



OHIO AUDITOR OF STATE  
**KEITH FABER**



# OHIO AUDITOR OF STATE KEITH FABER



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## BASIC AUDIT REPORT

Harrison Township Union Cemetery  
Perry County  
12823 Township Road 1001 NE  
Crooksville, Ohio 43731

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Harrison Township Union Cemetery, Perry County, Ohio (the Cemetery), for the years ended December 31, 2020 and 2019.

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, 2020 and 2019.

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** provides, in part, 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. The Auditor of State may extend the deadline for filing a financial report and establish terms and conditions for any such extension. Cemetery management shall ensure that deadlines are met for all future required financial report filings. The Treasurer filed the annual report for the Board in the Hinkle System on March 18, 2021 and February 4, 2021 for 2020 and 2019, respectively, which is not within the required timeframe. The Board and Treasurer should ensure the annual report is filed with the Auditor of State within sixty days of the close of the fiscal year. This citation is repeated from the prior audit.
2. **Ohio Rev. Code § 121.22(F)** provides that every public body, by rule, establish a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings. The Cemetery did not notify the public or news media of its public meetings due to an oversight by management. Policies and Procedures should be established and implemented to verify that all Board meetings are held in accordance with the Ohio Sunshine Laws. Failure to do so could result in the Court declaring actions taken null and void and the Cemetery being subject to significant penalties for breach of the Sunshine Law.
3. **Ohio Rev. Code § 149.43(B)(2)** provides that the Cemetery should have an approved records retention schedule which is readily available to the public. The Board did not approve a formal records retention schedule. This could lead to improper destruction of records. The Board should approve the required record retention schedule.

**Current Year Observations (Continued)**

4. **Ohio Rev. Code § 149.43(E)(2)** provides that every public office must have a policy in place for responding to public records requests. Generally, a public records policy cannot: (1) limit the number of public records the office will make available to a single person; (2) limit the number of public records the office will make available during a fixed period of time; and (3) establish a fixed period of time before the office will respond to a request for inspection/copying of public records unless that period is less than eight hours. However, pursuant to **Ohio Rev. Code § 149.43(B)(7)(c)**, the policy may limit the number of public records the public office will physically deliver by U.S. Mail or other delivery service to ten per month unless the person certifies to the office in writing that the person does not intend to use or forward the requested records, or the information contained in them, for commercial purposes. "Commercial" is narrowly construed and does not include reporting or gathering news, reporting or gathering information to assist citizen oversight or understanding of the operation or activities of government, or nonprofit educational research.

**Ohio Rev. Code § 149.43(E)(2)** further requires all public offices take certain actions with regard to their public record policy. Public offices must distribute their Public Records Policy to the employee who is the records custodian/manager or otherwise has custody of the records of that office and have that employee acknowledge receipt of the Public Records Policy; create and display in a conspicuous place in all locations where the public office has branch offices a poster describing the public records policy; and, if the public office has a manual or handbook of its general policies and procedures for all employees, include the public records policy in that manual or handbook.

The Cemetery has no formal written policy that would demonstrate compliance with the Ohio Revised Code. This could result in records requests not being fulfilled in accordance with Ohio law.

The Cemetery shall establish a public records policy. The policy shall be distributed to the records custodian/manager and the Cemetery should have a written acknowledgement of receipt from the records custodian/manager. In addition, a poster describing the public records policy must be conspicuously displayed in all of the Cemetery's branch offices and the public records policy must be included in policy manuals or handbooks if any exist.

Pursuant to **Ohio Rev. Code § 109.43(E)(2)**, the Ohio Attorney General has developed and provided to all public offices a model public records policy for responding to public records requests. The policy, which is available at <https://www.ohioattorneygeneral.gov/Files/Government-Entities/Model-Public-Records-Policy.aspx>, provides guidance to public offices in developing their own policies for responding to public records requests in compliance with the Public Records Act.

5. **Ohio Rev. Code § 718.03(A)** requires each employer, agent of an employer, or other payer located or doing business in a municipal corporation that imposes a tax on income to withhold from the qualifying wages of each employee earned in the municipal corporation the amount of income tax due to the municipality.

The Clerk withheld municipal income taxes due to the Village of Crooksville; however, there is no evidence she paid the taxes in 2020 and 2019 in accordance with the required due dates set forth by the Village of Crooksville.

Failure to file, pay, and report the withholdings could result in liabilities, penalties, and interest levied against the Cemetery.

The Clerk should remit payment in accordance with Village policy and in accordance with Ohio law.

### Current Year Observations (Continued)

6. **Ohio Rev. Code § 5747.07** requires an employing government to remit taxes which it withheld pursuant to **Ohio Rev. Code § 5705.06** (including the state payroll tax) to the appropriate authority. It also requires the employing government to report compensation paid and taxes withheld to the tax commissioner and to each of its own employees by January 31 of each year.

The Clerk did withhold the required state payroll taxes for both 2020 and 2019; however, there is no evidence she paid the taxes in 2020 and 2019 in accordance with the applicable schedule prescribed by **Ohio Rev. Code § 5747.07** or submitted the annual reports to the tax commissioner.

Failure to file, pay, and/or report the withholdings could result in liabilities, penalties, and interest levied against the Cemetery.

The Clerk should remit payment in accordance with applicable law and/or file the required reports when completing the last payroll of the year to avoid interest and penalties.

This matter will be referred to the Ohio Department of Taxation.

7. **Section 278, Public Law 97-248, H. R. 4961** states that Medicare should be deducted from employees' compensation for all employees hired after March 31, 1986. Furthermore, employers are liable for reporting and remitting these taxes.

**26 U.S.C. § 3402(a)(1)** states in general, except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables or computational procedures prescribed by the Secretary.

**26 U.S.C. § 3403** states that the employer shall be liable for the payment of the tax required to be deducted and withheld under this chapter, and shall not be liable to any person for the amount of any such payment.

The Cemetery did not remit federal income and Medicare taxes withheld during the audit period.

Failure to properly remit these amounts could result in substantial fines and penalties being assessed against the Cemetery.

The Cemetery should withhold federal income and Medicare from all applicable officials and employees' compensation and remit payments to the Internal Revenue Service in a timely manner.

This matter will be referred to the Internal Revenue Service.

### Current Status of Matters Reported in our Prior Engagement

1. The prior audit included a significant deficiency due to the Cemetery not being able to determine the principal amount for a permanent fund whereby the principal of the fund was to remain and only the interest income was to be used for the perpetual care of the Cemetery. We noted this matter has not been corrected.
2. The prior audit included a significant deficiency for failing to implement GASB Statement No. 54 requirements. We noted this matter has not been corrected.

**Current Status of Matters Reported in our Prior Engagement (Continued)**

3. The prior audit included a material weakness for the accounting system not including monthly consolidated bank reconciliations that included all checking accounts, savings accounts, and certificates of deposit, as well as for not maintaining a cashbook that includes all Cemetery bank accounts. We noted this matter has not been corrected.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 7, 2021

# OHIO AUDITOR OF STATE KEITH FABER



**HARRISON TOWNSHIP UNION CEMETERY**

**PERRY 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 10/19/2021**

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