



Mary Taylor, CPA
Auditor of State

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

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, with which the Board of Trustees and the management of New Straitsville Coal Township Union Cemetery, Perry County, Ohio (the Cemetery), agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2009 and 2008, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

Cash

1. We tested the mathematical accuracy of the December 31, 2009 and December 31, 2008 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2008 beginning fund balances recorded in the 2008 Cash Basis Annual Financial Report's Combining Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances to the December 31, 2007 balances in the prior year audited statements. We noted a \$50 variance in the Cemetery Fund. We also noted the Permanent Fund (Cemetery Endowment Fund) activity was not reported in the Cash Basis Annual Financial Report.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2009 and 2008 cash balances reported in the Cash Basis Annual Financial Report's Combining Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances. The amounts agreed. However, as noted in procedure 2 above, the January 1, 2008 beginning fund balance of the Cemetery Fund varied by \$50 from the December 31, 2007 audited balance. Therefore, the December 31, 2008, January 1, 2009, and December 31, 2009 Cemetery Fund balances were incorrectly reported in the 2008 and 2009 Cash Basis Annual Financial Report. In addition, the bank reconciliations and Cash Basis Annual Financial Reports did not include the Permanent Fund (Cemetery Endowment Fund) activity. The Permanent Fund (Cemetery Endowment Fund) had December 31, 2008 and 2009 balances of \$1,502 and \$1,470, respectively.
4. We confirmed the December 31, 2009 bank account balances with the Cemetery's financial institutions. We found no exceptions. We also agreed the confirmed balances for the Cemetery Fund to the amounts appearing in the December 31, 2009 bank reconciliation without exception. The Cemetery Endowment Fund balances were not included on the year-end bank reconciliations.

Cash (Continued)

5. We selected all outstanding checks from the December 31, 2009 bank reconciliation:
 - a. We traced each check to the debit appearing in the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and date written to the canceled check, to determine the checks were dated prior to December 31. We noted no exceptions.

Intergovernmental Cash Receipts

1. We agreed amounts paid from the Coal Township during 2009 and 2008, as documented on the Township Payment Register Vendor reports dated December 31, 2009 and 2008, to the Cemetery Cash Journal Report. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper account code. We found that receipts from Coal Township in the amount of \$13,275 in 2009 and \$17,300 in 2008, were reported as Property and Other Local Taxes, rather than as Intergovernmental Receipts, in the Cemetery's 2009 and 2008 Cash Basis Annual Financial Reports.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Charges for Services

We haphazardly selected 10 cash receipts for charges for services from the year ended December 31, 2009 and 10 cash receipts for charges for services from the year ended 2008 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the manual Cash Journal. The amounts agreed.
- b. Amount charged complied with rates in force during the period. We found no exceptions.
- c. Receipt was posted to the proper account code, and was recorded in the proper year. We found no exceptions.

Miscellaneous Receipts

Miscellaneous receipts exceeded 10 percent of all funds' receipts in 2008. Therefore, we tested the two cash receipts for miscellaneous receipts from the year ended December 31, 2008, recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the manual Cash Journal. The amounts agreed.
- b. Receipt was posted to the proper account code, and was recorded in the proper year. We found no exceptions.

We also noted that receipts of \$1,100 were improperly posted to Earnings on Investment instead of Miscellaneous Receipts.

Debt

1. We inquired of management, and scanned the manual Cash Journal for evidence of bonded or note debt issued during 2009 or 2008 or outstanding as of December 31, 2009 or 2008. We noted no new debt issuances, nor any debt payment activity during 2009 or 2008.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for all Cemetery employees from 2009 and one payroll check for all employees from 2008 from the manual Cash Journal and determined whether the following information in the minute record and clerk's manual payroll journals was consistent with the information used to compute gross and net pay related to this check:
 - a. Name.
 - b. Authorized salary or pay rate.
 - c. Department and fund to which the check should be charged.
 - d. Retirement system participation and payroll withholding.
 - e. Federal, State & Local income tax withholding authorization and withholding.
 - f. Any other deduction authorizations (deferred compensation, etc.).

