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*ALGER & ASSOCIATES, Inc.*

CERTIFIED PUBLIC ACCOUNTANTS



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UNION CEMETERY  
TUSCARAWAS COUNTY, OHIO

*A&A*  
REGULAR AUDIT

FOR THE YEARS ENDED  
DECEMBER 31, 2012 & 2011



# Dave Yost • Auditor of State

Board of Trustees  
Union Cemetery  
227 W 7th St  
Uhrichsville Ohio 44683

We have reviewed the *Independent Auditors' Report* of Union Cemetery, Tuscarawas County, prepared by Alger & Associates, LLC, for the audit period January 1, 2011 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Union Cemetery is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

October 17, 2013



**UNION CEMETERY  
TUSCARAWAS COUNTY**

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# ALGER & ASSOCIATES, Inc

Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

Union Cemetery  
Tuscarawas County  
227 W 7th St  
Uhrichsville Ohio 44683

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of Union Cemetery, Tuscarawas County, (the Cemetery) as of and for the years ended December 31, 2012 and 2011.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; 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.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' Government Auditing Standards. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Cemetery's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Cemetery's internal control.

Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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

As described in Note 1 of the financial statements, the Cemetery prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***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 paragraph, the financial statements referred to above 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, 2012 and 2011, or changes in financial position thereof for the year then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Union Cemetery, Tuscarawas County, as of December 31, 2012 and 2011, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 1.

***Emphasis of Matter***

As discussed in Note 1 to the financial statements, during 2011 the Cemetery adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Our opinion is not modified with respect to this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2013, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.

Alger &  
Associates, Inc.



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o=Alger & Associates, Inc., ou,  
email=galger@neo.rr.com, c=US  
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Alger & Associates, Inc.  
June 30, 2013



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**UNION CEMETERY  
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>All Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Permanent</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$116,136	\$0	\$116,136
Charges for Services	15,480		15,480
Sale of Lots	7,177		7,177
Intergovernmental	9,839		9,839
Earnings on Investments	30	318	348
Miscellaneous	4,542		4,542
General Fund Balance Reserve	797		797
	<u>154,001</u>	<u>318</u>	<u>154,319</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current Disbursements:			
Salaries	81,293		81,293
Supplies	606		606
Equipment	4,922		4,922
Contracts - Repair	8,557		8,557
Public Employees' Retirement	11,381		11,381
Insurance	27,260		27,260
County Auditor Disbursements	7,386		7,386
Materials & Gas	3,534		3,534
Utilities	6,986		6,986
Workers' Compensation	1,874		1,874
Miscellaneous	9,909		9,909
	<u>163,708</u>	<u>0</u>	<u>163,708</u>
<b>Total Cash Disbursements</b>			
Net Change in Fund Cash Balance	(9,707)	318	(9,389)
Fund Cash Balances, January 1	<u>105,733</u>	<u>31,047</u>	<u>136,780</u>
Assigned	55,773	31,365	87,138
Unassigned	<u>40,253</u>		<u>40,253</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$96,026</u></b>	<b><u>\$31,365</u></b>	<b><u>\$127,391</u></b>

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

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**UNION CEMETERY  
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>All Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Permanent</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$119,053	\$0	\$119,053
Charges for Services	20,220		20,220
Sale of Lots	14,917		14,917
Intergovernmental	9,859		9,859
Earnings on Investments	33	416	449
Miscellaneous	5,792		5,792
General Fund Balance Reserve	1,707		1,707
	<hr/>		<hr/>
Total Cash Receipts	171,581	416	171,997
	<hr/>		<hr/>
<b>Cash Disbursements:</b>			
Current Disbursements:			
Salaries	82,110		82,110
Supplies	1,512		1,512
Equipment	2,799		2,799
Contracts - Repair	3,901		3,901
Public Employees' Retirement	13,240		13,240
Insurance	28,782		28,782
County Auditor Disbursements	2,817		2,817
Materials & Gas	7,886		7,886
Utilities	8,305		8,305
Workers' Compensation	3,015		3,015
Miscellaneous	7,347		7,347
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Total Cash Disbursements	161,714	0	161,714
	<hr/>		<hr/>
Net Change in Fund Cash Balance	9,867	416	10,283
Fund Cash Balances, January 1	95,866	30,631	126,497
	<hr/>		<hr/>
Assigned	55,773	31,047	86,820
Unassigned	49,960		49,960
	<hr/>		<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$105,733</u></b>	<b><u>\$31,047</u></b>	<b><u>\$136,780</u></b>

