



Dave Yost • Auditor of State

MALTA UNION CEMETERY
MORGAN COUNTY

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Dave Yost • Auditor of State

Malta Union Cemetery
Morgan County
320 North Best Road
P.O. Box 548
Malta, Ohio 43758

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statement due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS 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 statement in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statement you prepared using the cash basis and financial statement format the AOS permits.

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Dave Yost
Auditor of State

October 12, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Malta Union Cemetery
Morgan County
320 North Best Road
P.O. Box 548
Malta, Ohio 43758

To the Board of Trustees:

We have audited the accompanying financial statement of the Malta Union Cemetery, Morgan County, Ohio (the Cemetery), as of and for the years ended December 31, 2010 and 2009. This financial statement is the responsibility of the Cemetery's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 this financial statement 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 reasonably determine the effects on the financial statement of the variances between these regulatory accounting practices and GAAP, we presume they are material.

GAAP require presenting entity-wide statements. While the Cemetery does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statement does not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require cemeteries 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 statement referred to above for the years ended December 31, 2010 and 2009 does 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, 2010 and 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balance of the Malta Union Cemetery, Morgan County, Ohio, as of December 31, 2010 and 2009, and its 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 October 12, 2011, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

October 12, 2011

**MALTA UNION CEMETERY
MORGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010	2009
Cash Receipts:		
Local Taxes	\$16,745	\$16,692
Sale of Lots	1,000	2,125
Open & Close Fees	475	0
Intergovernmental	462	585
Interest	3,171	4,157
Miscellaneous	25	25
Total Cash Receipts	21,878	23,584
Cash Disbursements:		
Current:		
Salaries	3,018	3,018
Supplies	608	308
Utilities	396	309
Contract Services	20,428	14,385
Public Employees' Retirement	955	938
Workers' Compensation	186	179
Miscellaneous	3,361	1,964
Total Cash Disbursements	28,952	21,101
Total Cash Receipts Over/(Under) Cash Disbursements	(7,074)	2,483
Cash Balance, January 1	125,413	122,930
Cash Balance, December 31	\$118,339	\$125,413

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

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**MALTA UNION CEMETERY
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
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 for the Malta Union Cemetery, Morgan County (the Cemetery), as a body corporate and politic. The Village of Malta and Malta Township appoint a three-member Board of Trustees to direct cemetery operations. These entities also provide funding from locally levied property taxes 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 this financial statement presents all activities for which the Cemetery is financially accountable.

B. Basis of Accounting

This financial statement follows 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.

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits

The Cemetery records certificates of deposit at cost.

D. Property, Plant and Equipment

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

2. DEPOSITS

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 follows:

	<u>2010</u>	<u>2009</u>
Demand deposits	\$2,191	\$12,425
Certificates of deposit	116,148	112,988
Total deposits	<u>\$118,339</u>	<u>\$125,413</u>

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

**MALTA UNION CEMETERY
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2010 AND 2009
(Continued)**

3. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For both 2009 and 2010, OPERS members contributed 10.0 percent of their gross salaries. The Cemetery contributed an amount equaling 14.0 percent of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2010.

4. RISK MANAGEMENT

Commercial Insurance

The Cemetery has obtained commercial insurance for the following risks:

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



Dave Yost • Auditor of State

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

Malta Union Cemetery
Morgan County
320 North Best Road
P.O. Box 548
Malta, Ohio 43758

To the Board of Trustees:

We have audited the financial statement of the Malta Union Cemetery, Morgan County, Ohio (the Cemetery), as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated October 12, 2011, wherein we noted the Cemetery 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 Cemetery's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statement, but not for the purpose of opining on the effectiveness of the Cemetery's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Cemetery'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 Findings, we identified certain deficiencies in internal control over financial reporting, that we consider to be material weaknesses.

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 deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and timely corrected. We consider finding 2010-01 and 2010-02 described in the accompanying Schedule of Findings to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Cemetery's financial statement is 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We also noted certain matters not requiring inclusion in this report that we reported to the Cemetery's management in a separate letter dated October 12, 2011.

We intend this report solely for the information and use of management, the Board of Trustees and others within the Cemetery. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

October 12, 2011

**MALTA UNION CEMETERY
MORGAN COUNTY**

**SCHEDULE OF 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 2010-01

Material Weakness

All local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements.

At December 31, 2010 and 2009, the Cemetery Clerk-Treasurer posted beginning balances, revenues and expenditures incorrectly to the annual financial report. Beginning balances were not carried forward to the next year correctly. Receipts and expenditures recorded on the annual financial statements did not agree to the Cemetery's books. These errors amounted to a net adjustment to fund balance of \$7,794 for 2009 and \$4,089 for 2010.

As a result, these adjustments were made to the financial statement to correctly classify the sources and amounts of the Cemetery's receipts and expenditures. These adjustments, with which the Cemetery's management agree, are reflected in the accompanying financial statement.

We recommend the Cemetery Clerk-Treasurer take additional care in preparing the annual financial report to ensure the Cemetery's year-end financial statements reflect the appropriate sources of the Cemetery's receipts and expenditures.

FINDING NUMBER 2010-02

Material Weakness

When designing the public office's system of internal control and the specific control activities, management should consider verifying the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The Cemetery Clerk-Treasurer did not prepare accurate monthly reconciliations of bank balances to book balances. Outstanding checks, deposits in transit and/or other reconciling items were either not prepared or not supported by source documentation to enable a proper reconciliation to be performed.

The lack of proper reconciliations among the bank accounts and the Cemetery's accounting ledgers resulted in errors which remained undetected and/or uncorrected until the audit.

We recommend the Cemetery Clerk-Treasurer prepare detailed bank reconciliations that include all bank account balances being reconciled to the Cemetery's accounting ledgers. Copies of bank reconciliations should be presented monthly at the Board meeting for the Board's review and approval.

Officials' Response: We did not receive a response from Officials to the findings reported above.

**MALTA UNION CEMETERY
MORGAN COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	The Cemetery Clerk-Treasurer posted beginning balances, revenues and expenditures incorrectly to the annual financial report for 2008 and 2007.	No	Not Corrected; repeated as finding number 2010-01.
2008-002	The Cemetery Clerk-Treasurer did not prepare accurate monthly reconciliations of bank balances to book balances. Outstanding checks, deposits in transit and/or other reconciling items were either not prepared or not supported by source documentation to enable a proper reconciliation to be performed.	No	Not Corrected; repeated as finding number 2010-02.



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MALTA UNION CEMETERY

MORGAN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 10, 2011**