



Mary Taylor, CPA
Auditor of State

**MT. CARMEL JOINT CEMETERY
CHAMPAIGN COUNTY**

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Mary Taylor, CPA

Auditor of State

Mt. Carmel Joint Cemetery
Champaign County
4499 Gray Road
Cable, Ohio 43009

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 statements due to a February 2, 2005 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 statements in accordance with GAAP. Our Report includes an 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 statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 18, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Mt. Carmel Joint Cemetery
Champaign County
4499 Gray Road
Cable, Ohio 43009

To the Board of Trustees:

We have audited the accompanying financial statements of the Mt. Carmel Joint Cemetery, Champaign County (the Cemetery), as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Cemetery'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 Cemetery has prepared these financial statements 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.

Revisions to GAAP would require the Cemetery to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2008 and 2007. While the Cemetery does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Cemetery has elected not to reformat its statements. Since the Cemetery does not use GAAP to measure financial statement amounts, 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 statements referred to above for the years ended December 31, 2008 and 2007 do 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 statements referred to above present fairly, in all material respects, the fund cash balances of Mt. Carmel Joint Cemetery, Champaign County, as of December 31, 2008 and 2007, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Cemetery to include Management's Discussion and Analysis for the years ended December 31, 2008 and 2007. 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 August 18, 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

August 18, 2009

**MT. CARMEL JOINT CEMETERY
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

Cash Receipts:

Intergovernmental	\$7,283
Charges for Services	3,186
Sale of Lots	250
Interest	47
Total Cash Receipts	<u>10,766</u>

Cash Disbursements:

Current:

Salaries	2,520
Supplies	348
Contracts - Services	5,355
Miscellaneous	639
Total Disbursements	<u>8,862</u>

Total Receipts Over Disbursements 1,904

Fund Cash Balance, January 1 10,091

Fund Cash Balance, December 31 \$11,995

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

**MT. CARMEL JOINT CEMETERY
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

Cash Receipts:	
Intergovernmental	\$7,316
Charges for Services	2,664
Sale of Lots	1,230
Interest	32
Total Cash Receipts	<u>11,242</u>
Cash Disbursements:	
Current:	
Salaries	2,222
Supplies	2,063
Contracts - Services	5,220
Miscellaneous	915
Total Disbursements	<u>10,420</u>
Total Receipts Over Disbursements	<u>822</u>
Fund Cash Balance, January 1	<u>9,269</u>
Fund Cash Balance, December 31	<u><u>\$10,091</u></u>

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

**MT. CARMEL JOINT CEMETERY
CHAMPAIGN 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 Mt. Carmel Joint Cemetery, Champaign County (the Cemetery) as a body corporate and politic. Wayne and Salem Townships appoint a three-member Board of Trustees to direct cemetery operations. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. The accompanying financial statements present this 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.

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 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.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

The Cemetery maintains an interest bearing checking account and has no investments.

D. Fund Accounting

The Cemetery uses fund accounting to segregate cash that is restricted as to use. The Cemetery classifies its funds into the following type:

1. General Fund

The General Fund is the general operating fund. It presents all financial resources except those required to be accounted for in another fund.

E. Budgetary Process

The Cemetery's Board budgets its General Fund annually.

1. Appropriations

The Board annually approves appropriation measures and subsequent amendments. Appropriations lapse at year end.

2. Estimated Resources

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

A summary of 2008 and 2007 budgetary activity appears in Note 3.

**MT. CARMEL JOINT CEMETERY
CHAMPAIGN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant, and Equipment

The financial statements report acquisitions of property, plant, and equipment as capital outlay disbursements when paid. The financial statements do not report these items as assets.

2. CASH

The Cemetery maintains an interest bearing checking account. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 follows:

	2008	2007
Demand deposits	\$11,995	\$10,091

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$13,850	\$10,766	(\$3,084)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$15,501	\$8,862	\$6,639

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$11,400	\$11,242	(\$158)

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$18,499	\$10,420	\$8,079

4. RETIREMENT SYSTEMS

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

The Ohio Revised Code also prescribes contribution rates. For 2008, members of OPERS participants contributed 10 percent of their wages. The Township contributed an amount equal to 14 percent of their wages to OPERS. For 2007, the member contribution rate was 9.5 percent and the employer rate was 13.85 percent. The Cemetery has paid all contributions required through December 31, 2008.

**MT. CARMEL JOINT CEMETERY
CHAMPAIGN COUNTY**

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

5. RISK MANAGEMENT

The Cemetery is insured by Wayne and Salem Townships for the following risks:

- Comprehensive property and general liability;

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Mary Taylor, CPA

Auditor of State

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

Mt. Carmel Joint Cemetery
Champaign County
4499 Gray Road
Cable, Ohio 43009

To the Board of Trustees:

We have audited the financial statements of the Mt. Carmel Joint Cemetery, Champaign County (the Cemetery), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated August 18, 2009, 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 statements, 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 a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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 finding 2008-001 described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

**Internal Control Over Financial Reporting
(Continued)**

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. We believe the significant deficiency described above as Finding 2008-001 is also a material weakness.

