



OHIO AUDITOR OF STATE  
**KEITH FABER**





**UNION CEMETERY  
TUSCARAWAS COUNTY**

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**INDEPENDENT AUDITOR'S REPORT**

Union Cemetery  
Tuscarawas County  
918 Parrish Street  
Uhrichsville, Ohio 44683

To the Board of Trustees:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of Union Cemetery, Tuscarawas County, Ohio (the Cemetery), which comprises the cash balances, receipts and disbursements for the governmental fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the governmental fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***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* section of our report, the accompanying financial statements 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, 2022 and 2021, or the changes in financial position thereof for the years then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Cemetery, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Cemetery on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Emphasis of Matter***

As discussed in Note 10 to the December 31, 2022 and 2021 financial statements, the financial impact of COVID 19 and the continuing emergency measures may impact subsequent periods of the Cemetery. We did not modify our opinion regarding this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cemetery's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cemetery's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cemetery's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cemetery's 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

January 11, 2024

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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, 2022**

	General	Special Revenue	Combined Total
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$248,771	\$0	\$248,771
Charges for Services	26,095	0	26,095
Sale of Lots	5,153	0	5,153
Intergovernmental	12,423	0	12,423
Earnings on Investments	157	0	157
General Fund Balance Reserve	1,362	0	1,362
Miscellaneous	16,678	0	16,678
<b>Total Cash Receipts</b>	<b>310,639</b>	<b>0</b>	<b>310,639</b>
<b>Cash Disbursements</b>			
<b>Current Disbursements:</b>			
Salaries	135,464	0	135,464
Supplies	4,247	0	4,247
Equipment	38,940	0	38,940
Contracts - Repair	27,221	0	27,221
Public Employees' Retirement	13,547	0	13,547
Workers' Compensation	1,309	0	1,309
Auditor of State	1,952	0	1,952
Taxes	3,000	0	3,000
Medical Insurance	62,230	0	62,230
Utilities	5,866	0	5,866
County Auditor Fees	5,638	0	5,638
Oil & Gas	8,011	0	8,011
Property Insurance	4,783	0	4,783
Material	3,232	0	3,232
Miscellaneous	12,553	0	12,553
<b>Total Cash Disbursements</b>	<b>327,993</b>	<b>0</b>	<b>327,993</b>
<b>Excess Receipts Over (Under) Disbursements</b>	<b>(17,354)</b>	<b>0</b>	<b>(17,354)</b>
<b>Net Change in Fund Cash Balance</b>	<b>(17,354)</b>	<b>0</b>	<b>(17,354)</b>
<b>Fund Cash Balances, January 1</b>	<b>165,508</b>	<b>15,994</b>	<b>181,502</b>
<b>Fund Cash Balances, December 31</b>	<b>\$148,154</b>	<b>\$15,994</b>	<b>\$164,148</b>

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

**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2022*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges for the 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 ground maintenance, opening and closing of graves, and the sale of grave lots.

The Cemetery’s management believes this financial statement presents all activities for which the Cemetery is financially accountable.

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

***Basis of Presentation***

The Cemetery’s financial statements consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental 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***

The financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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. 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 Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2022*

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***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) 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. The Cemetery did not use the encumbrance method of accounting.

A summary of 2022 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 statement does 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 statement does 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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Cemetery and the nonspendable portion of the corpus in permanent funds.

***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.

**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2022*

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**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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

**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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$233,000	\$310,639	\$77,639
Special Revenue	0	0	0
Total	\$233,000	\$310,639	\$77,639

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$353,647	\$327,993	\$25,654
Special Revenue	0	0	0
Total	\$353,647	\$327,993	\$25,654

**Note 4 – Deposits and Investments**

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:

**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2022*

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	2022
Demand deposits	\$110,749
Certificates of deposit	53,399
Total deposits	<u>164,148</u>

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation.

**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 statement includes 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 Plans**

***Ohio Public Employees Retirement System***

Cemetery 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 percent of their gross salaries, and the Cemetery contributed an amount equaling 14 percent of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2022.

**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2022*

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**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during 2022. The portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2022.

**Note 9 – Fund Balances**

The fund balance of special revenue funds is either restricted or committed.

