



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Hollansburg Union Cemetery District
Darke County
250 N. Main St.
Hollansburg, Ohio 45332

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Hollansburg Union Cemetery District (the Cemetery) agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2010 and 2009, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. 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*. 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

1. We tested the mathematical accuracy of the December 31, 2010 and December 31, 2009 bank reconciliations. We noted that the December 31, 2009 reconciliation did not reconcile by \$99. The Cemetery should resolve this variance. We found no exceptions with the 2010 reconciliation.
2. We agreed the January 1, 2009 beginning balance recorded in the Cash Journal to the December 31, 2008 balances in the prior year audited statements. We noted that the January 1, 2009 cash balance did not agree to the December 31, 2008 audited balance by \$60. The Cemetery should review and resolve this difference.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2010 and 2009 cash balances reported in the Cash Journal. We noted that the December 31, 2009 totals per the bank reconciliation did not agree to the Cash Journal by the \$99 as stated in step #1. The December 31, 2010 bank reconciliation agreed to the Cash Journal.
4. We confirmed the December 31, 2010 bank accounts balance with the Cemetery's financial institution. We found no exceptions.
5. We selected three outstanding checks haphazardly from the December 31, 2010 bank reconciliation:
 - a. We traced each check to the debit appearing in the subsequent January bank statements. We found no exceptions.
 - b. We traced the amounts and date written to the check register, to determine the checks were dated prior to December 31. We found no exceptions.

Cash (Continued)

6. We tested investments held at December 31, 2010 and December 31, 2009 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 noted the Cemetery held a 15 month CD in excess of one year limit for *interim* money Ohio Rev. Code Section 135.13 imposes in 2009. We recommend the Cemetery consider whether they will need this money within a year. If they do not expect to spend it within a year, the Cemetery can reclassify this certificate as *inactive* money. Ohio Revised Code Section 135.13 permits inactive certificates to mature up to the expiration of the depository agreement.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2010 and one from 2009:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Revenue Ledger. The amounts agreed
 - b. We determined whether the receipt was allocated to the proper fund(s) as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Revenue Ledger to determine whether it included the proper number of tax receipts for 2010 and 2009:
 - a. One personal property tax receipts in 2010 and two personal property tax receipt in 2009.
 - b. Two real estate tax receipts

We noted the Revenue Ledger included the proper number of tax settlement receipts for each year.

3. We selected two receipts from the State Distribution Transaction Lists (DTL) from 2010 and four from 2009.
 - a. We compared the amount from the DTL to the amount recorded in the Revenue Ledger. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper account code(s). We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Sales of Lots, Cemetery Fees, and Foundations

We haphazardly selected 5 cash receipts for sales of lots, 10 cash receipts for cemetery fees, and 7 cash receipts for foundations from the year ended December 31, 2010 and 5 cash receipts for sales of lots, 10 cash receipts for cemetery fees, and 7 cash receipts for foundations from the year ended 2009 recorded in the duplicate cash receipts book and determined whether the:

Sales of Lots, Cemetery Fees, and Foundations (Continued)

- a. Receipt amount agreed to the amount recorded in the Revenue Ledger. We found no exceptions.
- b. Amount charged complied with rates in force during the period. We did not note any exceptions for sale of lots or foundations in 2009 or 2010. We noted three exceptions in 2010 and one exception in 2009 for cemetery fees because they were charged a weekend rate and there was no document maintained supporting the weekend rate charge. We recommend that the Cemetery maintain documents to support the weekend rate.
- c. Receipt was posted to the proper account codes, and was recorded in the proper year. We found no exceptions.

Debt

1. We inquired of management, and scanned the Revenue Ledger and Disbursement Ledger for evidence of bonded or note debt issued during 2010 or 2009 or outstanding as of December 31, 2010 or 2009. We noted no new debt issuances or any debt payment activity during 2010 and 2009.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2010 and one payroll check for five employees from 2009 from the Payroll Ledger and determined whether the following information in the employees' personnel files and the minutes was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Funds to which the check should be charged.
 - d. Retirement system participation and payroll withholding.
 - e. Federal, State & Local income tax withholding authorization and withholding.
 - f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to steps a. – f. above, except during 2009, one employee did not have their pay rate authorized by the board. It was also noted that all five employees in 2010 and 2009 did not have their state income tax withholdings form on file, along with federal income tax withhold forms for all five employees tested in 2010 and two employees tested in 2009. However, the payroll register did disclose the proper withholdings for the employees. We recommend the Cemetery maintain all documentation to support wages paid and deductions withheld.

