



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Germantown Union Cemetery
Montgomery County
11179 State Route 725 West
Germantown, Ohio 45327

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Germantown Union Cemetery (the Cemetery), on the receipts, disbursements and balances recorded in the Cemetery's cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Cemetery. The Cemetery is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Cemetery. The sufficiency of the procedures is solely the responsibility of the parties specified in this report.

Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

Cash and Investments

1. We recalculated the December 31, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2016 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2015 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2016 balances in the Fund Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2017 and 2016 fund cash balances reported in the Fund Status Report. The amounts agreed.
4. We confirmed the December 31, 2017 bank account balances for the Cemetery's checking account and certificate of deposit with the Cemetery's financial institutions. We found no exceptions. We observed the year-end bank balance for the Cemetery's savings account on the financial institution's website. The balance agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliation without exception.
5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2017 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. There were no exceptions.

6. We inspected investments held at December 31, 2017 and December 31, 2016 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We found no exceptions.

Property Taxes and Intergovernmental Cash Receipts

1. We haphazardly selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2017 and one from 2016:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Revenue Ledger Report. We noted that the property tax receipts were posted at the net amount rather than the gross amount. The Cemetery should record property tax receipts at gross and administrative fees should be recorded as a separate disbursement. Because we did not test all property tax receipts, our report provides no assurance whether or not additional similar errors occurred. We also traced the advances noted on the *Statement* to the Revenue Ledger Report. The amounts agreed.
 - b. We inspected the Revenue Ledger Report to confirm the receipt was allocated to the proper fund as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We inspected the Revenue Ledger Report to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Revenue Ledger Report to determine whether it included two real estate tax receipts plus three advances for 2017 and two real estate tax receipts plus four advances for 2016. The Revenue Ledger Report included the proper number of tax receipts for each year.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2017 and all from 2016.
 - a. We compared the amount from the above report to the amount recorded in the Revenue Ledger Report. We noted that two receipts in 2017 and one receipt in 2016 were posted at the net amount rather than the gross amount. The Cemetery should report receipts at gross and administrative fees should be recorded as a separate disbursement.
 - b. We inspected the Revenue Ledger Report to determine whether these receipts were allocated to the proper account code. We noted one receipt in 2017 was posted to the property tax receipt code rather than the intergovernmental receipt code. The Cemetery should review receipts to verify posting to the proper account.
 - c. We inspected the Revenue Ledger Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Sales of Lots

We haphazardly selected 10 cash receipts for sales of lots from the year ended December 31, 2017 and 10 cash receipts for sales of lots from the year ended 2016 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Revenue Ledger Report. The amounts agreed.
- b. Agreed the amount charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Revenue Ledger Report to determine the receipt was posted to the proper account code, and was recorded in the proper year. We found no exceptions.

Other Over-The-Counter Cash Receipts

We haphazardly selected 10 over-the-counter cash receipts from the year ended December 31, 2017 and 10 over-the-counter cash receipts from the year ended 2016 recorded in the Revenue Ledger Report and:

- a. Agreed the receipt amount to the amount recorded in the Revenue Ledger Report. The amounts agreed.
- b. Agreed the amount charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Revenue Ledger Report to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2015.
2. We inquired of management, and inspected the Revenue Ledger Report and Payment Register Detail Report for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of loan activity for 2017 and 2016 and agreed principal and interest payments from the related loan payment schedules to General Fund payments reported in the Payment Register Detail Report. We also compared the date the debt service payments were due to the date the Cemetery made the payments. We found no exceptions.
4. The Cemetery did not post loan proceeds of \$5,111 and \$4,884 in 2017 and 2016, respectively, to the accounting system. The Cemetery should post loan proceed receipts and related disbursements to the accounting system when the activity takes place, even if no cash is received by the Cemetery.
5. For new loans issued during 2017 and 2016, we inspected the loan documents, which stated the Cemetery must use the proceeds to purchase a mower. We observed the Cemetery took ownership of a new mower in 2017 and a new mower in 2016; however, the Cemetery did not post the purchase prices of \$5,111 and \$4,884 in 2017 and 2016, respectively, to the accounting system. The Cemetery should post loan proceed receipts and related disbursements to the accounting system when the activity takes place, even if no cash is received by the Cemetery.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for all employees from 2017 and one payroll check for five employees from 2016 from the Wage Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report to supporting documentation (timecard or legislatively-approved rate or salary). We found no exceptions.
 - b. We inspected the Wage Detail Report to determine the account codes to which the check was posted were reasonable based on the employees' duties as documented in the minute record. We also inspected the Wage Detail Report to determine the payment was posted to the proper year. We found no exceptions.

