



**Auditor of State
Betty Montgomery**

HOLLANSBURG UNION CEMETERY DISTRICT
DARKE COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Hollansburg Union Cemetery District
Darke County
2079 Hollansburg-Richmond Road
Hollansburg, OH 45332

To the Board of Trustees:

We have audited the accompanying financial statements of Hollansburg Union Cemetery District, Darke County, Ohio, (the Cemetery), as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Cemetery's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Cemetery prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Cemetery as of December 31, 2002 and 2001, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2003, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Hollansburg Union Cemetery District
Darke County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of audit committee, management, and the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

May 12, 2003

HOLLANSBURG UNION CEMETERY DISTRICT
DARKE COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

Cash Receipts;	
Local Taxes	\$3,791
Intergovernmental	448
Cemetery Fees	<u>3,663</u>
Total Cash Receipts	7,902
Cash Disbursements:	
Current:	
General Government	5,574
Repairs & Maintenance	36
Capital Outlay	<u>472</u>
Total Disbursements	<u>6,082</u>
Total Receipts Over/(Under) Disbursements	1,820
Fund Cash Balance, January 1	<u>7,622</u>
Fund Cash Balance, December 31	<u><u>\$9,442</u></u>

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

**HOLLANSBURG UNION CEMETERY DISTRICT
DARKE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

Cash Receipts:	
Local Taxes	\$3,688
Intergovernmental	481
Sale of Lots	1,200
Cemetery Fees	4,685
Other Receipts	<u>104</u>
Total Cash Receipts	10,158
Cash Disbursements:	
Current:	
General Government	8,698
Repairs & Maintenance	133
Capital Outlay	<u>2,000</u>
Total Disbursements	<u>10,831</u>
Total Receipts Over/(Under) Disbursements	<u>(673)</u>
Other Financing Receipts/(Disbursements):	
Other Financing Sources	934
Sale of Assets	<u>301</u>
Total Other Financing Receipts/(Disbursements)	<u>1,235</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	562
Fund Cash Balance, January 1	<u>7,060</u>
Fund Cash Balance, December 31	<u><u>\$7,622</u></u>

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

**HOLLANSBURG UNION CEMETERY DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Hollansburg Union Cemetery District, Darke County (the Cemetery) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Cemetery is directed by an appointed three-member Board of Trustees. The Board is appointed by the Village of Hollansburg and Harrison Township. The Cemetery receives property tax revenue from residents of both the Village and Township for its operation and upkeep. 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 prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Cemetery maintains a checking and savings account.

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 type:

1. General Fund

The General Fund is the general operating fund. It is used to account for all Cemetery financial resources.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**HOLLANSBURG UNION CEMETERY DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Cemetery to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2002	2001
Demand deposits	\$9,442	\$7,622
Total deposits	\$9,442	\$7,622

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$8,170	\$7,902	(\$268)
Total	\$8,170	\$7,902	(\$268)

**HOLLANSBURG UNION CEMETERY DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$15,792	\$6,082	\$9,710
Total	\$15,792	\$6,082	\$9,710

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$7,170	\$11,393	\$4,223
Total	\$7,170	\$11,393	\$4,223

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$14,131	\$10,831	\$3,300
Total	\$14,131	\$10,831	\$3,300

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**HOLLANSBURG UNION CEMETERY DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

5. RETIREMENT SYSTEMS

The Cemetery's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, PERS members contributed 8.5% of their wages. The Cemetery contributed an amount equal to 13.55% of participants' gross salaries for 2001 and 2002. The Cemetery has paid all contributions required through December 31, 2002.

6. RISK MANAGEMENT

The Cemetery has obtained commercial insurance for the following risks:

- Comprehensive property and general liability



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Hollansburg Union Cemetery District
Darke County
2079 Hollansburg-Richmond Road
Hollansburg, OH 45332

To the Board of Trustees:

We have audited the accompanying financial statements of Hollansburg Union Cemetery District, Darke County (the Cemetery), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 12, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Cemetery's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2002-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Cemetery in a separate letter dated May 12, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Cemetery's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Cemetery in a separate letter dated May 12, 2003.

Hollansburg Union Cemetery District
Darke County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the audit committee, management, and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

May 12, 2003

**HOLLANSBURG UNION CEMETERY DISTRICT
DARKE COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2002-001

Finding for Recovery – Repaid Under Audit

Ohio Rev. Code, Section 759.31, states that, “A board of union cemetery trustees may fix the compensation of the members thereof, and such compensation shall be in accordance with the time actually consumed by such members in the discharge of their official duties, but such compensation shall not exceed fifteen dollars for each meeting nor exceed one hundred eighty dollars per year.”

During 2002, Board member Steve Bohn was paid \$65 in excess of the above limitation based on the number of meetings attended. During 2002 and 2001, Board member Gary Mangen was paid \$115 in excess of the above limitation based on the number of meetings attended. During 2002 and 2001, Board Member Darren Anderson was paid \$80 in excess of the above limitation based on the number of meetings attended. During 2001, Board member Coleman Wages was paid \$35 in excess of the above limitation based on the number of meetings attended. Based on the foregoing facts a finding for recovery is hereby returned against Steve Bohn, Board Member, in the amount of Sixty five Dollars (\$65.00), Gary Mangen, Board Member, in the amount of One hundred and Fifteen Dollars (\$115.00), Darren Anderson, Board Member, in the amount of Eighty Dollars (\$80.00), and Coleman Wages, Board Member in the amount of Thirty five Dollars (\$35.00) in favor of the Hollansburg Union Cemetery District General Fund.

The finding was repaid on May 19, 2003, and deposited to the credit of the Cemetery on May 20, 2003.



**Auditor of State
Betty Montgomery**

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HOLLANSBURG UNION CEMETERY DISTRICT

DARKE 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
JUNE 17, 2003**