



OHIO AUDITOR OF STATE  
**KEITH FABER**





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Gnadenhutzen Clay Union Cemetery  
Tuscarawas County  
235 South Cherry Street  
P.O. Box 498  
Gnadenhutzen, 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 Gnadenhutzen Clay Union Cemetery, Tuscarawas County, Ohio (the Cemetery), for the years ended December 31, 2019 and 2018.

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, 2019 and 2018.

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.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

## Current Year Observations

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

The Cemetery did not file within the required time period as the 2019 financial report due on February 29, 2020, was not filed until May 21, 2020, and the 2018 financial report due on March 1, 2019 was not filed until March 18, 2019.

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

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

### Current Year Observations (Continued)

2. Ohio Rev. Code § 145.51 (Continued)

The Cemetery paid each Trustee \$200 in 2018 and \$250 in 2019. 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.

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 2019, 2018 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 § 149.43(B)(2) states to facilitate broader access to public records, a public office or the person responsible for public records shall organize and maintain public records in a manner that they can be made available for inspection or copying in accordance with division (B) of this section. A public office also shall have available a copy of its current records retention schedule at a location readily available to the public. If a requester makes an ambiguous or overly broad request or has difficulty in making a request for copies or inspection of public records under this section such that the public office or the person responsible for the requested public record cannot reasonably identify what public records are being requested, the public office or the person responsible for the requested public record may deny the request but shall provide the requester with an opportunity to revise the request by informing the requester of the manner in which records are maintained by the public office and accessed in the ordinary course of the public office's or person's duties.

The Cemetery has not approved a formal records retention policy.

We recommend the Cemetery establish a formal records retention policy and ensure it is readily available to the public.

4. Ohio Rev. Code § 149.43(E)(2) states public offices shall adopt a public records policy in compliance with this section for responding to public records requests. In adopting a public records policy under this division, a public office may obtain guidance from the model public records policy developed and provided to the public office by the attorney general under § 109.43 of the Revised Code. Except as otherwise provided in this section, the policy may not limit the number of public records that the public office will make available to a single person, may not limit the number of public records that it will make available during a fixed period of time, and may not establish a fixed period of time before it will respond to a request for inspection or copying of public records, unless that period is less than eight hours.

The public office shall distribute the public records policy adopted by the public office under this division to the employee of the public office who is the records custodian or records manager or otherwise has custody of the records of that office. The public office shall require that employee to acknowledge receipt of the copy of the public records policy. The public office shall create a poster that describes its public records policy and shall post the poster in a conspicuous place in the public

**Current Year Observations (Continued)**

4. Ohio Rev. Code § 149.43(E)(2) (Continued)

The public office shall create a poster that describes its public records policy and shall post the poster in a conspicuous place in the public office and in all locations where the public office has branch offices. The public office may post its public records policy on the internet web site of the public office if the public office maintains an internet web site. A public office that has established a manual or handbook of its general policies and procedures for all employees of the public office shall include the public records policy of the public office in the manual or handbook.

The Cemetery does not have an approved public records policy as required by Ohio Rev. Code § 149.43(E)(2).

We recommend the Cemetery establish a public records policy, ensure the policy is publicly posted and written evidence is maintained the records custodian has received the policy.

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

There is no evidence of appropriations being approved by the Board for 2019 in the Cemetery's minutes. Additionally, appropriations were not filed with the County Auditor. Therefore, we determined appropriations to be \$0 for 2019, and actual expenditures exceeded appropriations by \$34,658.

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

6. 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.

7. The Cemetery hired a grounds keeper to maintain the cemetery and mainly mow grass. As stipulated in previous employee contracts with the grounds keeper, the individual is to receive a monthly salary throughout the year with a higher monthly salary earned during the months of March through October. The monthly salary paychecks are processed by the Village of Gnadenhutzen including the withholding and remittance of taxes and pension. The individual who signed the employee contracts is the one who is also receiving the monthly paychecks and subsequently the years of service credit and pension benefits with the Ohio Public Employee Retirement System (OPERS). This was verified as the invoice from the Village of Gnadenhutzen to the Cemetery in order to receive reimbursement showed the individual's name and the amount paid to her.

**Current Year Observations (Continued)**

However, the Clerk noted that the work is actually being performed by the individual's husband. At the time of hire, the husband asked that the Cemetery issue the checks to his wife and enter into an agreement with her in order for her to receive the pension benefits. Board minutes dating back to 2013 and 2016 also show that the husband mowed the grass and not the individual that signed the previous employee contracts. We noted that employee contracts were not available for 2019 or 2018.

Although the Clerk corrected this matter in May 2020 and entered into a new contract agreement under the husband's name, the years of service credit and pension benefits from previous years is still credited to the wife.

The Cemetery should work with the Village of Gnadenhutzen and OPERS to correct the improper reporting of pension benefits. The Cemetery should also ensure that employee contracts are prepared each year for each employee.

This matter will be referred to OPERS for whatever action deemed necessary.



Keith Faber  
Auditor of State  
Columbus, Ohio

July 2, 2020

# OHIO AUDITOR OF STATE KEITH FABER



**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  
JULY 14, 2020**