



**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

**REGULAR AUDIT**

**JANUARY 1, 1998 - DECEMBER 31, 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Forest Hill Union Cemetery  
Miami County  
8660 North State Route 66  
Piqua, Ohio 45356

To the Board of Trustees:

We have audited the accompanying financial statements of Forest Hill Union Cemetery, Miami County, Ohio, (the Cemetery) as of and for the years ended December 31, 1999 and 1998. 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 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 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 Forest Hill Union Cemetery, Miami County, as of December 31, 1999 and 1998, 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 4, 2000 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.

This report is intended solely for the information and use of the management 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, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

May 4, 2000



**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUND TYPE AND SIMILAR FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<b>Governmental Fund Type</b>	<b>Fiduciary Fund</b>	<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Expendable Trust</u>	<u>          </u>
<b>Cash Receipts:</b>			
Local Taxes	\$128,340		\$128,340
Licenses, Permits, & Fees	115,797		115,797
Intergovernmental Revenue	12,909		12,909
Interest	2,282	554	2,836
All Other Receipts	<u>10,263</u>		<u>10,263</u>
 Total Cash Receipts	 <u>269,591</u>	 <u>554</u>	 <u>270,145</u>
 <b>Cash Disbursements:</b>			
General Government	65,054		65,054
Health	152,103		152,103
Public Works	21,608		21,608
Capital Outlay	53,354	1,350	54,704
Miscellaneous - Farm	<u>1,541</u>		<u>1,541</u>
 Total Disbursements	 <u>293,660</u>	 <u>1,350</u>	 <u>295,010</u>
 Total Receipts Over/(Under) Disbursements	 (24,069)	 (796)	 (24,865)
 Fund Cash Balances January 1	 <u>112,016</u>	 <u>13,964</u>	 <u>125,980</u>
 <b>Fund Cash Balances, December 31</b>	 <u><u>\$87,947</u></u>	 <u><u>\$13,168</u></u>	 <u><u>\$101,115</u></u>

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

**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
NON-EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<b>Fiduciary Fund</b>
	<b>Non-Expendable Trust</b>
	<hr/>
<b>Cash Receipts:</b>	
Interest	5,433
	<hr/>
Total Cash Receipts	5,433
	<hr/>
<b>Cash Disbursements:</b>	
Personal Services	6,195
Supplies & Materials	391
	<hr/>
Total Disbursements	6,586
	<hr/>
Total Receipts Over/(Under) Disbursements	(1,153)
Fund Cash Balance January 1	128,726
	<hr/>
<b>Fund Cash Balance, December 31</b>	<b><u><u>\$127,573</u></u></b>

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

**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUND TYPE AND SIMILAR FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Governmental Fund Type	Fiduciary Fund	Totals (Memorandum Only)
	<u>General</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$120,083		\$120,083
Licenses and Permits	110,829	350	111,179
Intergovernmental Revenue	12,124		12,124
Interest	2,525	926	3,451
All Other Receipts	9,630		9,630
	<u>255,191</u>	<u>1,276</u>	<u>256,467</u>
<b>Total Cash Receipts</b>			
	<u>255,191</u>	<u>1,276</u>	<u>256,467</u>
<b>Cash Disbursements:</b>			
General Government	65,649		65,649
Health	160,078		160,078
Public Works	23,741		23,741
Capital Outlay	4,151		4,151
Miscellaneous - Farm	1,546	325	1,871
	<u>255,165</u>	<u>325</u>	<u>255,490</u>
<b>Total Disbursements</b>			
	<u>255,165</u>	<u>325</u>	<u>255,490</u>
Total Receipts Over/(Under) Disbursements	26	951	977
Fund Cash Balances January 1	111,990	13,013	125,003
	<u>111,990</u>	<u>13,013</u>	<u>125,003</u>
<b>Fund Cash Balances, December 31</b>	<u>\$112,016</u>	<u>\$13,964</u>	<u>\$125,980</u>

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

**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
NON-EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<b>Fiduciary Fund</b>	<b>Non-Expendable Trust</b>
<b>Cash Receipts:</b>		
Interest	7,826	
Gifts		3,000
Total Cash Receipts		10,826
<b>Cash Disbursements:</b>		
Personal Services	7,916	
Supplies & Materials		354
Total Disbursements		8,270
Total Receipts Over/(Under) Disbursements		2,556
Fund Cash Balances January 1		126,170
<b>Fund Cash Balances, December 31</b>		<b>\$128,726</b>

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

**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Forest Hill Union Cemetery, Miami 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 Washington Township and the City of Piqua. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. 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**

Certificates of deposit and savings account 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 Funds)**

These funds are used to account for resources restricted by legally binding trust agreements. The Cemetery had the following significant Fiduciary Funds:

Perpetual Care Fund - A non-expendable trust fund. Amounts donated are maintained in perpetuity. Investment earnings are used for grave upkeep as specified by the donor.

