



OHIO AUDITOR OF STATE
KEITH FABER





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BASIC AUDIT REPORT

Union Cemetery
Tuscarawas County
918 Parrish Street
Uhrichsville, Ohio 44683

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of Union Cemetery, Tuscarawas County, Ohio, (the Cemetery) for the years ended December 31, 2024 and 2023.

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, 2024 and 2023.

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, in part, that each public office, other than a state agency, shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. The report shall be certified by the proper officer or board and filed with the auditor of state within 60 days after the close of the fiscal year, except that public offices reporting pursuant to generally accepted accounting principles shall file their reports within 150 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.

The Cemetery's December 31, 2023 annual financial report, due by February 29, 2024, was not filed with the Auditor of State until March 9, 2024.

Failure to file a complete report by the established deadline, without an extension, could result in the assessment of penalties against the Cemetery.

The Cemetery should implement procedures to verify its annual financial report is filed with the Auditor of State by the required deadline. If the Cemetery is unable to meet the deadline, the Cemetery should file an extension request through the Auditor of State.

2. Sound accounting practices required accurately capturing on-behalf activity on the ledgers to allow proper disclosure on the Cemetery's annual financial statements.

In 2024, the Cemetery entered into a loan agreement in the amount of \$75,000 in order to purchase land. Although the Cemetery purchased the land with these proceeds, neither the debt proceeds or a corresponding payment for land of \$75,000 were recorded in the manual ledgers.

Sound financial reporting of all financial activity is essential to ensure the Cemetery's annual financial statements are accurate.

The Cemetery should implement procedures to properly capture all debt proceeds and payments on the general ledger.

3. Maintaining organized documentation and support for financial transactions is essential in assuring the Cemetery's financial statements are not materially misstated and that all expenditures are made for a proper public purpose.

During testing of reimbursements to the Cemetery Superintendent, we noted in 2024 that there was one reimbursement to the Superintendent for the purchase of a cell phone amounting to \$250, which appears to be for normal activities of the Superintendent, but was not supported by a receipt from the purchase.

Failure to maintain organized underlying documentation and support of financial transactions can increase the risk of fraud, inaccurate financial statements, and expenditures that are not for a proper public purpose.

The Cemetery should maintain all invoices for all financial transactions and records should be maintained in an orderly manner to support all transactions.

4. Sound accounting practices require entities to implement policies and procedures for the accrual of vacation and sick leave. The Cemetery has adopted a leave policy which states that employees with over 15 years of employment earn 4 weeks of vacation leave. Additionally, sick leave shall accrue at a rate of 3.5 hours per pay for every 80 hours worked, 7 hours per month, up to a maximum of 91 hours per year. There is no mention in the policy if the leave carries forward to the next year.

During testing, it was found that the former Cemetery Superintendent, who worked over 15 years at the cemetery, resigned and received leave payouts amounting to \$4,219.07 for 91 hours of sick leave and 160 hours of vacation leave. However, there was no documentation provided to support the Superintendent's leave balances at the time of departure nor any documentation in the minutes approving the amount of leave to be paid out.

On May 6, 2025, the Cemetery Board retroactively approved the payment of \$4,219.07 in leave payments made in 2024 to the former Cemetery Superintendent.

The Cemetery should update the leave policy to include practices such as the accrual and payment of leave balances as well as adopt and implement internal control procedures to ensure that leave balances are being properly tracked.

Current Status of Matters Reported in our Prior Engagement

5. **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 follows the general records retention schedule published by the Ohio Historical Society, however, has not approved a formal records retention policy.

The Cemetery should establish a formal records retention policy and ensure it is readily available to the public. Our prior audit also reported this issue.

6. **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 had no formal written policy that would demonstrate compliance with the Ohio Revised Code for 2024 or 2023. 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.

The Cemetery subsequently approved a policy during 2025. Our prior audit also reported this issue.

7. 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. Our prior audit also reported this issue.

8. 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 2024 and 2023. Numerous errors were noted, such as:

- Savings Escrow account activity was not properly reconciled to the manual ledger as the activity within the savings account during 2024 and 2023 was not even captured on the manual ledger as the manual ledger still showed the fund balance from the prior audit. This results in the fund balance on the manual ledger to be overstated by \$699 and \$1,300 in 2024 and 2023, respectively. Additionally, the entire savings escrow account activity was not reflected in the annual financial statements submitted through the HINKLE system, which resulted in understating the cash balance by \$2,508 and \$1,907 in 2024 and 2023, respectively.

- Interest earned from the various certificates of deposits were not properly recorded resulting in the cash balance at December 31, 2024 to be understated by \$4,235.

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. Our prior audit also reported this issue.



May 22, 2025

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 6/3/2025

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This report is a matter of public record and is available online at
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