



Dave Yost • Auditor of State



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Gnadenhutten Clay Union Cemetery
Tuscarawas County
156 Spring Street
Gnadenhutten, Ohio 44629

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Gnadenhutten Clay Union Cemetery, Tuscarawas County, Ohio (the Cemetery), for the years ended December 31, 2017 and 2016.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code § 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, 2017 or 2016.

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

Current Year Observations

1. Ohio Rev. Code §117.38 states that each public office, other than a state agency, shall file a financial report for each fiscal year. The report shall be certified by the proper officer or board and filed with the Auditor of State within sixty days after the close of the fiscal year, except that public offices reporting pursuant to generally accepted accounting principles shall file their reports within one hundred fifty days after the close of the fiscal year.

The Cemetery did not file within the required time period as the 2017 financial report due on March 1, 2018 was not filed until March 14, 2018, and the 2016 financial report due on March 1, 2017 was not filed until March 6, 2018.

The Cemetery should ensure that the required reports are filed by the annual deadline. Our prior basic audit also reported this issue.

2. Ohio Rev. Code §145.51 requires that each employer described in division (D) of §145.01 of the Rev. Code shall pay into the employers' accumulation fund, in such monthly or less frequent installments as the public employees retirement board requires, an amount certified by the board which equals the employer obligation as described in §145.12 of the Rev. Code. In addition, the board shall add the employer billing next succeeding the amount, with interest, to be paid by the employer to provide the member with contributing service credit for the service prior to the date of initial contribution to the system for which the member has made additional payments, except payments made pursuant to §§145.28 and 145.29 of the Rev. Code. Ninety days after the end of a quarterly period, any amounts that remain unpaid are subject to a penalty for late payment in the amount of five percent. In addition, interest on past due amounts and penalties may be charged at a rate set by the retirement board.

The Cemetery paid each Trustee \$200 annually. Each Trustee was considered to be a public employee eligible for retirement through the Ohio Public Employee Retirement System (OPERS). However, OPERS was not withheld and paid.

Current Year Observations (Continued)

2. Ohio Rev. Code §145.51 (Continued)

Additionally, the Cemetery did not withhold and pay the required 14% employer matching amount. As a result, the Cemetery could be subject to penalties along with owing OPERS for 2017, 2016 and any preceding year where OPERS was not withheld and paid.

The Cemetery should begin withholding, including the employer portion, and paying OPERS for each Trustee.

This matter will be referred to OPERS for whatever action deemed necessary. Our prior basic audit also reported this issue.

3. Ohio Rev. Code § 5705.41(B) states that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated.

While the Cemetery's minutes documented that appropriations were approved on March 13, 2017, the Cemetery was unable to provide the actual appropriations for 2017 to support this approval. Additionally, appropriations were not filed with the County Auditor. Therefore, we determined appropriations to be \$0 for 2017, and actual expenditures exceeded appropriations by \$26,300.

The Cemetery should approve annual appropriations by the required date annually and provide support for those amounts approved as appropriations. The Board should review expenditure versus appropriated amounts throughout the year. Any expenditures exceeding appropriated amounts should not be approved by the Board. Failure to implement these procedures could result in the Cemetery spending more money than it has available leading to negative fund balances.

4. Ohio Admin. Code §117-2-02(C)(1) requires all local public offices to integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system in order to effectively maintain the accounting and budgetary records. However, we noted that the Cemetery did not integrate estimated revenue, Board approved appropriations and encumbrances into their accounting software. As a result, there was an increased risk of the Cemetery utilizing inaccurate budgetary information when making decisions.

The Cemetery should integrate all budgetary information into their ledgers. This will help to improve the accuracy of information reported and provide accurate budget versus actual comparisons which will allow management and the Board to make informed financial decisions.

Our prior basic audit also reported this issue.



Dave Yost
Auditor of State
Columbus, Ohio

April 5, 2018



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GNADENHUTTEN CLAY 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
APRIL 17, 2018**