



OHIO AUDITOR OF STATE  
**KEITH FABER**





**UNION CEMETERY  
TUSCARAWAS COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Union Cemetery  
Tuscarawas County  
918 Parrish St  
Uhrichsville, Ohio 44683

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Union Cemetery, Tuscarawas County, Ohio (the Cemetery), as of and for the years ended December 31, 2018 and 2017.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Cemetery's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Cemetery's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the Cemetery prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Cemetery does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Cemetery as of December 31, 2018 and 2017, and the respective changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Union Cemetery, Tuscarawas County as of December 31, 2018 and 2017, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 2.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cemetery's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 23, 2019

**Union Cemetery**  
*Tuscarawas County*  
*Combined Statement of Receipts, Disbursements and*  
*Changes In Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2018*

	All Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$222,427	\$0	\$222,427
Charges for Services	22,567	0	22,567
Sale of Lots	7,898	0	7,898
Intergovernmental	27,932	0	27,932
Earnings on Investments	247	0	247
Miscellaneous	7,331	0	7,331
General Fund Balance reserve	878	0	878
<b>Total Cash Receipts</b>	<b>289,280</b>	<b>0</b>	<b>289,280</b>
<b>Cash Disbursements</b>			
Current Disbursements:			
Salaries	114,130	0	114,130
Supplies	2,142	0	2,142
Equipment	25,024	0	25,024
Contracts - Repair	7,324	0	7,324
Public Employees' Retirement	15,978	0	15,978
Workers' Compensation	2,144	0	2,144
Medical Insurance	35,373	0	35,373
Utilities	5,088	0	5,088
County Auditor Fees	17,911	0	17,911
Oil and Gas	2,341	0	2,341
Property Insurance	4,095	0	4,095
Material	1,220	0	1,220
Miscellaneous	2,312	0	2,312
<b>Total Cash Disbursements</b>	<b>235,082</b>	<b>0</b>	<b>235,082</b>
<b>Excess Receipts Over (Under) Disbursements</b>	<b>54,198</b>	<b>0</b>	<b>54,198</b>
<b>Net Change in Fund Cash Balance</b>	<b>54,198</b>	<b>0</b>	<b>54,198</b>
<b>Fund Cash Balances, January 1</b>	<b>95,069</b>	<b>15,994</b>	<b>111,063</b>
<b>Fund Cash Balances, December 31</b>			
Restricted	0	15,994	15,994
Assigned	40,300	0	40,300
Unassigned (Deficit)	108,967	0	108,967
<b>Fund Cash Balances, December 31</b>	<b>149,267</b>	<b>\$15,994</b>	<b>\$165,261</b>

*The notes to the financial statements are an integral part of this statement.*

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**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges for Union Cemetery, Tuscarawas County, (the Cemetery). The City of Uhrichsville, the Village of Dennison, and Mill Township appoint a three-member Board of Trustees to direct cemetery operations. The Cemetery receives property tax revenue voted on by the three subdivisions for its operating and upkeep. The accompanying financial statements classify the tax levy as Local Taxes. 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.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Cemetery's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental and fiduciary fund types which is organized on a fund type basis.

***Fund Accounting***

The Cemetery uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Cemetery are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Cemetery for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Cemetery had the following significant Special Revenue Fund:

***Underwood Bequeath Fund*** This fund receives bequeath receipts for the maintenance of Cemetery and the Lanning-Underwood burial plot and the construction of the Cemetery entrance way.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Budgetary Process***

The Ohio Revised Code requires that each fund be budgeted annually.

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and any subsequent amendments. Appropriations lapse at year end.

***Estimated Resources*** Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

***Encumbrances*** The Ohio Revised Code requires the Cemetery to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Cemetery did not use the encumbrance method of accounting.

A summary of 2018 budgetary activity appears in Note 3.

