



Dave Yost • Auditor of State





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Malta Union Cemetery  
Morgan County  
1660 W. Coler Road NW  
Malta, Ohio 43758

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Malta Union Cemetery, Morgan County, Ohio (the Cemetery), for the years ended December 31, 2012 and 2011.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the Cemetery's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Cemetery's financial statements, transactions or balances for the years ended December 31, 2012 or 2011.

The Cemetery's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following accounting issues to report.

## Current Year Observations

1. For 2011 and 2012, the Cemetery did not present a cashbook, revenue ledger or appropriations ledger for the basic audit. In prior audits, the Cemetery utilized Quicken software for their accounting system. The Cemetery developed computer problems in late 2011 and discontinued the use of Quicken software and couldn't generate any accounting reports. Therefore, the only document the Cemetery maintained was a checkbook register which we were able to agree to the bank reconciliation at December 31, 2012. Not maintaining the proper accounting records could cause the Cemetery Clerk-Treasurer to have difficulty identifying, analyzing, classifying, recording and reporting its transactions in order to prepare accurate and complete financial statements. We recommend the Cemetery Clerk-Treasurer maintain the proper accounting records (Cash Journal, Revenue Ledger and Appropriation Ledger) in order to reflect the appropriate sources of the Cemetery's receipts and expenditures and to maintain running fund balances that are needed not only for the bank reconciliations but for preparing accurate and complete financial statements.
2. The Cemetery Clerk-Treasurer did not prepare accurate monthly reconciliations. The reconciliations did not include all accounts of the Cemetery, mainly just the main checking account. There was also no documentation of the governing board review of the bank statement.

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period.

Also, the Cemetery's small size requires governing board involvement with critical accounting processes (such as bank reconciliation) to compensate for the inability to segregate these duties. The absence of these reviews may be a material weakness in internal accounting control, resulting in inaccurate cash balances, or even undetected theft. Our prior audit also reported this deficiency.

### **Current Year Observations (Continued)**

3. We noted the posting of the Cemetery deed book was incomplete. In addition, duplicate receipts were only prepared for part of 2011 and were not prepared for 2012 for the sale of cemetery lots. Signatures, dates and notarizations were missing from for some deeds in the cemetery deed book. We also found the Cemetery accepted payments for the sale of cemetery lots; however, no accounts receivable ledger or notation in the cemetery deed book was available to determine the remaining amount left to be paid on the cemetery lots that were purchased under the payment plan. The Cemetery should be maintaining a subsidiary ledger for partial payments on deeds. Not maintaining an accurate and complete cemetery deed book along with duplicate receipts for each lot sold causes difficulty when determining which lots have been sold and paid in full and also difficulty in determining if receipts were deposited timely and recorded in the proper period. We recommend the Cemetery Clerk-Treasurer maintain an accurate and complete cemetery deed book and reconcile the cemetery deed book to the accounting records in order to ensure proper financial statements are prepared. The dates and amounts for when the payments were received should be noted in the cemetery deed book. We further recommend duplicate receipts be prepared for each lot sold.
4. During 2012 the Cemetery withheld \$120 in state taxes from the Cemetery Clerk-Treasurer's pay. We scanned the 2012 check register and noted that as of June 19, 2013, only \$30 had been remitted to the Ohio Department of Taxation. We recommend the Cemetery remit the remaining \$90 in state taxes to the Ohio Department of Taxation as soon as possible.

### **Current Status of Matters we Reported in our Prior Engagement**

1. In addition to the reconciling matter reported in item 2 above, our prior audit for the years ended December 31, 2010 and 2009 included a material weakness for beginning balances, revenues and expenditures being posted incorrectly to the annual financial reports. Beginning balances were not carried forward to the next year correctly and the receipts and expenditures recorded on the annual financial statements did not agree to the Cemetery's books. For 2011 and 2012, we found the Cemetery Clerk-Treasurer did not maintain the required accounting records (Cash Journal, Revenue Ledger and Appropriation Ledger) but only a check register. We also found the 2011 and 2012 annual financial reports' ending balances did not agree to the book balance listed on the December 31, 2011, and December 31, 2012 bank reconciliations and checkbook register. We recommend the Cemetery Clerk-Treasurer take additional care in preparing the annual financial statement report to ensure the Cemetery's year-end financial statements reflect the appropriate sources of the Cemetery's receipts and expenditures.



**Dave Yost**  
Auditor of State

July 8, 2013



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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  
JULY 23, 2013**