



OHIO AUDITOR OF STATE
KEITH FABER



**PLEASANT DARBY UNION CEMETERY DISTRICT
MADISON COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Pleasant Darby Union Cemetery District
Madison County
14220 Era Road
Mt. Sterling, Ohio 43143

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Pleasant Darby Union Cemetery District, Madison County, Ohio (the Cemetery), which comprises the cash balances, receipts and disbursements for each governmental and the fiduciary fund type combined total as of and for the year ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and the fiduciary fund type combined total as of and for the year ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 1.

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* section of our report, the accompanying financial statements 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, 2022 and 2021, or the changes in financial position thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Cemetery, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Cemetery on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cemetery's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cemetery's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cemetery's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2023, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cemetery's 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.



Keith Faber
Auditor of State
Columbus, Ohio

November 30, 2023

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Pleasant Darby Union Cemetery
Madison County
Combined Statement of Receipts, Disbursements and
Changes In Fund Balances (Regulatory Cash Basis)
General Fund
For the Year Ended December 31, 2022

	General
Cash Receipts	
Property and Other Local Taxes	\$194,351
Charges for Services	62,869
Intergovernmental	3,648
Earnings on Investments	29
Miscellaneous	28,197
	289,094
Cash Disbursements	
Current Disbursements:	
General Government	235,247
	235,247
<i>Total Cash Disbursements</i>	<i>235,247</i>
<i>Excess Receipts Over Disbursements</i>	<i>53,847</i>
<i>Net Change in Fund Cash Balance</i>	<i>53,847</i>
<i>Fund Cash Balances, January 1</i>	<i>219,421</i>
<i>Fund Cash Balances, December 31</i>	<i>\$273,268</i>

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

Pleasant Darby Union Cemetery
Madison County
Combined Statement of Additions, Deductions and
Changes In Fund Balances (Regulatory Cash Basis)
Private Purpose Trust
For the Year Ended December 31, 2022

	Fiduciary Fund Types
	Private Purpose Trust
Additions	
Gifts and Donations (trust funds only)	10,000
<i>Total Additions</i>	10,000
<i>Total Deductions</i>	0
<i>Net Change in Fund Balances</i>	10,000
<i>Fund Cash Balances, January 1</i>	15,023
<i>Fund Cash Balances, December 31</i>	\$25,023

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
YEAR ENDING DECEMBER 31, 2022**

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges for the Pleasant Darby Union Cemetery District, Madison County Ohio, (the Cemetery). 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 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.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Cemetery’s financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) all governmental fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Cemetery uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Cemetery are presented below.

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Cemetery for any purpose provided it is expended or transferred according to the general laws of Ohio.

Fiduciary Funds Fiduciary funds include private purpose trust funds and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Cemetery’s private purpose trust fund is to account for the Leonard Sonners Trust.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds. The Cemetery has no custodial funds.

**PLEASANT DARBY UNION CEMETERY DISTRICT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ending December 31, 2022
(Continued)**

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

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

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

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

A summary of 2022 budgetary activity appears in Note 3.

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 values Certificates of Deposit at cost.

Capital Assets

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

**PLEASANT DARBY UNION CEMETERY DISTRICT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ending December 31, 2022
(Continued)**

Accumulated Leave

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

Fund Balance

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

Nonspendable The Cemetery classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Cemetery and the nonspendable portion of the corpus in permanent funds.

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

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.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

**PLEASANT DARBY UNION CEMETERY DISTRICT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ending December 31, 2022
(Continued)**

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$281,761	\$289,094	\$7,333
Fiduciary	10,000	10,000	0
Total	\$291,761	\$299,094	\$7,333

2022 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$473,866	\$235,247	\$238,619
Fiduciary	25,000	0	25,000
Total	\$498,866	\$235,247	\$263,619

Note 4 – Deposits

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

	2022
Demand deposits	\$293,291
Certificates of deposit	5,000
Total deposits	298,291

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**PLEASANT DARBY UNION CEMETERY DISTRICT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ending December 31, 2022
(Continued)**

Note 5 – Property Taxes

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements includes these credits and/or deduction 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.

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

Note 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 agents in the State of Ohio.

