



Dave Yost • Auditor of State

**MT. CARMEL CEMETERY
CHAMPAIGN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Change in Fund Cash Balances – General Fund - For the Year Ended December 31, 2010	5
Statement of Cash Receipts, Cash Disbursements, and Change in Fund Cash Balances – General Fund - For the Year Ended December 31, 2009	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11
Schedule of Findings.....	13
Schedule of Prior Audit Findings.....	16

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Dave Yost • Auditor of State

Mt. Carmel Joint Cemetery
Champaign County
4109 Gray Road
Cable, OH 43009

To the 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 9, 2011

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INDEPENDENT ACCOUNTANTS' REPORT

Mt. Carmel Joint Cemetery
Champaign County
4109 Gray Road
Cable, OH 43009

To the Board of Trustees:

We were engaged to audit the accompanying financial statements of Mt. Carmel Joint Cemetery, Champaign County, (the Cemetery) as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Cemetery's management.

The cemetery presented us with financial statements reflecting the Cemetery's transactions for the audit period. However, the Township was unable to provide us with sufficient documentation or evidential matter to support the existence, valuation, completeness, and accuracy for any of the cash receipts, cash disbursements, line items or fund balance for the years ended December 31, 2010 and 2009.

Because of the significance of the matters described in the previous paragraph, the scope of our procedures was not sufficient to enable us to express, and we do not express an opinion on the financial statements referred to in paragraph 1 for the years ended December 31, 2010 and 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2011 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 black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 9, 2011

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**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, 2010**

Cash Receipts:	
Open/Close	\$2,400
Graves	4,250
Intergovernmental	8,165
Miscellaneous	23
Total Cash Receipts	<u>14,838</u>
Cash Disbursements:	
Payroll/Taxes	4,006
Supplies	1,022
Contracts - Services	9,613
Miscellaneous	200
Total Cash Disbursements	<u>14,841</u>
Total Receipts Over/(Under) Disbursements	<u>(3)</u>
Fund Cash Balance, January 1	<u>11,196</u>
Fund Cash Balance, December 31	<u><u>\$11,193</u></u>

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, 2009**

Cash Receipts:	
Intergovernmental	\$6,571
Graves	3,400
Open/Close	2,150
Miscellaneous	147
Total Cash Receipts	<u>12,268</u>
Cash Disbursements:	
Payroll/Taxes	6,006
Contract Services	5,400
Supplies	1,101
Miscellaneous	652
Total Cash Disbursements	<u>13,159</u>
Total Receipts over/(under) disbursements	(891)
Fund Cash Balance January 1	<u>12,087</u>
Fund Cash Balance December 31	<u><u>\$11,196</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, 2010 AND 2009**

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). Wayne and Salem Township 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 accounting basis. The Cemetery 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 reports all financial resources except those required to be accounted for in another fund.

E. Budgetary Process

The Cemetery Board budgets its General Fund annually.

1. Appropriations

The Board annually approves appropriation measures and any 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 2010 and 2009 budgetary activity appears in Note 3.

**MT. CARMEL JOINT CEMETERY
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Property, Plant, and Equipment

The Cemetery records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

2. EQUITY IN DEPOSITS

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

	2010	2009
Demand deposits	\$11,192	\$11,196

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$13,100	\$14,838	\$1,738

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$13,000	\$14,841	(\$1,841)

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$11,000	\$12,268	\$1,268

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$12,500	\$13,159	(\$659)

**MT. CARMEL JOINT CEMETERY
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

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 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 2010 and 2009, OPERS members contributed 10% of their gross salaries and the Cemetery contributed an amount equaling 14% of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2010.

5. Risk Management

Commercial Insurance

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

- Comprehensive property and general liability

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Dave Yost • 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
4109 Gray Road
Cable, OH 43009

To the Board of Trustees:

We were engaged to audit the financial statements of Mt. Carmel Joint Cemetery, Champaign County, (the Cemetery) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated August 9, 2011, wherein we disclaimed our opinion upon the financial statements because the Cemetery was unable to provide us with sufficient documentation or evidential matter to support the existence, valuation, completeness, and accuracy for any of the cash receipts, cash disbursements, line items, or fund cash balance.

Internal Control Over Financial Reporting

In planning and performing our engagement, we considered the Cemetery's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2010-002 described in the accompanying schedule of findings to be a material weakness.

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 and contracts, 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2010-001 through 2010-003.

We also noted certain matters not requiring inclusion in this report that we reported to the Cemetery's management in a separate letter dated August 9, 2011.

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, the Board of Trustees, and others within the Cemetery. We intend it for no one other than these specified parties.



Dave Yost
Auditor of State

August 9, 2011

**MT. CARMEL JOINT CEMETERY
CHAMPAIGN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

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

FINDING NUMBER 2010-001

Finding for Recovery – Repaid under Audit

Mt. Carmel Joint Cemetery receives tax rollback reimbursements from Wayne and Salem Townships twice a year. In 2009 and 2010, Wayne Township did not send the Cemetery the rollbacks for the 1st half of the year's property tax settlements, as listed below.

<u>Year</u>	<u>Amount</u>
2009	\$225
2010	244
Total	<u>\$469</u>

In accordance with the foregoing acts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies collected but unaccounted for is hereby issued against Wayne Township in the amount of \$469 and in favor of Mt. Carmel Joint Cemetery's General Fund.

