



Dave Yost • Auditor of State





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Mt. Carmel Joint Cemetery  
Champaign County  
4952 Swisher Road  
Cable, OH 43009

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Mt. Carmel Joint Cemetery, Champaign County, (the Cemetery) for the years ended December 31, 2012 and 2011.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the Cemetery's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Cemetery's financial statements, transactions or balances for the years ended December 31, 2012 or 2011.

The Cemetery's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

## Current Year Observations

1. We examined the Cemetery's bank reconciliation process as of December 31, 2012. While there were no differences noted in the bank versus book amounts, no bank reconciliation reports were available. Through inquiry with the Fiscal Officer, it was determined that a reconciliation report can be generated with the Quicken accounting system that the Cemetery utilizes. We reviewed the April 2013 bank reconciliation with no issues noted.

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. Unidentified differences result in inaccurate fund cash balance information, and conceivably could cause deficit spending.

Also, the Cemetery's small size requires governing board involvement with critical accounting processes (such as bank reconciliation) to compensate for the inability to segregate these duties. The absence of these reviews may be a material weakness in internal accounting control, resulting in inaccurate cash balances, or even undetected theft.

2. We scanned payroll transactions for the years ended December 31, 2012 and 2011. We determined federal, state, and Medicare taxes were not withheld. 26 U.S.C. Section 3402 states every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables or computational procedures prescribed by the Secretary of Treasury.

Ohio Rev. Code Section 5747.06 states every employer maintaining an office or transacting business within this state and making payment of any compensation to an employee who is a taxpayer shall deduct and withhold from such compensation for each payroll period a reasonable estimate of the amount of state and school district income tax which will be due.

### **Current Year Observations (Continued)**

26 USC Section 3102 requires the deduction of Medicare tax from wages of employees hired on or after April 1, 1986.

The Cemetery did not withhold federal tax, state tax, or Medicare for cemetery employees for wages earned during 2011 or 2012. In order to comply with the above mentioned codes, the Cemetery should implement procedures to determine and document if withholdings are necessary for all employees based on pay rates. The Cemetery should also contact the appropriate agencies to determine if prior withholdings should be remitted.

### **Current Status of Matters we Reported in our Prior Engagement**

1. Our prior audit report for the years ended December 31, 2010 and 2009 included noncompliance with Ohio Admin. Code Sections 117-2-02(D) and (E), which requires all local public offices to maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides, and should consider the degree of automation and other factors.

The Cemetery has partially corrected this issue, having hired a new Fiscal Officer to maintain the necessary ledgers and reports through their Quicken system; however supporting documentation and reports were not printed and maintained at the appropriate time. Lack of supporting documentation and timely reports can result in reconciliation and annual report errors. The Cemetery should ensure all required records are maintained and updated and printed as necessary to provide evidence of transactions throughout the year.

2. In addition, our prior audit report for the years ended December 31, 2010 and 2009 included noncompliance with Ohio Rev. Code §117.38, which requires cash-basis entities to file annual reports with the Auditor of State within 60 days of the fiscal year-end.

The Cemetery did not file an annual report with the Auditor of State for the years ended December 31, 2012 or 2011. Failure to file the reports may result in penalties and late fees. The Cemetery should implement procedures to submit the annual report to the Auditor of State's office within 60 days of year-end and place a notice in the local newspaper that the financial report is available for public inspection upon request.



**Dave Yost**  
Auditor of State

June 3, 2013



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**MT. CARMEL JOINT CEMETERY**

**CHAMPAIGN 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  
JUNE 18, 2013**