



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

HICKSVILLE UNION CEMETERY
DEFIANCE COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Hicksville Union Cemetery
Defiance County
707 North Main Street
Hicksville, Ohio 43526-1147

To the Board of Trustees:

We have audited the accompanying financial statements of Hicksville Union Cemetery (the Cemetery) as of and for the years ended December 31, 2001 and 2000. 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 audits.

We conducted our audits 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 audits 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 audits provide 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 combined fund cash balances of the Cemetery as of December 31, 2001 and 2000, and its combined 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 April 5, 2002, 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 audits.

Hicksville Union Cemetery
Defiance County
Report of Independent Accountants
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This report is intended solely for the information and use of management, 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.

Jim Petro
Auditor of State

April 5, 2002

**HICKSVILLE UNION CEMETERY
DEFIANCE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Type</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Fiduciary Funds</u>	
Cash Receipts:			
Intergovernmental	\$31,000		31,000
Charges for Services	7,850		7,850
Sale of Lots	2,750		2,750
Interest	257	\$1,072	1,329
Miscellaneous	2,803		2,803
	<u>44,660</u>	<u>1,072</u>	<u>45,732</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries	32,256		32,256
Supplies	1,192		1,192
Equipment	1,362		1,362
Contracts - Repair	1,524		1,524
Contracts - Services	6,788		6,788
Health Insurance	3,900		3,900
Workers' Compensation	1,383		1,383
Miscellaneous	85		85
	<u>48,490</u>		<u>48,490</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(3,830)</u>	<u>1,072</u>	<u>(2,758)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		693	693
Transfers-Out	(693)		(693)
	<u>(693)</u>	<u>693</u>	
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(4,523)	1,765	(2,758)
Fund Cash Balances, January 1	<u>26,053</u>	<u>24,019</u>	<u>50,072</u>
Fund Cash Balances, December 31	<u>\$21,530</u>	<u>\$25,784</u>	<u>\$47,314</u>

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

**HICKSVILLE UNION CEMETERY
DEFIANCE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Type</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Fiduciary Funds</u>	
Cash Receipts:			
Intergovernmental	\$31,000		31,000
Charges for Services	6,875		6,875
Sale of Lots	3,700		3,700
Interest	567	\$844	1,411
Miscellaneous	111		111
	<hr/>		<hr/>
Total Cash Receipts	42,253	844	43,097
	<hr/>		<hr/>
Cash Disbursements:			
Current:			
Salaries	21,903		21,903
Supplies	2,813		2,813
Equipment	24,998		24,998
Contracts - Repair	2,429		2,429
Contracts - Services	10,787		10,787
Health Insurance	1,225		1,225
Workers' Compensation	123		123
Miscellaneous	245		245
	<hr/>		<hr/>
Total Cash Disbursements	64,523		64,523
	<hr/>		<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(22,270)	844	(21,426)
	<hr/>		<hr/>
Other Financing Receipts:			
Sale of Fixed Assets	100		100
	<hr/>		<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(22,170)	844	(21,326)
	<hr/>		<hr/>
Fund Cash Balances, January 1	48,223	23,175	71,398
	<hr/>		<hr/>
Fund Cash Balances, December 31	\$26,053	\$24,019	\$50,072
	<hr/> <hr/>		<hr/> <hr/>

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

**HICKSVILLE UNION CEMETERY
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Hicksville Union Cemetery, Defiance 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 Hicksville Township Trustees and Hicksville Village Council. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. The accompanying financial statement presents this funding as Intergovernmental Receipts. 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.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash

Certificates of deposit are valued 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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Fiduciary Funds (Trust and Agency Funds)

This fund is used to account for resources restricted by legally binding trust agreements and funds for which the Cemetery is acting in an agency capacity. The Cemetery had the following significant fiduciary fund:

Endowment Fund - This fund receives a portion of the receipts from all grave sales. Accumulated interest proceeds may be used for Cemetery maintenance costs.

**HICKSVILLE UNION CEMETERY
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay 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 follows:

	<u>2001</u>	<u>2000</u>
Demand deposits	\$23,068	\$26,694
Time and savings deposits	<u>24,246</u>	<u>23,378</u>
Total deposits	<u>\$47,314</u>	<u>\$50,072</u>

Deposits are insured by the Federal Depository Insurance Corporation (FDIC).

3. RETIREMENT SYSTEMS

The Cemetery's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The 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 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Cemetery contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000, through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000, through December 31, 2000. The Cemetery has paid all contributions required through December 31, 2001.

4. RISK MANAGEMENT

Commercial Insurance

The Cemetery has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

7. RELATED PARTY TRANSACTIONS

The Cemetery entered into an employee-sharing agreement with the Village of Hicksville in January 2001. Under the agreement, a Cemetery employee works for the Village during the winter months. The Village is required to remit to the Cemetery an amount of \$1,250 on the first day of December, January, February, and March (\$5,000 per year), to reimburse the Cemetery for the employee's salary during those months. As of December 31, 2001, the Village had not made any of the required payments to the Cemetery.



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

Hicksville Union Cemetery
Defiance County
707 North Main Street
Hicksville, Ohio 43526-1147

To the Board of Trustees:

We have audited the financial statements of Hicksville Union Cemetery (the Cemetery) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 5, 2002. We conducted our audits 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Cemetery in a separate letter dated April 5, 2002.

Internal Control Over Financial Reporting

In planning and performing our audits, 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. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Cemetery's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2001-30120-001.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above, item 2001-30120-001, to be a material weakness. We also noted other 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 April 5, 2002.

Hicksville Union Cemetery
Defiance County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

April 5, 2002

**HICKSVILLE UNION CEMETERY
DEFIANCE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

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

FINDING NUMBER 2001-30120-001

Material Weakness - Monitoring Financial Activity

Sound accounting practices require regular and thorough monitoring of the Cemetery's financial activity by management. This ensures that financial data is accurately presented and helps to ensure that resources are being efficiently and effectively utilized. The Trustees' review of Cemetery finances was limited to a list of bills presented at each meeting which was not documented in the minutes. In 2001, there was evidence of only one meeting being held. This does not allow the Trustees to adequately monitor the financial position of the Cemetery. We recommend that the Clerk promptly provide the Trustees with monthly financial reports which include at least the following information: 1) month-to-date and year-to-date receipt and disbursement totals, 2) monthly bills paid, 3) the balance in each individual fund, and 4) the monthly bank reconciliation. The review of this information should be documented in the minute record. The Trustees should use the reports as a tool to monitor the Cemetery's financial situation.

**HICKSVILLE UNION CEMETERY
DEFIANCE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001 AND 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-30120-001	Recommendation that the Trustees monitor monthly financial reports.	No	No action was taken by the Cemetery. Reissued as finding number 2001-30120-001.



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HICKSVILLE UNION CEMETERY

DEFIANCE 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 9, 2002**