Official's Response:

The Finding for Recovery was repaid while under audit by Wayne Township in the amount of \$469 on July 18, 2011 by check #11785.

FINDING NUMBER 2010-002

Noncompliance and Material Weakness

Ohio Admin. Code Sections 117-2-02(D) and (E) states All local public offices may maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides, and should consider the degree of automation and other factors. Such records **should** include the following:

1. Detailed cash journal, which contains the following information: The amount, date, receipt number, check number, account code, purchase order number, and any other information necessary to properly classify the transaction.
2. Receipts ledger, which assembles and classifies receipts into separate accounts for each type of receipt of each fund the public office uses. The amount, date, name of the payor, purpose, receipt number, and other information required for the transactions can be recorded on this ledger.
3. Disbursement ledger, which may assemble and classify disbursements or expenditure/expenses into separate accounts for, at a minimum, each account listed in the budget. The amount, date, check number, unencumbered balance, amount of disbursement, and any other information required may be entered in the appropriate columns.
4. In addition, all local public offices should maintain or provide a report similar to the following accounting records:

**FINDING NUMBER 2010-002
(Continued)**

- Payroll records including:
 - i. W-2's, W-4's and other withholding records and authorizations;
 - ii. Payroll journal that records, assembles and classifies by pay period the name of employee, social security number, hours worked, wage rates, pay date, withholdings by type, net pay and other compensation paid to an employee (such as a termination payment), and the account charged for the payments;
 - iii. Check register that includes, in numerical sequence, the check number, payee, net amount, and the date.

The Cemetery did not maintain any of the required ledgers or payroll registers during the audit period. We also noted the following weaknesses:

- Deposits were not posted to the checkbook register until the deposit cleared the bank;
- Checks were not written in sequential order nor are they recorded in the checkbook register until the check cleared the bank;
- Receipts were not written for all revenue collected;
- Deed book did not agree with actual sales of lots;
- No supporting documentation for opening/closing of graves nor were there reconciliations between burials and opening/closing of grave sites;
- Deposits were made in lump sum with no support documentation to identify specific receipts;
- Employees time were submitted in total by pay period with no dates or details;
- Employees' vouchers did not always contain all the details such as gross wages, deductions and net pay;
- Payroll deduction reports were not always maintained;
- Amounts on the financial statements did not agree with the amounts the townships sent;
- Vouchers did not have account codes or detail support documentation as to purpose.
- The Cemetery financial statement book balance was understated by \$901.

The above weaknesses could result in employees being paid incorrectly, financial statements being misstated, expenditures being paid multiple times, money not being deposited or checks not being recorded.

To improve accountability and reduce the risk of errors or irregularities, the following procedures should be implemented:

- A cashbook, receipt and disbursement ledgers should be maintained;
- A payroll register should be maintained;
- Deposits should be recorded when the deposit slip is written;
- Checks should be recorded in the cashbook, check register and disbursement ledger when issued;
- A receipt should be written for all revenue collected;
- Each sale of lots should be recorded in the deed book and reconciled at least monthly;
- Fiscal officer should reconcile the opening/closing of graves with burials at least monthly;
- Service bills, such as for backhoe, should state details such as purpose before paying to verify they are not being paid twice;
- Employee's time sheets should list details as to date and times worked;
- Vouchers should contain details or explanation of the expense;
- All payroll deduction reports should be maintained.

FINDING NUMBER 2010-003

Material Noncompliance

Ohio Rev. Code §117.38 states cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year-end. The Auditor of State may prescribe by rule or guidelines the forms for these reports. However, if the Auditor of State has not prescribed a reporting form, the public office shall submit its report on the form used by the public office. Any public office not filing the report by the required date shall pay a penalty of \$25 for each day the report remains unfiled, not to exceed \$750. The AOS may waive these penalties, upon the filing of the past due financial report.

The report shall contain the amount of: (A) receipts, and amounts due from each source; (B) expenditures for each purpose; (C) income of any public service industry that the entity owns or operates, as well as the costs of ownership or operation.

Additionally, public offices must publish notice in a local newspaper stating the financial report is available for public inspection at the office of the chief fiscal officer.

Mt. Carmel Joint Cemetery did not file the 2009 or 2010 annual reports with the Auditor of State's office within 60 days of the fiscal year-end. The 2009 and 2010 financial statements were presented to the auditors on June 9, 2011 and the notes to the financial statements on July 5, 2011. The fiscal officer did not place a notice in the local newspaper stating the 2009 or 2010 financial report was available for public inspection.

The fiscal officer should submit the annual report to the Auditor of State's office within 60 days of year-end. Also, she should place a notice in the local newspaper that the financial report is available for public inspection upon request.

Official's Response:

In response to Findings 2010-002 and 2010-003, the Mt. Carmel Joint Cemetery board has appointed a new clerk as of Sept. 1, 2011. We will make sure he has all the resources he needs to do the job. Many steps have already been taken.

MT. CARMEL JOINT CEMETERY
CHAMPAIGN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2008-001	Failure to maintain financial records and report to the Board	No	Modified and reissued; see 2010-002
2008-002	ORC Section 117.38 Failure to file annual reports	No	Reissued; see 2010-003



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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
NOVEMBER 10, 2011**