



Mary Taylor, CPA
Auditor of State

MALTA UNION CEMETERY
MORGAN COUNTY

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Mary Taylor, CPA

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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Mary Taylor, CPA
Auditor of State

November 30, 2009

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Mary Taylor, CPA

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, 2008 and 2007. 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 statements 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 union 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, 2008 and 2007 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, 2008 and 2007, 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 balances of the Malta Union Cemetery, Morgan County, Ohio, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2009, 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

November 30, 2009

**MALTA UNION CEMETERY
MORGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	2008	2007
Cash Receipts:		
Local Taxes	\$15,354	\$16,093
Sale of Lots	2,095	3,000
Intergovernmental	2,928	2,375
Interest	5,192	5,167
Miscellaneous	25	1,328
	25,594	27,963
Cash Disbursements:		
Current:		
Salaries	2,766	3,038
Supplies	143	460
Utilities	261	310
Contract Services	17,681	12,852
Public Employees' Retirement	876	930
Workers' Compensation	183	185
Miscellaneous	1,250	3,127
	23,160	20,902
Total Cash Receipts Over/(Under) Cash Disbursements	2,434	7,061
Cash Balances, January 1	120,496	113,435
Cash Balances, December 31	\$122,930	\$120,496

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

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**MALTA UNION CEMETERY
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

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. Cash

The Cemetery records certificates of deposit at cost.

D. Property, Plant and Equipment

The financial statements reports acquisitions of property, plant, and equipment as capital outlay disbursements when paid. The financial statement does 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>2008</u>	<u>2007</u>
Demand deposits	\$14,082	\$16,794
Certificates of deposit	108,848	103,702
Total deposits	<u>\$122,930</u>	<u>\$120,496</u>

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

**MALTA UNION CEMETERY
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(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 2007, OPERS members contributed 9.5 percent of their gross salaries. The Cemetery contributed an amount equaling 13.85 percent of participants' gross salaries. For 2008, OPERS members contributed 10.00 percent of their gross salaries. The Cemetery contributed an amount equaling 14.00 percent of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2008.

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.



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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, 2008 and 2007, and have issued our report thereon dated November 30, 2009, wherein we noted the Cemetery prepared its financial statement using accounting practices the Auditor of State prescribes or permits 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 to opine 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Cemetery's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Cemetery's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider findings 2008-001 and 2008-002 described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

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A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Cemetery's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. Of the significant deficiencies described above, we believe findings number 2008-001 and 2008-002 are also material weaknesses.

We also noted certain internal control matters that we reported to the Cemetery's management in a separate letter dated November 30, 2009.

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 did note certain noncompliance or other matters that we reported to the Cemetery's management in a separate letter dated November 30, 2009.

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



Mary Taylor, CPA
Auditor of State

November 30, 2009

**MALTA UNION CEMETERY
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007**

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

FINDING NUMBER 2008-001

Material Weakness

All local public offices shall 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, 2008 and 2007, 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 \$4,626 for 2007 and \$4,865 for 2008. There were also three receipts recorded in 2007 amounting to \$930 that were also recorded in 2006; there was a property tax replacement receipt in the amount of \$175 that was not recorded on the books; there was a check for \$200 that was voided that was still included as an expenditure; and there was an expenditure for \$294 that was recorded twice to the Cemetery's ledgers.

As a result, these significant adjustments were made to the financial statements 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 and ledgers.

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

FINDING NUMBER 2008-002

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, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Ohio Admin. Code Section 117-2-02(A) – The Cemetery Clerk-Treasurer posted beginning balances, revenues and expenditures incorrectly to the annual financial report for 2006 and 2005.	No	Not Corrected; repeated as finding number 2008-001.
2006-002	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 2008-002.



Mary Taylor, CPA
Auditor of State

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
DECEMBER 17, 2009**