



Dave Yost • Auditor of State

UNION CEMETERY
TUSCARAWAS COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Union Cemetery
Tuscarawas County
227 West 7th Street
Uhrichsville, Ohio 44683

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Union Cemetery, Tuscarawas 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, 2016 and 2015, 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 and Investments

1. We tested the mathematical accuracy of the December 31, 2016 and December 31, 2015 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2015 beginning fund balances recorded in the Cash Journal to the December 31, 2014 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2016 beginning fund balances recorded in the Cash Journal to the December 31, 2015 balances in the Cash Journal. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2016 and 2015 cash balances reported in the Cash Journal. The amounts agreed.
4. We confirmed the December 31, 2016 bank account balances with the Cemetery's financial institutions. We agreed the confirmed balances to the amounts appearing in the December 31, 2016 bank reconciliation and noted that the Cemetery did not include in their reconciliation the balance of a savings account in the amount of \$150 used to receive escrow payments from a lease to own agreement. The Cemetery was able to reconcile their balances as the \$150 was expensed from the ledgers when the deposits were moved from the checking account to the savings account. The Cemetery should ensure that all bank balances are included in the monthly bank reconciliations to determine if the Cemetery's books are in balance.

Cash and Investments (Continued)

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2016 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the Cash Journal, to determine the debits were dated prior to December 31. We noted no exceptions.
6. We selected the only reconciling credit (such as deposits in transit) from the December 31, 2016 bank reconciliation. We noted that the credit of \$170 was carried as a reconciling item on the bank reconciliations dating back to March 2016. The reconciling item was necessary as one payroll payment to an employee was paid at the gross amount rather than net of taxes. The Board should approve to expense the amount or have the employee return the overpayment.
7. We tested investments held at December 31, 2016 and December 31, 2015 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code § 135.13 or 135.14. We noted no exceptions.

Property Taxes and Intergovernmental Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2016 and one from 2015:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Cash Journal. We noted the Fiscal Officer posted property tax receipts for 2016 and 2015 at gross distribution plus reimbursements, including Homestead and Rollback amounts, rather than at gross distribution, resulting in an overstatement of General Fund receipts and expenditures of \$4,927 for 2016 and \$4,990 for 2015. We recommend that the Fiscal Officer records property tax receipts at gross distribution and exclude reimbursement amounts.
 - b. We determined whether the receipt was allocated to the proper fund as required by Ohio Rev. Code §§ 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Cash Journal to determine whether it included two real estate tax receipts for 2016 and 2015. We noted the Cash Journal included the proper number of tax receipts for each year.
3. We selected all three receipts from the State Distribution Transaction Lists (DTL) from 2016 and all three from 2015. We also selected all three receipts from the County Auditor's Audit Export Report from 2016 and all three from 2015.
 - a. We compared the amount from the above reports to the amount recorded in the Cash Journal. The amounts agreed.

Property Taxes and Intergovernmental Receipts (Continued)

- b. We determined whether these receipts were allocated to the proper account codes. We noted that the Fiscal Officer recorded property tax reimbursements, such as Tangible Personal Property Tax and Homestead and Rollback receipts as Property Tax revenue instead of Intergovernmental Revenue. A total of \$17,299 for 2016 and \$10,003 for 2015 was misclassified. We recommend that the Fiscal Officer record these reimbursement receipts as Intergovernmental Revenue in order to have accurate financial reporting.
- c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Sales of Lots and Charges for Services

We haphazardly selected 10 cash receipts for sales of lots and charges for services from the year ended December 31, 2016 and 10 cash receipts for sales of lots and charges for services from the year ended 2015 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Cemetery Lot Cashbook Report. The amounts agreed.
- b. Amount charged complied with rates in force during the period. We found one exception as the collection for one interment was \$35 over the listed price.
- c. Receipt was posted to the proper account codes, and was recorded in the proper year. We found no exceptions.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2014.
2. We inquired of management, and scanned the Cemetery Board Minutes and Cash Journal for evidence of debt issued during 2016 or 2015 or debt payment activity during 2016 or 2015. We noted no new debt issuances, nor any debt payment activity during 2016 or 2015.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2016 and one payroll check for five employees from 2015 from the Cash Journal and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Account Report 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 Cash Journal. We found no exceptions.
 - c. We determined whether the account code to which the check was posted were reasonable based on the employees' duties as documented in minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.

