



**Auditor of State  
Betty Montgomery**



MALTA UNION CEMETERY  
MORGAN COUNTY

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**Auditor of State  
Betty Montgomery**

Malta Union Cemetery  
Morgan County  
320 North Best Road  
P.O. Box 548  
Malta, Ohio 45728-0428

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.

A handwritten signature in black ink that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

May 18, 2005

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Malta Union Cemetery  
Morgan County  
P.O. Box 548  
320 North Best Road  
Malta, Ohio 43758-0428

To the Board of Trustees:

We have audited the accompanying financial statement of Malta Union Cemetery, Morgan County, Ohio (the Cemetery), as of and for the years ended December 31, 2004 and 2003. 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 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 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.

Revisions to GAAP require the Cemetery to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the financial statement presented for 2004 (and 2003), the revisions require presenting entity-wide statements and also to present its larger (i.e., major) funds separately for 2004. 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 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 statement. Since the Cemetery does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reflected 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 year ended December 31, 2004, 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, 2004, or their changes in financial position for the year 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, 2004 and 2003, 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 year ended December 31, 2004. 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 statement.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2005, 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.



**Betty Montgomery**  
Auditor of State

May 18, 2005

**MALTA UNION CEMETERY  
MORGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN CASH BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

	<b>2004</b>	<b>2003</b>
<b>Cash Receipts:</b>		
Local Taxes	\$ 1,908	\$ 1,636
Intergovernmental	15,586	14,662
Sale of Lots	2,900	2,100
Interest	42	47
Miscellaneous	55	53
Total Cash Receipts	20,491	18,498
<b>Cash Disbursements:</b>		
Current:		
Salaries	3,077	3,077
Supplies	126	79
Utilities	287	288
Contracts - Services	10,572	11,590
Taxes & Insurance	851	994
Public Employees' Retirement	871	870
Workers' Compensation	190	191
Employment Services	104	153
Miscellaneous	672	505
Total Cash Disbursements	16,750	17,747
Total Cash Receipts Over/(Under) Cash Disbursements	3,741	751
Cash Balance, January 1	9,776	9,025
<b>Cash Balance, December 31</b>	<b>\$ 13,517</b>	<b>\$ 9,776</b>

*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 STATEMENT  
DECEMBER 31, 2004 AND 2003**

**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 Cemetery is directed by an appointed three-member Board of Trustees and an appointed Clerk/Treasurer. The Board is appointed by the Village of Malta and Malta Township. 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 accompanying financial statement presents this funding as Intergovernmental Receipts. The Cemetery provides for maintenance of the cemeteries under its jurisdiction. The Cemetery contracts with certain individuals for services, such as mowing and digging of graves.

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 and Investments**

The Cemetery deposits all available funds in an interest bearing checking and savings account.

**D. Budgetary Process**

The Cemetery is not required to follow the budgetary requirements under Ohio Revised Code Chapter 5705. Accordingly, no budgetary information is presented.

**E. Property, Plant, and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**2. CASH**

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

	<u>2004</u>	<u>2003</u>
Demand deposits	<u>\$ 13,517</u>	<u>\$ 9,776</u>

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

**MALTA UNION CEMETERY  
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**3. RETIREMENT SYSTEM**

The Cemetery's officials and 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 2004 and 2003, OPERS employee members contributed 8.5 percent of their gross salaries. The Cemetery contributes an amount equal to 13.55 percent of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2004.

**4. RISK MANAGEMENT**

**Commercial Insurance**

The Cemetery has obtained commercial insurance for the following risks:

- General Liability and Casualty;
- Equipment; and,
- Property.



**Auditor of State  
Betty Montgomery**

**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 428  
Malta, Ohio 43758-0428

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, 2004 and 2003, and have issued our report thereon dated May 18, 2005, wherein we noted the Cemetery prepared its financial statement using 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 to determine our auditing procedures in order to express our opinion on the financial statement and not to opine on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to specific deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Cemetery's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statement. A reportable condition is described in the accompanying Schedule of Findings as item 2004-001.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable condition described above is a material weakness. In a separate letter to the Cemetery's management dated May 18, 2005, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

### **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 we must report under *Government Auditing Standards*. In a separate letter to the Cemetery's management dated May 18, 2005, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the management and the Board of Trustees. It is not intended for anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

May 18, 2005

**MALTA UNION CEMETERY  
MORGAN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2004 AND 2003**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2004-001**

**Reportable Condition - Supporting Documentation**

The Cemetery should maintain supporting documentation for all disbursements made. 33% of the expenditures tested in 2003 and 14% of the expenditures tested in 2004 lacked supporting documentation. All of these expenditures were for contract labor (mowing) and no timesheet or other form of documentation, such as a written contract, for the services rendered was submitted by the contractor. As a result of not maintaining supporting documentation, errors and/or irregularities could occur and go undetected for a long period of time.

We recommend the Cemetery obtain a written contract for services to be rendered by contractors, and that the contractor provide an invoice of services in order for the Cemetery to disburse funds on that contract. Such contracts and invoices need to be maintained by the Cemetery as evidence that the services were actually received.





**Auditor of State  
Betty Montgomery**

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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  
JUNE 23, 2005**