***Deposits and Investments***

The Cemetery's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

***Capital Assets***

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

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Cemetery must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Cemetery classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Balance (Continued)***

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Trustees can *commit* amounts via formal action (resolution). The Cemetery must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Cemetery Trustees or a Cemetery official delegated that authority by resolution, or by State Statute.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Cemetery applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$162,000	\$289,280	\$127,280
Special Revenue	0	0	0
Total	\$162,000	\$289,280	\$127,280

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$241,450	\$235,082	\$6,368
Special Revenue	0	0	0
Total	\$241,450	\$235,082	\$6,368

**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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**Note 4 – Deposits**

The Cemetery maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	<u>2018</u>
Demand deposits	\$136,435
Certificates of deposit	27,475
Other time deposits (savings and NOW accounts)	<u>1,351</u>
Total deposits	<u>165,261</u>

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Cemetery;

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the taxing authority.

**Note 6 – Risk Management**

***Commercial Insurance***

The Cemetery has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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**Note 7 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

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. 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, 2018.

**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2018.

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**Union Cemetery**  
*Tuscarawas County*  
**Combined Statement of Receipts, Disbursements and**  
**Changes In Fund Balances (Regulatory Cash Basis)**  
*All Governmental Fund Types*  
**For the Year Ended December 31, 2017**

	All Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$162,484	\$0	\$162,484
Charges for Services	21,755	0	21,755
Sale of Lots	26,145	0	26,145
Intergovernmental	20,656	0	20,656
Earnings on Investments	140	0	140
Miscellaneous	6,359	0	6,359
General Fund Balance reserve	2,905	0	2,905
<b>Total Cash Receipts</b>	<b>240,444</b>	<b>0</b>	<b>240,444</b>
<b>Cash Disbursements</b>			
<b>Current Disbursements:</b>			
Salaries	104,036	0	104,036
Supplies	1,849	0	1,849
Equipment	505	0	505
Contracts - Repair	7,994	0	7,994
Public Employees' Retirement	14,565	0	14,565
Workers' Compensation	1,544	0	1,544
Medical Insurance	32,800	0	32,800
Utilities	4,430	0	4,430
County Auditor Fees	14,893	0	14,893
Oil and Gas	2,582	0	2,582
Property Insurance	3,457	0	3,457
Material	874	0	874
Audit	2,882	0	2,882
Miscellaneous	2,393	0	2,393
<b>Total Cash Disbursements</b>	<b>194,804</b>	<b>0</b>	<b>194,804</b>
<b>Excess Receipts Over (Under) Disbursements</b>	<b>45,640</b>	<b>0</b>	<b>45,640</b>
<b>Net Change in Fund Cash Balance</b>	<b>45,640</b>	<b>0</b>	<b>45,640</b>
<b>Fund Cash Balances, January 1</b>	<b>49,429</b>	<b>15,994</b>	<b>65,423</b>
<b>Fund Cash Balances, December 31</b>			
Restricted	0	15,994	15,994
Assigned	79,450	0	79,450
Unassigned (Deficit)	15,619	0	15,619
<b>Fund Cash Balances, December 31</b>	<b>95,069</b>	<b>\$15,994</b>	<b>\$111,063</b>

*The notes to the financial statements are an integral part of this statement.*

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**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**-Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges for Union Cemetery, Tuscarawas County, (the Cemetery). The City of Uhrichsville, the Village of Dennison, and Mill Township appoint a three-member Board of Trustees to direct cemetery operations. The Cemetery receives property tax revenue voted on by the three subdivisions for its operating and upkeep. The accompanying financial statements classify the tax levy as Local Taxes. 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.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Cemetery's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental and fiduciary fund types which is organized on a fund type basis.

***Fund Accounting***

The Cemetery uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Cemetery are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Cemetery for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Permanent Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Cemetery had the following significant Special Revenue Fund:

***Underwood Bequeath Fund*** This fund receives bequeath receipts for the maintenance of Cemetery and the Lanning-Underwood burial plot and the construction of the Cemetery entrance way.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Budgetary Process***

The Ohio Revised Code requires that each fund be budgeted annually.

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and any subsequent amendments. Appropriations lapse at year-end.

