



Mary Taylor, CPA
Auditor of State

HICKSVILLE UNION CEMETERY
DEFIANCE COUNTY

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Mary Taylor, CPA
Auditor of State

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

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 7, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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, Defiance County, (the Cemetery) as of and for the years ended December 31, 2009 and 2008. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Cemetery has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Cemetery's larger (i.e. major) funds separately. While the Cemetery does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require cemeteries to reformat their statements. The Cemetery has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Cemetery as of December 31, 2009 or 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of Hicksville Union Cemetery, Defiance County, as of December 31, 2009 and 2008, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Cemetery has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Mary Taylor, CPA
Auditor of State

September 7, 2010

**HICKSVILLE UNION CEMETERY
DEFIANCE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES- ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	All Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Permanent Fund	
Cash Receipts:				
Intergovernmental	\$37,424			\$37,424
Sale of Lots	7,350			7,350
Grave Openings	14,450			14,450
Interest	72		\$50	122
Total Cash Receipts	59,296		50	59,346
Cash Disbursements:				
Current:				
Salaries	22,107			22,107
Supplies	1,239			1,239
Fringe Benefits	5,555			5,555
Grave Openings	5,775			5,775
Contracts - Repair	1,622			1,622
Utilities	223			223
Public Employees' Retirement	7,440			7,440
Workers' Compensation	1,202			1,202
Health Insurance	4,275			4,275
Insurance	909			909
Miscellaneous	2,067			2,067
Capital Outlay		4,748		4,748
Total Cash Disbursements	52,414	4,748		57,162
Total Cash Receipts Over/(Under) Cash Disbursements	6,882	(4,748)	50	2,184
Fund Cash Balances, January 1	12,263	8,260	31,805	52,328
Fund Cash Balances, December 31	<u>\$19,145</u>	<u>\$3,512</u>	<u>\$31,855</u>	<u>\$54,512</u>

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

**HICKSVILLE UNION CEMETERY
DEFIANCE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES-ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent Fund</u>	
Cash Receipts:				
Intergovernmental	\$37,874	\$5,000		\$42,874
Sale of Lots	8,675			8,675
Grave Openings	10,475			10,475
Interest	188		\$574	762
Miscellaneous	2,591	10		2,601
	<u>59,803</u>	<u>5,010</u>	<u>574</u>	<u>65,387</u>
Total Cash Receipts				
	<u>59,803</u>	<u>5,010</u>	<u>574</u>	<u>65,387</u>
Cash Disbursements:				
Current:				
Salaries	22,209			22,209
Supplies	5,088			5,088
Fringe Benefits	5,456			5,456
Grave Openings	4,705			4,705
Contracts - Repair	1,684			1,684
Utilities	161			161
Audit Costs	3,052			3,052
Public Employees' Retirement	7,305			7,305
Workers' Compensation	1,167			1,167
Health Insurance	3,491			3,491
Insurance	909			909
Miscellaneous	2,158			2,158
Capital Outlay		5,666		5,666
	<u>57,385</u>	<u>5,666</u>		<u>63,051</u>
Total Cash Disbursements				
	<u>57,385</u>	<u>5,666</u>		<u>63,051</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>2,418</u>	<u>(656)</u>	<u>574</u>	<u>2,336</u>
Other Financing Receipts/(Disbursements):				
Transfers-In			100	100
Transfers-Out	(100)			(100)
	<u>(100)</u>		<u>100</u>	
Total Other Financing Receipts/(Disbursements)				
	<u>(100)</u>		<u>100</u>	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>2,318</u>	<u>(656)</u>	<u>674</u>	<u>2,336</u>
Fund Cash Balances, January 1	<u>9,945</u>	<u>8,916</u>	<u>31,131</u>	<u>49,992</u>
Fund Cash Balances, December 31	<u><u>\$12,263</u></u>	<u><u>\$8,260</u></u>	<u><u>\$31,805</u></u>	<u><u>\$52,328</u></u>

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, 2009 AND 2008**

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 Hicksville Union Cemetery, Defiance County, (the Cemetery) as a body corporate and politic. Hicksville Township Trustees and Village of Hicksville Council appoint a three-member Board of Trustees to direct cemetery operations. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. The accompanying financial statements present 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 the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements basis of accounting. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash

The Cemetery records certificates of deposit at cost.

D. Fund Accounting

The Cemetery uses fund accounting to segregate cash that is 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. Special Revenue Funds

These funds present proceeds from specific sources (other than from private-purpose trusts or for capital projects) restricted to expenditure for specific purposes. The Cemetery had the following significant Special Revenue Fund:

Cemetery Restoration Fund - This fund receives intergovernmental receipts and donations to pay for cemetery monument improvements.

**HICKSVILLE UNION CEMETERY
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

3. 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:

Cemetery Endowment Fund - This fund receives interest earned on fund investments. These earnings are used for the general maintenance and upkeep of grave sites.

E. Property, Plant, and Equipment

The financial statements report acquisitions of property, plant, and equipment as capital outlay disbursements when paid. The financial statements do not report these items as assets.

2. EQUITY IN POOLED CASH

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

	2009	2008
Demand deposits	\$40,961	\$38,886
Certificates of deposit	13,551	13,442
Total deposits	\$54,512	\$52,328

Deposits are insured by the Federal Depository Insurance Corporation.

3. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS employee members contributed 10 percent of their gross salaries. The Cemetery contributes an amount equal to 14 percent of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2009.

4. RISK MANAGEMENT

The Cemetery insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Cemetery has obtained commercial insurance for the following risks:

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



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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, Defiance County, (the Cemetery) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated September 7, 2010 wherein we noted the Cemetery prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Cemetery's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Cemetery's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Cemetery's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency 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 deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

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, providing an opinion 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Cemetery's management in a separate letter dated September 7, 2010.

We intend this report solely for the information and use of management, the audit committee, the Board of Trustees, and others within the Cemetery. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

September 7, 2010

**HICKSVILLE UNION CEMETERY
DEFIANCE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

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

FINDING NUMBER 2009-001

Material Weakness

Monitoring of Financial Transactions

Inaccurate posting of transactions impedes the ability of the Trustees to accurately assess the financial status of the Cemetery. We noted examples such as the following during our audit:

- Beginning balance in the General fund was overstated by \$2,091 and the Cemetery Restoration fund was overstated by \$96 in 2008.
- Interest in the amount of \$574 in the Cemetery Endowment Fund was not posted in 2008.
- A transfer out in the amount of \$100 in the General Fund to the Cemetery Endowment Fund which occurred in 2010 was posted in 2009.

As a result, the Cemetery's financial statements did not correctly reflect the financial activity of the Cemetery. The accompanying financial statements and accounting records have been adjusted so these transactions reflect their intended use.

The Cemetery should adopt policies and procedures including a final review of the financial statements by the Clerk and Trustees to ensure errors and omissions are detected and corrected.

Officials' Response

We did not receive a response from Officials to this finding.

**HICKSVILLE UNION CEMETERY
DEFIANCE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Ohio Revised Code Section 102.03- related party transactions	Yes	
2007-002	Monitoring of Financial Activity- incorrect posting of transactions	No	Not Corrected. Reissued in this report as Finding 2009-001



Mary Taylor, CPA
Auditor of State

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
SEPTEMBER 23, 2010**