Effective November 1, 2016 the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019 the property loss corridor was adjusted to losses between 60% and 67.5% and has remained unchanged. OPRM had 773 members as of December 31, 2022.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

2022	
Assets	\$21,662,291
Liabilities	<u>(18,158,351)</u>
Members’ Equity	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan’s website, www.ohioplan.org.

**PLEASANT DARBY UNION CEMETERY DISTRICT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ending December 31, 2022
(Continued)**

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Cemetery 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 2022, OPERS members contributed 10% of their gross salaries and the Cemetery contributed an amount equaling 14% of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2022.

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2022.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 – Related Party Transactions

Trustee Brian Hampton worked for J & J excavating, which received \$5,700 for work performed at the Cemetery.

Glenn Liff II, Cemetery Superintendent is a father to Glenn Dale Liff III, maintenance/grounds employee, a brother to Robert Liff, maintenance/grounds employee, uncle to Justin Liff, contracted maintenance worker, and cousin to Justin Liff, contracted maintenance worker.

Note 10- Fund Balances

The Cemetery's accounting policy established in accordance with GASB 54 requirements addresses which resources (that is restricted, committed, assigned, or unassigned) are considered to be spent first when more than one resource classification is available. The fund balance in the private purpose trust fund are the only monies held by the Cemetery with restrictions.

Pleasant Darby Union Cemetery
Madison County
Combined Statement of Receipts, Disbursements and
Changes In Fund Balances (Regulatory Cash Basis)
General Fund
For the Year Ended December 31, 2021

	General
Cash Receipts	
Property and Other Local Taxes	\$194,835
Charges for Services	59,727
Intergovernmental	3,248
Earnings on Investments	27
Miscellaneous	23,925
Total Cash Receipts	281,762
Cash Disbursements	
Current Disbursements:	
General Government	240,280
Capital Outlay	29,592
<i>Total Cash Disbursements</i>	269,872
<i>Excess Receipts Over Disbursements</i>	11,890
<i>Net Change in Fund Cash Balance</i>	11,890
<i>Fund Cash Balances, January 1</i>	207,531
<i>Fund Cash Balances, December 31</i>	\$219,421

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

Pleasant Darby Union Cemetery
Madison County
Combined Statement of Additions, Deductions and
Changes In Fund Balances (Regulatory Cash Basis)
Private Purpose Trust
For the Year Ended December 31, 2021

	Fiduciary Fund Types
	Private Purpose Trust
Additions	
Gifts and Donations (trust funds only)	10,001
<i>Total Additions</i>	10,001
Deductions	
Other Distributions	4,978
<i>Total Deductions</i>	4,978
<i>Net Change in Fund Balances</i>	5,023
<i>Fund Cash Balances, January 1</i>	10,000
<i>Fund Cash Balances, December 31</i>	\$15,023

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
YEAR ENDING DECEMBER 31, 2021**

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges for the Pleasant Darby Union Cemetery District, Madison County Ohio, (the Cemetery). 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 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.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Cemetery’s financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) all governmental fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Cemetery uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Cemetery are presented below.

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Cemetery for any purpose provided it is expended or transferred according to the general laws of Ohio.

Fiduciary Funds Fiduciary funds include private purpose trust funds and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Cemetery’s private purpose trust fund is to account for the Leonard Sonners Trust.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds. The Cemetery has no custodial funds.

**PLEASANT DARBY UNION CEMETERY DISTRICT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ending December 31, 2021
(Continued)**

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

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

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

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

A summary of 2021 budgetary activity appears in Note 3.

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 values Certificates of Deposit at cost.

Capital Assets

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

**PLEASANT DARBY UNION CEMETERY DISTRICT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ending December 31, 2021
(Continued)**

Accumulated Leave

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

Fund Balance

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

Nonspendable The Cemetery classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Cemetery and the nonspendable portion of the corpus in permanent funds.