***Estimated Resources*** Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

***Encumbrances*** The Ohio Revised Code requires the Cemetery to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Cemetery did not use the encumbrance method of accounting.

A summary of 2017 budgetary activity appears in Note 3.

***Deposits and Investments***

The Cemetery's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

***Capital Assets***

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

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Cemetery must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Cemetery classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Balance (Continued)***

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Trustees can *commit* amounts via formal action (resolution). The Cemetery must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Cemetery Trustees or a Cemetery official delegated that authority by resolution, or by State Statute.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Cemetery applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$160,292	\$240,444	\$80,152
Special Revenue	0	0	0
Total	\$160,292	\$240,444	\$80,152

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$202,171	\$194,804	\$7,367
Special Revenue	0	0	0
Total	\$202,171	\$194,804	\$7,367

**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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**Note 4 – Deposits**

The Cemetery maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	<u>2017</u>
Demand deposits	\$82,887
Certificates of deposit	27,426
Other time deposits (savings and NOW accounts)	<u>750</u>
Total deposits	<u>111,063</u>

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Cemetery;

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the taxing authority.

**Note 6 – Risk Management**

***Commercial Insurance***

The Cemetery has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**Note 7 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

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.

**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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**Note 7 – Defined Benefit Pension Plan (Continued)**

The Ohio Revised Code also prescribes contribution rates. 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, 2017.

**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2017. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2017.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Union Cemetery  
Tuscarawas County  
918 Parrish Street  
Uhrichsville, Ohio 44683

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements cash balances, receipts, and disbursements by fund type of Union Cemetery, Tuscarawas County, Ohio (the Cemetery), as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, and have issued our report thereon dated December 23, 2019, wherein we noted the Cemetery followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Cemetery's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Cemetery's internal control. Accordingly, we have not opined on it.

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 combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Cemetery's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider findings 2018-003 and 2018-004 to be material weaknesses.

***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, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining 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 2018-001 and 2018-002.

***Cemetery's Response to Findings***

The Cemetery's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not subject the Cemetery's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Cemetery's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Cemetery's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 23, 2019



**UNION CEMETERY  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2018 AND 2017**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2018-001**

**Noncompliance**

**Ohio Rev. Code § 9.38** provides public money must be deposited by a public official other than a state officer, employee, or agent with the treasurer of the public office or to a designated depository on the business day following the day of receipt if the total amount exceeds \$1,000. Public money collected for other public offices must be deposited by the first business day following the date of receipt.

If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than 3 business days after receiving it. If the public office is governed by a legislative authority, only the legislative authority may adopt the policy. The policy must include provisions and procedures to safeguard the money during the intervening period.

Sixty-Four percent of 2017 and eighty-nine percent of 2018 charges for service receipts tested were not deposited timely.

The Cemetery should deposit all receipts in a timely manner and ensure that receipts not yet deposited can be safeguarded.

**Officials' Response:** The Fiscal Officer is new to the position (started in February, 2019) and will make attempts to do better in the future.

**FINDING NUMBER 2018-002**

**Noncompliance**

**Ohio Rev. Code § 5705.41(D)(1)** prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in § 5705.41(D)(1) and § 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Cemetery can authorize the drawing of a warrant for the payment of the amount due. The Cemetery has thirty days from receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Cemetery.

**UNION CEMETERY  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2018 AND 2017  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2018-002  
(Continued)**

**Ohio Rev. Code § 5705.41(D)(1) (Continued)**

2. Blanket Certificates - Fiscal officers may prepare so-called “blanket” certificates not running beyond the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation. Purchase orders may not exceed an amount established by resolution or ordinance of the legislative authority, and cannot extend past the end of the fiscal year. In other words, blanket certificates cannot be issued unless there has been an amount approved by the legislative authority for the blanket.

3. Super Blanket Certificate - The Cemetery may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to exceed beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Thirty-three percent (33%) of the obligations tested were not certified by the Fiscal Officer at the time the commitment was incurred and there was no evidence that the Township followed the aforementioned exceptions.