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2017 to determine whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2017. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2018	January 9, 2018	\$973	\$973
State income taxes	January 15, 2018	January 9, 2018	\$472	\$472
School District income tax	January 31, 2018	January 9, 2018	\$268	\$268
OPERS retirement	January 30, 2018	January 9, 2018	\$1,670	\$1,670

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2017 and ten from the year ended 2016 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Payment Register Detail Report and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. The payment was posted to a proper account code. We found no exceptions.
 - d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Section 5705.41(D). We found two instances where the certification date was after the vendor invoice date and there was also no evidence that a Then and Now Certificate was issued. Ohio Rev. Code Section 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a Then and Now Certificate is used. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. We compared the total estimated receipts from the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances* for the year ended December 31, 2017 and the *Amended Official Certificate of Estimated Resources* for the year ended December 31, 2016, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Revenue Status Report for the General, Bicentennial Tree, and Perpetual Care funds for the years ended December 31, 2017 and 2016. The amounts on the *Certificate* for the year ended December 31, 2017 agreed to the amount recorded in the accounting system. The amounts on the *Amended Certificate* for the year ended December 31, 2016 agreed to the amount recorded in the accounting system, except for the General and Perpetual Care funds. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General and Perpetual Care funds of \$106,735 and \$1,502, respectively, for 2016. However, the final *Amended Official Certificate of Estimated Resources* reflected \$80,450 and \$2,500 for the General and Perpetual Care funds, respectively. The fiscal officer should periodically compare amounts recorded in the Revenue Status Report to amounts recorded on the *Amended Official Certificate of Estimated Resources* to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.

2. We inspected the appropriation measures adopted for 2017 and 2016 to determine whether, for the General, Cemetery Levy, Bicentennial Tree, and Perpetual Care funds, the Trustees appropriated separately for "each office, department, and division, and within each, the amount appropriated for personal services," as is required by Ohio Rev. Code Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code Sections 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2017 and 2016 for the General fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status Report.
4. Ohio Rev. Code Sections 5705.36(A)(5) and 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General, Cemetery Levy, and Perpetual Care funds for the years ended December 31, 2017 and 2016. We found no funds for which appropriations exceeded certified resources.
5. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2017 and 2016 for the General, Cemetery Levy, and Perpetual Care funds, as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We inspected the Revenue Ledger Report for evidence of new restricted receipts requiring a new fund during December 31, 2017 and 2016. We also inquired of management regarding whether the Cemetery received new restricted receipts. We observed no evidence of new restricted receipts for which Ohio Rev. Code Section 5705.09 would require the Cemetery to establish a new fund.
7. For funds existing in prior years, we inspected the fund activity to determine whether the fund is still being used for the statutorily approved purpose and that all the required funds were established. All the required funds were established and no funds for which the statutorily approved purpose was no longer valid were included on the accounting records.
8. We inquired of management and inspected the Fund Summary Report to determine whether the Cemetery elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. We observed the Cemetery did not establish these reserves.

We inquired of management and inspected the Appropriation Status Report to determine whether the Cemetery elected to establish a contingency, not designated for any particular purpose (contingency reserve balance - spending reserve) permitted by Ohio Rev. Code Section 5705.29(A)(1). The Cemetery did not establish these reserves.

9. We inspected the Cash Summary by Fund Report for the years ended December 31, 2017 and 2016 for negative cash fund balance. Ohio Rev. Code Section 5705.10 (I) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. We found no funds having negative cash fund balances.

Other Compliance

Ohio Rev. Code Section 117.38 requires cemeteries to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, in addition to filing extensions granted for extenuating circumstances, allow for refiling complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed up on procedure engagements, subsequent to the Cemetery's deadline where the initial filing was filed on time but incomplete. We confirmed the Cemetery filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2017 and 2016 in the Hinkle system. There were no exceptions.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Cemetery's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is to provide assistance in evaluation of the Cemetery's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2017 and 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

April 18, 2018



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GERMANTOWN UNION CEMETERY

MONTGOMERY 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
MAY 10, 2018**