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

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**UNION CEMETERY  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**1. Summary of Significant Accounting Policies**

**A. Description of the 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 operation and upkeep. The accompanying financial statements presents this funding as Local Taxes. The Cemetery provides grounds maintenance, opening and closing of graves, and the sale of grave lots.

The Cemetery's management believes these financial statements present all activities for which the Cemetery is financially accountable.

**B. Basis of Accounting**

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. 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 Auditor of State prescribes or permits.

**C. Deposits and Investments**

The Cemetery records certificates of deposit at cost.

**D. Fund Accounting**

The Cemetery uses fund accounting to segregate cash and investments that are restricted as to use. The Cemetery classifies its funds into the following types:

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Permanent Funds**

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Cemetery's programs. The Cemetery had the following significant permanent fund:

Underwood Bequeath Fund - This fund receives bequeath receipts from the maintenance of Cemetery and the Lanning-Underwood burial plot and the construction of the Cemetery entrance way.

**UNION CEMETERY  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**E. Budgetary Process**

The Ohio Revised Code requires the Board to budget each fund annually.

**1. 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. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus encumbered cash as of January 1.

**3. 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 2012 and 2011 budgetary activity appears in Note 3.

**F. 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:

**1. Nonspendable**

The Cemetery classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. 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.

**3. 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.

**UNION CEMETERY  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**4. Assigned**

*Assigned* fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Cemetery Trustees or a Cemetery official delegated that authority by resolution, or by State Statute.

**5. 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.

**G. Property, Plant, and Equipment**

The Cemetery records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**3. Equity in Pooled Deposits and Investments**

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

	2012	2011
Demand deposits	\$59,991	\$69,380
Certificates of deposit	67,400	67,400
Total deposits	\$127,391	\$136,780

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.



**UNION CEMETERY  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**4. Budgetary Activity**

Budgetary activity for the years ending December 31, 2012 and 2011 follows:

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$117,100	\$154,001	\$36,901
Permanent	0	318	318
Total	\$117,100	\$154,319	\$37,219

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$149,240	\$163,708	(\$14,468)

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$113,500	\$171,581	\$58,081
Permanent	0	416	416
Total	\$113,500	\$171,997	\$58,497

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$173,240	\$161,714	\$11,526

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General fund for the year ended December 31, 2012.

Contrary to Ohio law, the Cemetery does not encumber or certify funds and the budgetary process is not integrated with the manual accounting system.

**UNION CEMETERY  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**5. Retirement Systems**

The Cemetery's 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. For 2012 and 2011, OPERS members contributed 10% of their gross salaries and the Cemetery contributed an amount equaling 14% of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2012.

**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.

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# ALGER & ASSOCIATES, Inc.

Certified Public Accountants

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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  
227 W 7th St  
Uhrichsville Ohio 44683

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' Government Auditing Standards, the financial statements of the Union Cemetery, Tuscarawas County, Ohio, (the Cemetery) as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements and have issued our report thereon dated June 30, 2013 wherein we noted the Cemetery followed financial reporting provisions that Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit. In 2011 the Cemetery adopted Government Accounting Standards Board Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions."

### **Internal Control Over Financial Reporting**

As part of our financial statement audit, we considered the Cemetery's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Cemetery's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control over financial reporting, that we consider a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Cemetery's financial statements. We consider findings 2012-001 and 2012-002 described in the accompanying schedule of findings to be material weaknesses.

A significant deficiency is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2012-003 described in the accompanying Schedule of Findings to be a significant deficiency.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Cemetery's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under Government Auditing Standards which is described in the accompanying schedule of findings as items 2012-001 through 2012-003.