2. We tested the checks we selected in step 1, as follows:
 - a. We compared the hours and pay rate, or salary amount used in computing gross pay to supporting documentation (timecard or legislatively-approved rate or salary). We noted that one employee tested in 2009 did not have their rate of pay approved by the board. We recommend the Cemetery approve rate of pay for all employees.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
 - c. We determined whether the account code(s) to which the check was posted was reasonable based on the employees' duties as documented in the employees' personnel files and the minutes. We also determined whether the payment was posted to the proper year. We noted that three employees in both 2009 and 2010 were paid out of miscellaneous codes instead of a salary account code. We recommend that all salary paid to employees be posted to the salary account code instead of miscellaneous code. We noted that all payments were made in the proper year.

Payroll Cash Disbursements (Continued)

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2010 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2010. We noted the following:

Withholding	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income taxes	January 31, 2011	January 23, 2011	\$409.58 (employee) \$292.40 (employer)	\$714.79
State income taxes	January 31, 2011	December 5, 2010	\$10.99	\$ 10.99
OPERS retirement (withholding plus employer share)	January 30, 2011	No employees paid into PERS during 2010.	\$0.00	\$ 0.00

As noted above, the Cemetery withheld \$701.98 in federal income tax during the last quarter of 2010, but paid taxes of \$714.79. This resulted in an overpayment of taxes of \$12.81. Also as the date of this report, the Cemetery has not withheld or paid OPERS the amount due as required by Ohio Rev. Code Sections 145.47 and 145.48 by January 31, 2011. The Auditor of State will notify OPERS of this matter.

Non-Payroll Cash Disbursements

1. For the Disbursement Ledger report, we re-footed checks recorded as disbursements for *supplies* for 2010. We noted that in 2010 the *supplies* line re-footed correctly. However, it was noted that the amount shown for supplies in the Disbursement Ledger report did not agree to the financial statements for the *supplies* line for 2010.

Because we did not compare the disbursement ledger to the financial statement for all accounts, there may be other differences between the two documents. The Cemetery should implement procedures to compare the amounts per the ledgers to its financial statements.

2. We agreed total disbursements (non-payroll and payroll) from the Disbursement Ledger and Payroll Ledger for the years ended December 31, 2010 and 2009 to the total disbursements recorded in the check register. We noted that in 2009, total expenditures in the Disbursement Ledger totaled \$9,007, while the amount shown in the Cash Journal (check register) only totaled \$8,892, a difference of \$115. We also noted in 2010 that total expenditures per the Disbursement Ledger \$17,607, while the Cash Journal (check register) totaled \$17,527, a difference of \$80. We recommend that more due care be involved when posting the disbursements to the ledger and cash journal.
3. We haphazardly selected ten disbursements from the Disbursement Ledger for the year ended December 31, 2010 and ten from the year ended 2009 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 Disbursement Ledger and to the names and amounts on the supporting invoices. We noted that two disbursements (one in both 2009 and 2010) did not include supporting documentation.
 - 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 no exceptions.

Compliance – Budgetary

1. We compared the total from the *Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Revenue Ledger for the General fund for the years ended December 31, 2010 and 2009. The Cemetery did not use the Revenue Ledger to record estimated amounts for either year. The fiscal officer should use the Revenue Ledger to record the budgeted amount and periodically compare amounts recorded in the Revenue Ledger to amount 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 scanned the appropriation measures adopted for 2010 and 2009 to determine whether, for the General fund, 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 Disbursement Ledger for 2010 and 2009 for the general fund. We noted that in 2009 all amounts were recorded correctly except the Contingency Account and Other Expenditures lines. In 2010, we noted that all amounts were recorded correctly except the Auditor's and Treasurer's Fees and Contingency Account lines. The fiscal officer should use the Appropriation Ledger to periodically compare amounts recorded in the Appropriation Ledger to amount approved in the Appropriation Resolution to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.
4. Ohio Rev. Code Section 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General fund for the years ended December 31, 2010 and 2009. We noted no funds for which appropriations exceeded certified resources.
5. Ohio Rev. Code Section 5705.41(B) prohibit expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2010 and 2009 for the General fund, as recorded in the Disbursement Ledger. We noted that expenditures did not exceed appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Revenue Ledger for evidence of new restricted receipts requiring a new fund during December 31, 2010 and 2009. We also inquired of management regarding whether the Cemetery received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Rev. Code Section 5705.09 would require the Cemetery to establish a new fund.
7. We inquired of management and scanned the Disbursement Ledger to determine whether the Cemetery elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. We noted the Cemetery did not establish these reserves.

Compliance – Contracts & Expenditures

We inquired of management and scanned the Disbursement Ledger report for the years ended December 31, 2010 and 2009 for projects requiring the contractor to pay prevailing wages to their employees as required by Ohio Rev. Code Sections 4115.04 and 4115.05. We identified no projects subject to the aforementioned prevailing wage requirements.

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We did not receive a response from Officials to the exceptions reported above.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Cemetery's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and those charged with governance 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 "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

April 14, 2011



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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 23, 2011**