

VILLAGE OF HOLLANSBURG

DAYTON REGION, DARKE COUNTY

REGULAR AUDIT

JANUARY 1, 1998 THROUGH DECEMBER 31, 1999

VILLAGE OF HOLLANSBURG
DARKE COUNTY

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**VILLAGE OF HOLLANSBURG
DARKE COUNTY**

P.O. BOX 48
HOLLANSBURG, OHIO 45332

ELECTED OFFICIALS
AS OF DECEMBER 31, 1999

ELECTED OFFICIALS

NAME	TITLE	TERM OF OFFICE
Village Council		
Robert Dill	Mayor	01/01/96 – 12/31/99
Gary Mangen	Council President	11/12/98 – 12/31/01
Darren Anderson	Council Member	01/01/98 – 12/31/01
Eric Burns	Council Member	05/13/99 – 12/31/01
Jay Eyer	Council Member	01/01/98 – 12/31/01
Dana Heck	Council Member	07/08/99 – 12/31/99
N. Edward Varvel	Council Member	05/13/99 – 12/31/99
Tamara Wilcox	Clerk Treasurer	04/01/96 – 03/31/00

STATUTORY LEGAL COUNSEL

Margaret Hayes, Attorney-at-Law
Village Solicitor
127 West Fifth Street
Greenville, Ohio 45331

VILLAGE OF HOLLANSBURG
DARKE COUNTY

INDEX OF FUNDS

GOVERNMENTAL FUND TYPES:

General Fund:

General Fund

Special Revenue Funds:

Street Construction Maintenance and Repair Fund

Law Enforcement Fund



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215

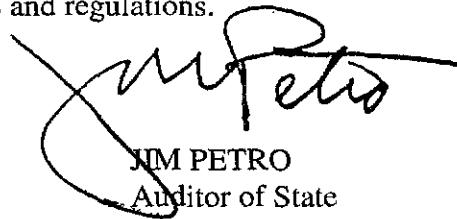
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Village Council
Village of Hollansburg
P.O. Box 48
Hollansburg, Ohio 45332

We have reviewed the Independent Auditor's Report of the Village of Hollansburg, Darke County, prepared by Vanderhorst & Manning CPA's, LLC, for the audit period January 1, 1998 to December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Hollansburg is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

May 4, 2000



VANDERHORST & MANNING CPAs, LLC

Members of American Institute and Ohio Society of Certified Public Accountants

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REPORT OF INDEPENDENT AUDITORS'

Village Council
Village of Hollansburg
P.O. Box 48
Hollansburg, Ohio 45332

We have audited the accompanying financial statements of the Village of Hollansburg, Darke County, (the Village), as of and for the years ended December 31, 1999, and 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards 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 audits provide a reasonable basis for our opinion.

As described in Note 1, the Village 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 and reserve for encumbrances of the Village of Hollansburg, Darke County, as of December 31, 1999, and 1998, 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 a report dated April 13, 2000, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

Vanderhorst & Manning CPAs, LLC
Greenville, Ohio

April 13, 2000

**VILLAGE OF HOLLANSBURG
DARKE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	GOVERNMENTAL FUND TYPES		Total (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Taxes	\$ 13,699	\$ 9,956	\$ 23,655
Intergovernmental Receipts	50,194	7,763	57,957
Miscellaneous	1,281	1,647	2,928
Total Cash Receipts	\$ 65,174	\$ 19,366	\$ 84,540
Cash Disbursements:			
General Government	\$ 16,415	\$ 0	\$ 16,415
Security of Persons and Property	12,695	4,765	17,460
Public Health Services	464	0	464
Leisure Time Activities	6,673	0	6,673
Basic Utility Services	19,050	0	19,050
Transportation	4,740	8,002	12,742
Capital Outlay	0	4,000	4,000
Total Cash Disbursements	\$ 60,037	\$ 16,767	\$ 76,804
Total Receipts Over/ (Under) Disbursements	\$ 5,137	\$ 2,599	\$ 7,736
Fund Cash Balances, January 1, 1999	10,043	19,029	29,072
Fund Cash Balances, December 31, 1999	\$ 15,180	\$ 21,628	\$ 36,808
Reserve for Encumbrances, December 31, 1999	\$ 1,127	\$ 0	\$ 1,127