**Note 10 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the Cemetery did not receive COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Cemetery. The impact on the Cemetery's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**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, 2021*

	General	Special Revenue	Combined Total
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$253,841	\$0	\$253,841
Charges for Services	27,498	0	27,498
Sale of Lots	7,673	0	7,673
Intergovernmental	12,623	0	12,623
Earnings on Investments	205	0	205
General Fund Balance Reserve	1,425	0	1,425
Miscellaneous	19,207	0	19,207
<b>Total Cash Receipts</b>	<b>322,472</b>	<b>0</b>	<b>322,472</b>
<b>Cash Disbursements</b>			
<i>Current Disbursements:</i>			
Salaries	124,492	0	124,492
Supplies	4,179	0	4,179
Equipment	14,257	0	14,257
Contracts - Repair	68,180	0	68,180
Public Employees' Retirement	17,429	0	17,429
Workers' Compensation	1,503	0	1,503
Auditor of State	3,506	0	3,506
ODJFS	1,323	0	1,323
Taxes	2,792	0	2,792
Medical Insurance	64,331	0	64,331
Utilities	5,314	0	5,314
County Auditor Fees	22,697	0	22,697
Oil & Gas	4,879	0	4,879
Property Insurance	3,744	0	3,744
Material	8,849	0	8,849
Miscellaneous	9,138	0	9,138
<b>Total Cash Disbursements</b>	<b>356,613</b>	<b>0</b>	<b>356,613</b>
<i>Excess Receipts Over (Under) Disbursements</i>	<i>(34,141)</i>	<i>0</i>	<i>(34,141)</i>
<i>Net Change in Fund Cash Balance</i>	<i>(34,141)</i>	<i>0</i>	<i>(34,141)</i>
<i>Fund Cash Balances, January 1</i>	<i>199,649</i>	<i>15,994</i>	<i>215,643</i>
<i>Fund Cash Balances, December 31</i>	<i>\$165,508</i>	<i>\$15,994</i>	<i>\$181,502</i>

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

**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges for the 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 ground maintenance, opening and closing of graves, and the sale of grave lots.

The Cemetery’s management believes this financial statement presents all activities for which the Cemetery is financially accountable.

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

***Basis of Presentation***

The Cemetery’s financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) all governmental fund types which are 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***

The financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

The statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.



**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2021*

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***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) 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. The Cemetery did not use the encumbrance method of accounting.

A summary of 2021 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 statement does 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 statement does 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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Cemetery and the nonspendable portion of the corpus in permanent funds.

***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.

**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2021*

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**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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

**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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$199,000	\$322,472	\$123,472
Special Revenue	0	0	0
Total	\$199,000	\$322,472	\$123,472

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$340,261	\$356,613	(\$16,352)
Special Revenue	0	0	0
Total	\$340,261	\$356,613	(\$16,352)

**Note 4 – Deposits and Investments**

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

**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2021*

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	2021
Demand deposits	\$128,232
Certificates of deposit	53,270
Total deposits	<u>181,502</u>

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation.

**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 statement includes 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 Plans**

***Ohio Public Employees Retirement System***

Cemetery 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 percent of their gross salaries, and the Cemetery contributed an amount equaling 14 percent of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2021.

**Union Cemetery**  
*Tuscarawas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2021*

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**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during 2021. The portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2021.

**Note 9 – Fund Balances**

The fund balance of special revenue funds is either restricted or committed.

**Note 10 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the Cemetery did not receive COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Cemetery. The impact on the Cemetery's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

# OHIO AUDITOR OF STATE KEITH FABER



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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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021, and related notes to the financial statements of Union Cemetery, Tuscarawas County, Ohio (the Cemetery) and have issued our report thereon dated January 11, 2024, wherein we noted the Cemetery followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Cemetery.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Cemetery's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cemetery's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cemetery's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. 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 Cemetery's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2022-001 through 2022-004 that we consider to be material weaknesses.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Cemetery's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2022-001.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the Cemetery's responses to the findings identified in our audit and described in the accompanying schedule of findings. The Cemetery's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cemetery's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cemetery's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

January 11, 2024

**UNION CEMETERY  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2022-001**

**Noncompliance and Material Weakness**

**Ohio Rev. Code § 5705.41(D)(1)** provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

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.

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.

2. Blanket Certificate - The fiscal officer may prepare "blanket" certificates for a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority, against any specific line item account over a period not running beyond the end of 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.

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, gasoline, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor. This certification is not to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Due to deficiencies in internal controls, the Cemetery did not properly utilize purchase orders, therefore one hundred percent (100%) 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 Cemetery followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending and negative cash fund balances.

Unless the exceptions noted above are used, 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.

**UNION CEMETERY  
TUSCARWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2022-001 (Continued)**

**Noncompliance and Material Weakness (Continued)**

To improve controls over disbursements and to help reduce the possibility of the Cemetery's funds exceeding budgetary spending limitations, the Fiscal Officer should certify 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.