We found no exceptions related to steps a. – f. above, except the retirement system enrollment forms and deduction authorization forms were not made available. However, the vouchers and manual payroll journals did disclose retirement withholdings and state and Medicare withholdings for the three cemetery employees and federal withholdings for the two part-time employees. We recommend the Cemetery maintain all documentation to support wages paid and deductions withheld.

2. We tested the checks we selected in step 1, as follows:
 - a. We compared the hours and pay rate, or salary amount used in computing gross pay to supporting documentation (timecard or legislatively-approved rate or salary). We found no exceptions.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
 - c. We determined whether the account code to which the check was posted was reasonable based on the employees' duties as documented in the minute record and prior audit workpapers. We also determined whether the payment was posted to the proper year. We noted that employees' salaries totaling \$11,660 in 2009 and \$9,049 in 2008, were misclassified as Public Health Services instead of Salaries and Fringe Benefits. We found no other exceptions.
3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2009 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2009. We noted the following:

Withholding	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income taxes	January 31, 2010	January 14, 2010	\$443.00 federal tax and \$129.57 Medicare (for entire fiscal year 2009)	\$702.12 (for entire fiscal year 2009)
State income taxes	January 15, 2010	January 18, 2010	\$8.91 (for fourth quarter)	\$8.91 (for fourth quarter)
OPERS retirement (withholding plus employee share)	January 30, 2010	December 29, 2009	\$22.75 (for December)	\$58.30 (includes a \$3.70 penalty charge and \$31.85 employer contribution)

Non-Payroll Cash Disbursements

1. For the manual Cash Journal, we refooted checks recorded as disbursements for *contracts* for 2009. We found no exceptions.
2. We agreed total disbursements (non-payroll and payroll) from the manual Cash Journal for the years ended December 31, 2009 and 2008 to the total disbursements recorded on the 2009 and 2008 Cash Basis Annual Financial Reports' Combining Statements of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances. We found no exceptions. The client maintained a manual Cash Journal; a check register was not presented.
3. We haphazardly selected ten disbursements from the manual Cash Journal for the year ended December 31, 2009 and ten from the year ended December 31, 2008 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the manual Cash Journal and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. The payment was posted to a proper account code. In addition to the ten haphazardly selected disbursements for 2009 and 2008, we also scanned the Cash Journal for proper account code postings. For 2009, disbursements totaling \$17,005 were misclassified as Public Health Services in the Cemetery's Cash Basis Annual Financial Report rather than as follows:
 - \$4,500 should have been reported as Contract Services;
 - \$180 should have been reported as Miscellaneous;
 - \$11,660 should have been reported as Salaries and Fringe Benefits; and
 - \$665 should have been reported as Utilities.For 2008, disbursements totaling \$15,125 were misclassified as Public Health Services in the Cemetery's Cash Basis Annual Financial Report rather than as follows:
 - \$4,650 should have been reported as Contract Services;
 - \$175 should have been reported as Miscellaneous;
 - \$9,049 should have been reported as Salaries and Fringe Benefits; and
 - \$1,251 should have been reported as Utilities.

Compliance – Contracts & Expenditures

We inquired of management and scanned the manual Cash Journal report for the years ended December 31, 2009 and 2008 for projects requiring the contractor to pay prevailing wages to their employees as required by Ohio Rev. Code Sections 4115.04 and 4115.05. We identified no projects subject to the aforementioned prevailing wage requirements.

Officials' Response – In future audits, the Cemetery Endowment Fund will be included within the Annual Report Financial Report and cashbook. We will also establish a receipt line item to account for intergovernmental receipts. Procedures will also be implemented to ensure proper postings and reduce the need for reclassifications. Employees will also complete forms to authorize payroll withholdings.

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We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Cemetery's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and those charged with governance and is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

July 12, 2010



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
AUGUST 19, 2010**