



Mary Taylor, CPA
Auditor of State

**NEW STRAITSVILLE COAL TOWNSHIP UNION CEMETERY
PERRY COUNTY**

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Mary Taylor, CPA
Auditor of State

New Straitsville Coal Township Union Cemetery
Perry County
P.O. Box 244
New Straitsville, Ohio 43766

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 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 statements 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 statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

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September 3, 2008

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INDEPENDENT ACCOUNTANTS' REPORT

New Straitsville Coal Township Union Cemetery
Perry County
P.O. Box 244
New Straitsville, Ohio 43766

To the Board of Trustees:

We have audited the accompanying financial statements of New Straitsville Coal Township Union Cemetery, Perry County, Ohio (the Cemetery), as of and for the years ended December 31, 2007 and 2006. 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.

Instead of the accompanying financial statements presentation, GAAP require presenting entity wide statements and also presenting the Cemetery's larger (i.e., major) funds separately, when applicable. 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 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 statements referred to above for the years ended December 31, 2007 and 2006 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, 2007 and 2006, 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 New Straitsville Coal Township Union Cemetery, Perry County, as of December 31, 2007 and 2006, 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 September 3, 2008, 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.



Mary Taylor, CPA
Auditor of State

September 3, 2008

**NEW STRAITSVILLE COAL TOWNSHIP UNION CEMETERY
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Permanent	
Cash Receipts:			
Intergovernmental	\$18,825	\$	\$18,825
Charges for Services	4,600		4,600
Interest		4	4
Miscellaneous	1,500		1,500
	<u>24,925</u>		<u>24,929</u>
Total Cash Receipts	<u>24,925</u>	<u>4</u>	<u>24,929</u>
Cash Disbursements:			
Current:			
Salaries and Fringe Benefits	8,876		8,876
Contracts - Services	3,900		3,900
Public Health Services	4,183		4,183
Utilities	1,022		1,022
Bank Charges	0	24	24
Miscellaneous	180		180
	<u>18,161</u>	<u>24</u>	<u>18,185</u>
Total Cash Disbursements	<u>18,161</u>	<u>24</u>	<u>18,185</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>6,764</u>	<u>(20)</u>	<u>6,744</u>
Fund Cash Balances, January 1	<u>13,330</u>	<u>1,545</u>	<u>14,875</u>
Fund Cash Balances, December 31	<u><u>\$20,094</u></u>	<u><u>\$1,525</u></u>	<u><u>\$21,619</u></u>

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

**NEW STRAITSVILLE COAL TOWNSHIP UNION CEMETERY
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Governmental Fund Types		Totals
	General	Permanent	(Memorandum Only)
Cash Receipts:			
Intergovernmental	\$15,600	\$	\$15,600
Charges for Services	3,900		3,900
Interest		4	4
Miscellaneous	1,753		1,753
	<u>21,253</u>	<u>4</u>	<u>21,257</u>
Total Cash Receipts			
	<u>21,253</u>	<u>4</u>	<u>21,257</u>
Cash Disbursements:			
Current:			
Salaries and Fringe Benefits	7,039		7,039
Contracts - Services	2,700		2,700
Public Health Services	14,563		14,563
Utilities	1,119		1,119
Bank Charges	0	24	24
Miscellaneous	170		170
	<u>25,591</u>	<u>24</u>	<u>25,615</u>
Total Cash Disbursements			
	<u>25,591</u>	<u>24</u>	<u>25,615</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(4,338)</u>	<u>(20)</u>	<u>(4,358)</u>
Fund Cash Balances, January 1	<u>17,668</u>	<u>1,565</u>	<u>19,233</u>
Fund Cash Balances, December 31	<u><u>\$13,330</u></u>	<u><u>\$1,545</u></u>	<u><u>\$14,875</u></u>

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

**NEW STRAITSVILLE COAL TOWNSHIP UNION CEMETERY
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

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 New Straitsville Coal Township Union Cemetery, Perry County (the Cemetery), as a body corporate and politic. The Village of New Straitsville and Coal Township appoint a three-member Board of Trustees to direct cemetery operations. Coal Township also provides funding from locally levied property taxes 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. Fund Accounting

The Cemetery uses fund accounting to segregate cash and investments that are restricted as to use. The Cemetery classifies its funds into the following types:

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.

