



Dave Yost • Auditor of State



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

We have completed certain procedures in accordance with Ohio Rev. Code §117.01(G) to the accounting records and related documents of the Gnadenhutten-Clay Union Cemetery, Tuscarawas County, Ohio (the Cemetery), for the years ended December 31, 2015 and 2014.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code §117.11(A). Because our procedures were not designed to opine on the Cemetery's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Cemetery's financial statements, transactions or balances for the years ended December 31, 2015 or 2014.

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

Current Year Observations

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

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

Our prior basic audit also reported this issue.

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

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

Current Year Observations (Continued)

2. Ohio Rev. Code §145.51 (Continued)

Additionally, the Cemetery did not withhold and pay the required 14% employer matching amount. As a result, the Cemetery could be subject to penalties along with owing OPERS for 2015, 2014 and any preceding year where OPERS was not withheld and paid.

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

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

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

The Cemetery did not file within the required time period as the 2015 and 2014 financial reports were not filed until August 10, 2016.

The Cemetery should ensure that the required reports are filed by the annual deadline.

4. The Cemetery did not prepare formal monthly bank-to-book cash reconciliations comparing cash balances to book balance. The Cemetery operates mainly from the checking account as the cemetery has only one fund. Activity from this account was reconciled and reported to the Trustees along with the checking account balance. This information was approved by the Trustees. However, the Cemetery also has a savings account and a certificate of deposit. The activity related to these accounts was not included on the monthly statements for reconciliation.

As these accounts were not included in the reconciliation process, the Cemetery did not detect a bank error for the withdrawal of \$720 during 2014. Also during 2014, a withdrawal of cash in the amount of \$150 was not reported as an expenditure and support was not maintained.

The Cemetery should perform a complete and accurate bank to book reconciliation each month. The monthly bank to book reconciliations should clearly identify all bank balances and each reconciling item that reduces or increases the bank balances to the Cemetery's balance presented on the monthly financial statements. Support should be maintained for all reconciling items noted in the monthly bank to book reconciliations. Additionally, the monthly bank to book reconciliations should be submitted to the Cemetery Trustees for approval. This will help strengthen the Cemetery's internal controls over the monthly bank to book reconciliation process and help ensure errors or omissions are detected timely reducing the risk funds could be misappropriated.

5. The Cemetery did not maintain supporting documentation for one payment made to their cemetery sexton. The Fiscal Officer stated that the Cemetery Sexton, Tom Miller, had performed work on his own time for the Fry's Valley Cemetery for the opening and closing of a grave. Rather than paying Mr. Miller directly, the Fry's Valley Cemetery sent a check in the name of the Gnadenhutten-Clay Union Cemetery in order for him to be paid. The Cemetery did record a receipt from the Fry's Valley Cemetery.

Current Year Observations (Continued)

5. As a result, without supporting documentation to accompany expenditures, there is an increased risk the expenditure may not be for a proper public purpose.

The Cemetery should maintain supporting documentation for every expenditure made. This will help ensure the Cemetery has all necessary supporting documentation, and expenditures are for a proper public purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State
Columbus, Ohio

October 7, 2016



Dave Yost • Auditor of State

GNADENHUTTEN CLAY UNION CEMETERY

TUSCARAWAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 20, 2016**