### **Purpose of this Report**

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Cemetery's internal control or on compliance. This report is an integral part of an audit performed under Government Auditing Standards in considering the Cemetery's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alger &  
Associates, Inc.

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**Alger & Associates, Inc.**  
June 30, 2013

UNION CEMETERY  
TUSCARAWAS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2012 AND 2011

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2012-001**

**Noncompliance/Material Weakness**

**Ohio Rev. Code Section 5705.41 (D)**, requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation...has been lawfully appropriated for such purpose and is in the treasury or in process of collection to the credit of an appropriate fund free from any previous encumbrances.

There are several exceptions to the standard requirement stated above that a Clerk'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 sections 5705.41(D) (1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. Then and Now Certificate: If the Clerk can certify that both at the time that the contract or order was made "then" at the time that he is completing his certification "now", 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 taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$100 for counties, or less than \$3,000 for other political subdivisions, may be paid by the Clerk without such affirmation of the taxing authority 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 taxing authority

2. Blanket Certificate – Clerks 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 Clerk for most professional services, fuel, oil, food items, and any other specific recurring reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Of the 30 expenditures tested we found 30 instances where the Cemetery did not encumber and 14 instances where the cemetery did not certify that funds were available at the time of the commitment for any of the disbursements made by the Cemetery. Incurring obligations prior to the Clerk's certification could result in the Cemetery spending more than appropriated. The Cemetery did not satisfy any of the exceptions stated above.

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 and aid in the posting of the expenditures to the correct department. To improve controls over disbursements and to help reduce the possibility of the Cemetery's funds exceeding budgetary spending limitations, we recommend that the Trustees insure that departmental supervisors are not purchasing goods or services prior to the Clerk certifying that 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.

We recommend that the Cemetery certify all purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language as set forth in 5705.41(D) (1) to authorize disbursements.

Implementation of the recommendation may help the Cemetery come into compliance with the Ohio Revised Code.

#### FINDING NUMBER 2012-002

##### Noncompliance/Material Weakness

**Ohio Admin. Code §117-2-02(C)(1)** provides that all public offices should integrate the budgetary account, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations. Ohio Admin. Code Section 117-2-02(C)(2) provides that purchase orders should be used to approve purchase commitments and to encumber funds against the applicable appropriation accounts as required by 5705.41(D) of the Revised Code.

**Ohio Admin. Code §117-2-02(D)(3)**, provides that an appropriation ledger, which may assemble and classify disbursements into separate accounts for, at a minimum, each account listed in the appropriation resolution should be used. The amount, fund, date, check number, purchase order number, encumbrance amount, unencumbered balance, amount of disbursement, and any other information required may be entered in the appropriate columns.

**FINDING NUMBER 2012-002 (continued)**

**Noncompliance/Material Weakness (continued)**

**Budgetary Controls**

During our audit we noted the following:

1. The Cemetery does not encumber funds and the budgetary process is not integrated with the manual accounting system.
2. The Cemetery maintains a monthly general ledger but the ledger does not include columns for encumbrances, unencumbered balance, or purchase order number.

We recommend the Cemetery evaluate the necessity to computerize the accounting system according to comply with Ohio Admin. Code §117-02-2. This will ensure all activity is included in the revenue and disbursements ledgers. It will also enable the Cemetery to comply with several budgetary requirements (encumbrance accounting and certifying availability of funds).

**FINDING NUMBER 2012-003**

**Significant Deficiency**

**Expenditures Limited by Appropriations**

Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. The total expenditures (disbursements plus certified commitments) exceeded the total appropriations for the year ended December 31, 2012 for the General, as recorded to the County Auditor by \$14,469.

This situation increases the possibility that deficit spending may occur.

We recommend that Management monitor their budgetary accounts throughout the year to ensure that expenditures do not exceed appropriations and prior year carryover encumbrances. Fund appropriations should be amended to correspond with any increase or decrease in fund expenditures. The Cemetery Fiscal Officer should deny requests for payment when appropriations are not available.

**Response:**

The Cemetery is implementing policies to correct this issue.





# Dave Yost • Auditor of State

**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  
NOVEMBER 7, 2013**