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

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.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

**PLEASANT DARBY UNION CEMETERY DISTRICT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ending December 31, 2021
(Continued)**

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$276,628	\$281,761	\$5,133
Fiduciary	4,000	10,001	6,001
Total	\$280,628	\$291,762	\$11,134

2021 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$460,366	\$269,872	\$190,494
Fiduciary	10,000	4,978	5,022
Total	\$470,366	\$274,850	\$195,516

Note 4 – Deposits

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

	2021
Demand deposits	\$229,444
Certificates of deposit	5,000
Total deposits	234,444

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

At December 31, 2021, all deposits were insured or collateralized.

**PLEASANT DARBY UNION CEMETERY DISTRICT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ending December 31, 2021
(Continued)**

Note 5 – Property Taxes

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements includes these credits and/or deduction 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.

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

Note 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 agents in the State of Ohio.

Effective November 1, 2016 the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019 the property loss corridor was adjusted to losses between 60% and 67.5% and has remained unchanged. OPRM had 773 members as of December 31, 2022.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

2021	
Assets	\$21,777,439
Liabilities	<u>(15,037,383)</u>
Members’ Equity	<u>\$ 6,740,056</u>

You can read the complete audited financial statements for OPRM at the Plan’s website, www.ohioplan.org.

**PLEASANT DARBY UNION CEMETERY DISTRICT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ending December 31, 2021
(Continued)**

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Cemetery 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 2021, OPERS members contributed 10% of their gross salaries and the Cemetery contributed an amount equaling 14% of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2021.

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2021.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 – Related Party Transactions

Trustee Brian Hampton worked for J & J excavating, which received \$2,200 for work performed at the Cemetery.

Glenn Liff II, Cemetery Superintendent is a father to Glenn Dale Liff III, maintenance/grounds employee, a brother to Robert Liff, maintenance/grounds employee, uncle to Justin Liff, contracted maintenance worker, and cousin to Justin Liff, contracted maintenance worker.

Note 10- Fund Balances

The Cemetery's accounting policy established in accordance with GASB 54 requirements addresses which resources (that is restricted, committed, assigned, or unassigned) are considered to be spent first when more than one resource classification is available. The fund balance in the private purpose trust fund are the only monies held by the Cemetery with restrictions.

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
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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

Pleasant Darby Union Cemetery District
Madison County
14220 Era Road
Mt. Sterling, Ohio 43143

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Pleasant Darby Union Cemetery District, Madison County, (the Cemetery) and have issued our report thereon dated November 30, 2023, wherein we noted the Cemetery followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cemetery's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cemetery's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cemetery's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cemetery's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Cemetery's Response the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Cemetery's response to the finding identified in our audit and described in the accompanying schedule of findings. The Cemetery's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cemetery's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cemetery's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

November 30, 2023

**PLEASANT DARBY UNION CEMETERY DISTRICT
MADISON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021**

**FINDING RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2022-001

Budgetary Amounts not Recorded in Accounting System- Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board of Trustees to make informed decisions regarding budgetary matters.

The original certificate and amendments establish the amounts available for expenditures for the Cemetery and the receipts ledger provides the process by which the Cemetery controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The Cemetery did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The final Certificate of Estimated Resources (and/or amendments thereof) was not posted accurately to the accounting system for 2021 or 2022.

For the years ending December 31, 2022 and 2021 the following variances were identified:

Opinion Unit	Year	Estimated Receipts certified by Madison County	Estimated Receipts certified per UAN	Variance
General	2021	\$276,628	\$256,628	\$ (20,000)
RFI	2021	\$4,000	\$10,000	\$6,000
General	2022	\$281,761	\$255,000	\$(26,761)

Failure to accurately post the estimated receipts to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the notes to the financial statements.

PLEASANT DARBY UNION CEMETERY DISTRICT
MADISON COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021

FINDING RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2022-001 (Continued)

Budgetary Amounts not Recorded in Accounting System- Material Weakness (Continued)

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Cemetery should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission approved by the Board of Trustees. The Cemetery should then monitor budget versus actual reports to help ensure amended certificates of resources have been properly posted to the ledgers.

Officials' Response: The Cemetery will review and modify it's procedures to help ensure accurate budgetary information is entered into UAN moving forward.

OHIO AUDITOR OF STATE KEITH FABER



PLEASANT DARBY UNION CEMETERY DISTRICT

MADISON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/2/2024

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov