshold so that, unless the local public office establishes a capitalization threshold for any individual item of \$5,000 or more, at a minimum, eighty percent of the local public office's non-infrastructure assets are identified, classified, and recorded on the local public office's financial records.

The District does not maintain an official capital asset record.

The District should maintain a capital asset inventory that would include such items as: trucks, mowers, sod cutters, etc.

Management's Response – This matter will be corrected.

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

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Formal Bank Reconciliations	Yes	
2008-002	Pre-signed Checks	Yes	
2008-003	Monitoring District Financial Activity and Reporting	Yes	
2008-004	Audit Committee	No	Not Corrected; Moved to Management Letter
2008-005	Trust Fund	Yes	
2008-006	Allocation of Interest	Yes	
2008-007	Delinquent Payments/Late Fees	Yes	
2008-008	Credit Card/Credit Account Policy	No	Not Corrected; Moved to Management Letter
2008-009	Maintenance of Records for Completeness	No	Partially Corrected; Repeated as Finding 2010-002
2008-010	Unsupported Expenditures	No	Partially Corrected; Repeated as Finding 2010-002
2008-011	Purchase Orders – ORC 5705.41(D)	No	Not Corrected; Repeated as Finding 2010-003
2008-012	Deposit of Public Monies – ORC 9.38	No	Not Corrected; Repeated as Finding 2010-004
2008-013	Certificates of Deposit – ORC 135.13	No	Not Corrected; Repeated as Finding 2010-005
2008-014	Minutes	No	Partially Corrected; Moved to Management Letter
2008-015	Leave Records – OAC 117-2-02(D)(4)(a)(v)	No	Not Corrected; Repeated as Finding 2010-006
2008-016	Capital Asset Records – OAC 117-2-02(D)(4)(c) & (E)	No	Not Corrected; Repeated as Finding 2010-007
2008-017	Expenditures Exceed Appropriations – ORC 5705.41(B)	Yes	
2008-018	Employee Masterfile – OAC 117-2-02(D)(4)(a)	Yes	
2008-019	Inadequate Cash Flow Planning – ORC 135.14(F)	Yes	



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
MARCH 8, 2012