**Officials' Response:** Clerk will attempt to utilize certificates prior to the expenditure of monies for future obligations as suggested with the use of the Then and Now & Super Blanket Certificates.

**FINDING NUMBER 2022-002**

**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:** Clerk will implement procedures to improve postings and reconciliations with the possibility of joining the UAN.



**UNION CEMETERY  
TUSCARWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021  
(Continued)**

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

**FINDING NUMBER 2022-003**

**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.

As a result of audit procedures performed, errors were identified in the Cemetery's financial statements that required audit adjustment and reclassification as follows:

2022 Adjustments:

Fund	Adjustment Description	Amount
General	To account for Dague Escrow Activity	\$601
General	To agree financial statement to ledger amounts	(\$6,940)
General	To reconcile to depository balance	\$691
General	Difference in Miscellaneous disbursements between ledger and HINKLE filing	(\$7,996)
General	To agree beginning fund balance to prior year audited balance	\$26,573

2021 Adjustments:

Fund	Adjustment Description	Amount
General	To account for Dague Escrow Activity	\$101
General	Bank transfer and withholding correction	(\$3,847)
General	To reconcile to depository balance	\$578
General	Difference in Miscellaneous disbursements between ledger and HINKLE filing	(\$2,967)
General	To agree beginning fund balance to prior year audited balance	\$26,375

The above adjustments have been agreed to by management, and the financial statements have been adjusted accordingly.

There were also insignificant errors noted for the mis-postings of Taxes, Intergovernmental and Miscellaneous receipts, as well as County Auditor fees in 2022 and 2021.

We also identified related errors and omissions in the footnotes that have been agreed to by management and adjusted accordingly.

Sound financial reporting is the responsibility of the Cemetery and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

To help ensure the Cemetery's financial statements and notes to the financial statements are complete and

**UNION CEMETERY  
TUSCARWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2022-003 (Continued)**

**Material Weakness (Continued)**

accurate, the Cemetery should adopt policies and procedures to identify and correct errors and omissions. In addition, the Cemetery should review the financial statements and notes prior to submission for audit.

**Officials' Response:** Clerk will implement procedures to improve postings and reconciliations with the possibility of joining the UAN.

**FINDING NUMBER 2022-004**

**Material Weakness**

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board is responsible for reviewing the reconciliations and related support.

Monthly bank to book reconciliations were not accurately prepared or reviewed for each month of 2022 and 2021. Numerous errors were noted, such as:

- Savings Escrow account activity was not recorded, therefore understating the cash balance by \$101 in 2021 and \$601 in 2022;
- Bank transfer activity was improperly recorded overstating receipts and disbursements in 2021 by \$2,654.
- Accounting or mathematical errors in the manual ledger resulted in totals not agreeing to the filed financial statements and adjustments necessary to reconcile bank to book balances

Adjustments to correct these errors have been agreed to by management, and the financial statements have been adjusted accordingly.

Failure to properly reconcile monthly increases the possibility that the Cemetery will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The Fiscal Officer should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Board should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

**Officials' Response:** Clerk will implement procedures to improve postings and reconciliations with the possibility of joining the UAN.

**UNION CEMETERY  
TUSCARAWAS COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**DECEMBER 31, 2022 AND 2021**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2018-001 & 2020-005	Ohio Rev. Code 9.38 – Deposits not made timely	Not Corrected	Occurrences are not as frequent and are therefore included in the management letter.
2018-002 & 2020-007	Ohio Rev. Code 5705.41(D) – Expenditures not properly encumbered	Not Corrected Repeated as Finding 2022-001	Lack of accounting practices of the clerk cause errors in budgetary requirements and financial reporting.
2018-003 & 2020-003	Financial Reporting	Not Corrected Repeated as Finding 2022-003	See 2018-002 above
2018-004 & 2020-004	Budgetary amounts not recorded in the accounting system	Not Corrected Repeated as Finding 2022-002	See 2018-002 above
2020-001	Payroll System Deficiencies	Partially Correct	All matters were corrected with the exception of State and Local withholdings support and therefore was included in the management letter.
2020-002	Bank Reconciliations	Not Corrected Repeated as Finding 2022-004	See 2018-002 above
2020-006	Ohio Rev. Code 5705.41(B)	Not Corrected	Variance is not material and therefore reported in the management letter

# OHIO AUDITOR OF STATE KEITH FABER



**UNION CEMETERY**

**TUSCARAWAS COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 1/30/2024**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)