2. Permanent Fund

This fund accounts for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Cemetery's programs. The Cemetery had the following significant permanent fund:

Cemetery Endowment Fund - This fund receives interest from fund investments. Proceeds are used to maintain grave sites.

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.

**NEW STRAITSVILLE COAL TOWNSHIP UNION CEMETERY
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	<u>2007</u>	<u>2006</u>
Demand deposits	\$ 21,619	\$ 14,875

Deposits are insured by the Federal Deposit Insurance Corporation.

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 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 2006 OPERS employee members contributed 9.0 percent of their gross salaries. The Cemetery contributed an amount equal to 13.70 percent of participants' gross salaries. For 2007 OPERS employee members contributed 9.5 percent of their gross salaries. The Cemetery contributed an amount equal to 13.85 percent of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2007.

4. RISK MANAGEMENT

Commercial Insurance

The Cemetery has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Equipment; and
- Inland Marine.



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

New Straitsville Coal Township Union Cemetery
Perry County
P.O. Box 244
New Straitsville, Ohio 43766

To the Board of Trustees:

We have audited the financial statements of the New Straitsville Coal Township Union Cemetery, Perry County, Ohio (the Cemetery), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated September 3, 2008, wherein we noted the Cemetery prepared its financial statements 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 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 the following deficiency described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting: 2007-001.

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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. We do not believe the significant deficiency described above is a material weakness.

We also noted certain internal control matters that we reported to the Cemetery's management in a separate letter dated September 3, 2008.

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 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 September 3, 2008.

The Cemetery's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Cemetery's responses and, accordingly, we express no opinion on them.

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



Mary Taylor, CPA
Auditor of State

September 3, 2008

**NEW STRAITSVILLE COAL TOWNSHIP UNION CEMETERY
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

Significant Deficiency – Monitoring Financial Activity

When designing the public office's system of internal control and the specific control activities, management should plan for adequate segregation of duties or compensating controls.

The size of the Cemetery's staff did not allow for an adequate segregation of duties. The Clerk performed all accounting functions, including receipting, depositing, and disbursing. It is important that the Board of Trustees monitor financial activity closely. Although the Board approved all vouchers for payment and the Clerk included the monthly balance in the minutes, The Board did not retain documentation of the extent to which it reviewed the financial information to monitor the activities of the Cemetery. This could result in errors and/or irregularities occurring and remaining undetected for an extended period of time.

We recommend that, after the Clerk has performed the monthly bank reconciliation, the Board review the validity of the computations and attest to its accuracy. Also, the Board should carefully review and formally approve pertinent financial and budgetary information (i.e. cash book, receipts book), on a monthly basis, and make appropriate inquiries to help determine the continued integrity of financial information. Appropriate inquiries would include:

- Are current receipts sufficient to cover expenditures?
- Are receipts and expenditures in line with prior years?
- If unusual fluctuations in receipts or expenditures occur, is the reason understood, and taken into consideration for future spending?
- Are anticipated receipts being received in a timely manner?

The data obtained as a result of such reviews and inquiries will provide important information necessary to properly manage the Cemetery.

We also recommend that the Clerk and Board of Trustees become familiar with the Ohio Compliance Supplement to assist them in complying with applicable laws and regulations.

Officials' Response

We understand the above comment.



Mary Taylor, CPA
Auditor of State

NEW STRAITSVILLE COAL TOWNSHIP UNION CEMETERY

PERRY 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
SEPTEMBER 25, 2008**