Failure to properly certify the availability of funds can result in overspending and negative cash fund balances.

Unless the Cemetery uses the exceptions noted above, prior certification is not only required by statute, but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Cemetery’s funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are, or will be, available prior to obligation by the Cemetery. When prior certification is not possible, “then and now” certification should be used.

Cemetery officials and employees should obtain the Fiscal Officer’s certification of the availability of funds prior to the commitment being incurred. The most convenient certification method is to use purchase orders that include the certification language § 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Cemetery incurs a commitment, and only when the requirements of § 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

**Officials’ Response:** The Fiscal Officer is new to the position (started in February, 2019) and will make attempts to do better in the future.

**UNION CEMETERY  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2018 AND 2017  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2018-003**

**Material Weakness**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors were noted in the financial statements that required audit adjustments or reclassifications:

In 2018:

- General Fund Intergovernmental receipts were incorrectly posted as Taxes receipts in the amount of \$14,285.
- Bank transfers to the Escrow account were incorrectly recorded as Miscellaneous disbursements which resulted in an overstatement of Miscellaneous disbursements in the amount of \$600.
- Statement No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances on the financial statements and was codified as follows: GASB Cod. 1800.176 require reporting amounts as assigned when subsequent appropriations exceed estimated receipts. The Cemetery incorrectly reported the assigned portion of the General Fund cash fund balance as unassigned, in the amount of \$40,300.

In 2017:

- General Fund Intergovernmental receipts were incorrectly posted as Taxes receipts in the amount of \$14,328.
- A certificate of deposit redeemed in the amount of \$14,636 was posted as a Miscellaneous receipt which resulted in an overstatement of receipts. In addition, this resulted in footing errors in the financial statements.
- Bank transfers to the Escrow account were incorrectly recorded as Miscellaneous disbursements which resulted in an overstatement of Miscellaneous disbursements in the amount of \$600.
- An early withdrawal penalty in the amount of \$400 was not posted which resulted in an understatement of Miscellaneous disbursements.
- Statement No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances on the financial statements and was codified as follows: GASB Cod. 1800.176 require reporting amounts as assigned when subsequent appropriations exceed estimated receipts. The Cemetery incorrectly reported the assigned portion of the General Fund cash fund balance as unassigned, in the amount of \$79,450.

The Fiscal Officer made classification errors in posting receipts and expenditures. In addition, bank transfers were noted as disbursements. This caused the incorrect posting of receipts and disbursements as noted above. The audited financial statements and the Cemetery's manual accounting system have been adjusted for the issues noted above.

**UNION CEMETERY  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2018 AND 2017  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2018-003  
(Continued)**

**Material Weakness (Continued)**

The Fiscal Officer should seek guidance on the correct line items to post various receipts and disbursements for the Cemetery to ensure the Cemetery's financial statements are complete and accurate. The Fiscal Officer should also review Auditor of State Bulletin 2011-004 for Statement No. 54 of the Governmental Accounting Standards Board (GASB) for proper reporting of fund balances on the financial statements.

**Officials' Response:** The Fiscal Officer is new to the position (started in February, 2019) and will make attempts to do better in the future. The necessary audit adjustment was made to the records.

**FINDING NUMBER 2018-004**

**Material Weakness**

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Cemetery and the appropriation ledger provides the process by which the Cemetery controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Cemetery and the receipts ledger provides the process by which the Cemetery controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The Cemetery did not have procedures in place to post authorized budgetary measures to the accounting system. The appropriations approved by the Board were not posted to the accounting system due to an appropriations ledger not being maintained. Additionally, the approved Certificates of Estimated Resources (and/or amendments thereof) were not posted to the accounting system due to a receipts ledger not being maintained.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Cemetery should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Board. The Cemetery should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

**Officials' Response:** The Fiscal Officer is new to the position (started in February, 2019) and will make attempts to do better in the future.

OHIO AUDITOR OF STATE  
**KEITH FABER**



**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  
JANUARY 7, 2020**