We also noted a certain internal control matter that we reported to the Cemetery's management in a separate letter dated August 18, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the Cemetery'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 an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2008-002.

We also noted certain noncompliance or other matters that we reported to the Cemetery's management in a separate letter dated August 18, 2009.

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



Mary Taylor, CPA
Auditor of State

August 18, 2009

**MT. CARMEL JOINT CEMETERY
CHAMPAIGN 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

Procedures for Maintaining Financial Records and Reporting

To reduce the risk of errors and/or irregularities and to improve financial reporting, an entity should have procedures and controls in place to help assure that accurate accounting records are maintained and financial statements are prepared in a timely manner. The following deficiencies were identified in the Cemetery's accounting records and financial statements:

- Financial statements were not prepared for 2008 or 2007 and supporting revenue and expenditure ledgers were not maintained in a manner to prepare the financial statements.
- Subsequently prepared records did not foot or cross foot, voucher packets were missing supporting documentation, the ledgers were missing entries for receipts and expenditures, and the beginning fund balance for 2007 did not agree to the prior audited ending balance.

The following errors were identified in the subsequently prepared annual financial statements:

- In 2007, the financial statements required adjustments of \$8,546 of to correctly classify the sale of lots and intergovernmental receipts. Reclassifications in the amount of \$2,063 were necessary to correctly classify supply disbursements. In addition, an adjustment of \$296 was required to intergovernmental receipts to correctly report this revenue and reconcile at the end of the year.
- In 2008, the financial statements required adjustments of \$8,967 to correctly classify the sale of lots and intergovernmental receipts. Reclassifications in amount of \$347 were necessary to correctly classify supply disbursements. In addition, an adjustment of \$80 was required to intergovernmental receipts to correctly report this revenue and reconcile at the end of the year.

The failure to maintain accurate and complete accounting records and to prepare financial statements that correctly present receipts, expenditures, and fund balances not only inhibits the user's ability to fully understand the results of operations, may result in material financial statement reporting errors, and may prevent the detection of errors and/or irregularities. The accounting records and accompanying financial statements have been adjusted to correct these financial reporting errors.

To help improve accountability and reduce the risk of errors and/or irregularities, procedures including but not limited to the following should be implemented

- A periodic review should be performed of the accounting records to help assure they are being maintained throughout the year, that the recorded activity is complete and correctly classified, and the reported balance reconciles to the bank balance.
- While not required, the Board has chosen to adopt an annual budget. To help monitor financial activity the Board should be presented with monthly budget versus actual revenue and expenditure reports. To improve the monitoring of budget versus actual activity, the activity classifications approved for budgeted receipts and expenditures should be the same or roll up into the classifications used for financial reporting. To further improve budgetary control, the Board should consider implementing various budgetary requirements such as those found in Ohio Revised Code Sections 5705.36, 5705.39, and 5705.41(B).

**FINDING NUMBER 2008-001
(Continued)**

If the Board chooses not to adopt an annual budget then they should be provided with monthly revenue and expenditures reports that agree with the presentation in the accounting records and annual financial statements.

- The Board should be presented with monthly bank to book reconciliations. Periodically, the Board should perform an in-depth review of bank to book reconciliations to help assure they agree to supporting documentation.
- Voucher packets should not be approved for payment unless they include the original supporting invoices. Procedures should be implemented to help assure that the voucher packets remain intact for future use.
- At year-end, the Board should perform a review to help assure that the annual financial statements are prepared timely and are in agreement with the accounting records.

The Fiscal Officer and Board should utilize accounting resources such as those provided on the Auditor of State website to help with the recording of receipts and expenditures and the preparation of annual financial statements.

FINDING NUMBER 2008-002

Noncompliance Citation

Ohio Rev. Code § 117.38 states, in part, that cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. These reports must be filed on forms prescribed by the Auditor of State. However, if the Auditor of State has not proscribed a form for the report, the public office shall submit its report on the form utilized by the public office. Any public office which does not file the report by the required date shall pay a penalty of twenty-five dollars each day the report remains unfilled, not to exceed seven hundred and fifty dollars. Also, the public office must publish notice in a local newspaper stating the financial report is available for inspection at the office of the Cemetery Clerk.

The Cemetery did not file their 2007 financial report with the Auditor of State. The 2008 report was not filed until April 14, 2009. In addition notice of availability was not published for 2008 or 2007. The Cemetery's Board should monitor the completion of the annual financial reports to help assure timely filing and publication and to prevent possible penalties.

OFFICIALS' RESPONSE: We did not receive a response from Officials to these findings.

**MT. CARMEL JOINT CEMETERY
CHAMPAIGN 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	The fiscal officer posted tax and intergovernmental revenues at net rather than gross.	Yes	
2006-002	Withholdings and Issuance of W-2s. The Cemetery did not issue W-2s or withhold Federal and State Tax.	Partially Corrected	Reported in a separate letter to management of the Cemetery.



Mary Taylor, CPA
Auditor of State

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
OCTOBER 13, 2009**