Payroll Cash Disbursements (Continued)

2. For any new employees selected in step 1 we determined whether the following information in the employees' personnel files 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

We noted that employee files were not maintained by the Cemetery, and therefore, withholding authorizations for taxes and retirement system participation were not on file. However, the Cash Journal did disclose retirement and tax withholdings for the employees. We recommend the Cemetery maintain all documentation to support wages paid and deductions withheld.

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2016 to determine whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2016. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2017	October 31, 2016 November 30, 2016 December 31, 2016 January 2, 2017	\$2,407	\$2,407
State income taxes	January 15, 2017	January 4, 2017	\$421	\$421
Uhrichsville City Income tax	January 31, 2017	December 31, 2016	\$170	\$170
OPERS retirement	January 30, 2017	January 25, 2017	\$1,629	\$1,629

Non-Payroll Cash Disbursements

1. From the Cash Journal, we re-footed checks recorded as disbursements for *repairs* for 2016. We found no exceptions.
2. We haphazardly selected ten disbursements from the Cash Journal for the year ended December 31, 2016 and ten from the year ended 2015 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 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. We found no exceptions.

Non-Payroll Cash Disbursements (Continued)

- d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code § 5705.41(D). We found six instances in 2016 and eight instances in 2015 where the certification date was after the vendor invoice date and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code § 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. We compared the total estimated receipts from the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances*, required by Ohio Rev. Code § 5705.36(A)(1), to the amounts recorded in the Cash Journal for the General and Underwood Bequest Funds for the years ended December 31, 2016 and 2015. The fiscal officer did not post the estimated revenue to the Cash Journal.
2. We scanned the appropriation measures adopted for 2016 and 2015 to determine whether, for the General Fund, the Trustees appropriated separately for “each office, department, and division, and within each, the amount appropriated for personal services,” as is required by Ohio Rev. Code § 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code §§ 5705.38 and 5705.40, to the amounts recorded in the Cash Journal for 2016 and 2015 for the General Fund. The amounts on the appropriation resolutions were not recorded on the Cash Journal.
4. Ohio Rev. Code §§ 5705.36(A)(5) and 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General and Underwood Bequest Funds for the years ended December 31, 2016 and 2015. We noted that General Fund appropriations for 2015 exceeded certified resources by \$35,803, contrary to Ohio Rev. Code § 5705.39. The Trustees should not pass appropriations exceeding certified resources. Allowing this to occur could cause the Cemetery to incur fund balance deficits.
5. Ohio Rev. Code § 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2016 and 2015 for the General and Underwood Bequest Funds, as recorded in the Cash Journal. We noted that General Fund expenditures for 2016 exceeded total appropriations by \$53,240 and the Underwood Bequest Fund expenditures for 2015 exceeded total appropriations by \$8,368, contrary to Ohio Rev. Code § 5705.41(B). The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Fiscal Officer may request the Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary and if resources are available.
6. Ohio Rev. Code § 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Cash Journal for evidence of new restricted receipts requiring a new fund during December 31, 2016 and 2015. We also inquired of management regarding whether the Cemetery received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Rev. Code § 5705.09 would require the Cemetery to establish a new fund.

Compliance – Budgetary (Continued)

7. We inquired of management and scanned the Cash Journal to determine whether the Cemetery elected to establish reserve accounts permitted by Ohio Rev. Code § 5705.13. We noted the Cemetery established a budget stabilization reserve account within the General Fund. We noted the Cemetery properly excluded this balance from its unencumbered General Fund balance when certifying carryover balances available for appropriation at December 31, 2016 and 2015. Ohio Rev. Code § 5705.13(A) limits the balance in this account to five per cent of the preceding year's receipts. The balance in this account was \$38,478 as of December 31, 2016, and was \$36,946 as of December 31, 2015, which did exceed this limit.
8. We scanned the Cash Journal for the years ended December 31, 2016 and 2015 for negative cash fund balance. Ohio Rev. Code § 5705.10 (I) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. We noted no funds having a negative cash fund balance.

Other Compliance

Ohio Rev. Code § 117.38 requires entities to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify the Cemetery filed their financial information within the allotted timeframe for the years ended December 31, 2016 and 2015. No exceptions were noted.

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, those charged with governance, and others within the Cemetery, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State
Columbus, Ohio

April 27, 2017



Dave Yost • Auditor of State

UNION CEMETERY

TUSCARAWAS 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
MAY 11, 2017