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF HOLLANSBURG
DARKE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	GOVERNMENTAL FUND TYPES		Total (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Taxes	\$ 11,201	\$ 6,087	\$ 17,288
Intergovernmental Receipts	47,526	10,197	57,723
Miscellaneous	2,790	0	2,790
Total Cash Receipts	\$ 61,517	\$ 16,284	\$ 77,801
Cash Disbursements:			
General Government	\$ 12,960	\$ 0	\$ 12,960
Security of Persons and Property	11,978	6,027	18,005
Public Health Services	541	0	541
Leisure Time Activities	6,572	0	6,572
Basic Utility Services	17,822	0	17,822
Transportation	5,033	4,368	9,401
Total Cash Disbursements	\$ 54,906	\$ 10,395	\$ 65,301
Total Receipts Over/ (Under) Disbursements	\$ 6,611	\$ 5,889	\$ 12,500
Fund Cash Balances, January 1, 1998	3,432	13,140	16,572
Fund Cash Balances, December 31, 1998	\$ 10,043	\$ 19,029	\$ 29,072
Reserve for Encumbrances, December 31, 1998	\$ 0	\$ 4,000	\$ 4,000

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF HOLLANSBURG
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Hollansburg of Darke County, (the Village) 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 Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, park operations, leisure time activities, and police services. The Village contracts with the Darke County Sheriff's Office to provide security of persons and property.

The Village's management believes these financial statements present all activities for which the Village 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 a payment is made 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 Village does not have any investments as of December 31, 1999. All funds are maintained in a general checking account.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

General Fund:

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Funds:

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair Fund – This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

**VILLAGE OF HOLLANSBURG
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Special Revenue Funds: (Continued)

Law Enforcement Fund - Receives money from semiannual tax settlements from the county auditor and is used to pay the expenses related to providing security of persons and property.

E. Budgetary Process

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

Appropriations

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

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus the cash balance as of January 1. The County Budget Commission must also approve estimated resources.

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made.

A summary of 1999 and 1998 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 Village maintains a cash 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:

	1999	1998
Demand deposits	<u>\$ 36,808</u>	<u>\$ 29,072</u>

Deposits:

Deposits are insured by the Federal Depository Insurance Corporation.

**VILLAGE OF HOLLANSBURG
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 1999, and 1998 was as follows:

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 63,909	\$65,174	\$ 1,265
Special Revenue	<u>16,110</u>	<u>19,366</u>	<u>3,256</u>
Total	<u>\$ 80,019</u>	<u>\$84,540</u>	<u>\$ 4,521</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 73,951	\$61,164	\$ 12,787
Special Revenue	<u>31,139</u>	<u>16,767</u>	<u>14,372</u>
Total	<u>\$105,090</u>	<u>\$77,931</u>	<u>\$ 27,159</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 55,389	\$61,517	\$ 6,128
Special Revenue	<u>15,050</u>	<u>16,284</u>	<u>1,234</u>
Total	<u>\$ 70,439</u>	<u>\$77,801</u>	<u>\$ 7,362</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 58,821	\$54,906	\$ 3,915
Special Revenue	<u>28,118</u>	<u>14,395</u>	<u>13,723</u>
Total	<u>\$ 86,939</u>	<u>\$69,301</u>	<u>\$17,638</u>

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. 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 payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village

**VILLAGE OF HOLLANSBURG
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

4. PROPERTY TAX (Continued)

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 Village.

5. RETIREMENT SYSTEMS

The Village's employee, Clerk-Treasurer and one of the members of Council belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. These plans provide retirement benefits, including post-retirement health care, 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 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Village is required to contribute an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

6. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

7. LEASE COMMITMENTS

The Village has entered into a lease with Associates Commercial Corporation for a Melroe Model 751 Bobcat with attachment. The lease commenced on June 11th, 1998 and final payment is scheduled for payment on March 1st, 2003. Title will be transferred to the Village at the end of the lease. Payments are made quarterly in the amount of \$821.68.

	Lease Principal Payments
2000	\$ 2,698
2001	\$ 2,890
2002	\$ 3,096
2003	\$ 808

Total contract amount at signing: \$14, 028



VANDERHORST & MANNING CPAs, LLC

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Web Site Address:
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Village Council
Village of Hollansburg
P.O. Box 48
Hollansburg, Ohio 45332

We have audited the financial statements of the Village of Hollansburg, Darke County (the Village), as of and for the years ended December 31, 1999, and 1998, and have issued our report thereon dated April 13, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

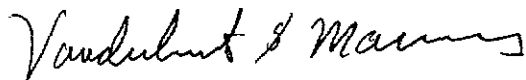
Compliance

As part of obtaining reasonable assurance about whether the Village'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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village'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 specific 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 operations that we consider to be material weaknesses.

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



Vanderhorst & Manning CPAs, LLC
Greenville, Ohio

April 13, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF HOLLANSBURG

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.

By: Susan Babbitt

Date: MAY 16, 2000