Pre-Arranged Burial Fund - An expendable trust fund. Amounts paid are maintained and are restricted for burial purchases as specified by the payee.

**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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, function or object level of control (modify to reflect legal level of control) and appropriations may not exceed estimated resources. The Board annually approves an appropriation measure and any subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Cemetery to reserve (encumber) appropriations when commitments are made. The Cemetery did not use the encumbrance method of accounting.

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 capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Cemetery.

**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>1999</u>	<u>1998</u>
Demand deposits	\$ 166,861	\$ 126,358
Certificates of deposit	<u>61,828</u>	<u>128,348</u>
Total deposits	<u>228,689</u>	<u>254,706</u>

**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

**1999 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 249,765	\$ 269,591	\$ 19,826
Expendable Trust	0	554	554
Non-Expendable Trust	0	5,433	5,433
Total	<u>\$ 249,765</u>	<u>\$ 275,578</u>	<u>\$ 25,813</u>

**1999 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 330,500	\$ 293,660	\$ 36,840
Expendable Trust	10,000	1,350	8,650
Non-Expendable Trust	7,400	6,586	814
Total	<u>\$ 347,900</u>	<u>\$ 301,596</u>	<u>\$ 46,304</u>

**1998 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 246,267	\$ 255,191	\$ 8,924
Expendable Trust	0	1,276	1,276
Non-Expendable Trust	0	10,826	10,826
Total	<u>\$ 246,267</u>	<u>\$ 267,293</u>	<u>\$ 21,026</u>

**1998 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 345,246	\$ 255,165	\$ 90,081
Expendable Trust	0	325	(325)
Non-Expendable Trust	0	8,270	(8,270)
Total	<u>\$ 345,246</u>	<u>\$ 263,760</u>	<u>\$ 81,486</u>

**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

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

**4. COMPLIANCE**

1. Ohio Rev. Code Section 5705.41(D), states that no order or contracts involving the expenditure of money is to be made unless there is attached thereto a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

Section 5705.41(D), Ohio Rev. Code, provides for the following exception to this requirement:

If no certificate is issued at the time the contract or order is presented for payment, the taxing authority may authorize the payment provided there is appropriated sufficient sum for the purpose of such contract and is in the treasury or process of collection to the credit of an appropriate fund free from a previous encumbrance, provided such action is taken within thirty days of the contract. Amounts less than \$1,000 may be paid by the fiscal officer without affirmation of the taxing authority, upon completion of a "then and now" certificate.

The Cemetery did not obtain prior certification of the availability of funds for any expenditures.

2. Ohio Rev. Code Section 5705.41 (B) prohibits a subdivision from making an expenditure unless it has been appropriated. No appropriations were approved for the Perpetual Care Fund in 1998. Therefore, 100% of expenditures from the fund exceeded appropriations.

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board. 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.

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 Cemetery.

**6. 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 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Cemetery contributed an amount equal to 13.55% of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 1999.

**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

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

**7. RISK MANAGEMENT**

The Cemetery has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Inland Marine Coverage
- Public Officials Liability

The Cemetery also provides health insurance to full-time employees through a private carrier.

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

Forest Hill Union Cemetery  
Miami County  
8660 North State Route 66  
Piqua, Ohio 45356

To the Board of Trustees:

We have audited the accompanying financial statements of Forest Hill Union Cemetery, Miami County, Ohio (the Cemetery), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 4, 2000. We conducted our audit 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 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 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 1999-20355-001 and 1999-20355-002.

### 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 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 May 4, 2000.

Forest Hill Union Cemetery  
Miami 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 the 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, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

May 4, 2000

**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 1999-20355-001**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(D), states that no order or contracts involving the expenditure of money is to be made unless there is attached thereto a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

Section 5705.41(D), Ohio Rev. Code, provides for the following exception to this requirement:

If no certificate is issued at the time the contract or order is presented for payment, the taxing authority may authorize the payment provided there is appropriated sufficient sum for the purpose of such contract and is in the treasury or process of collection to the credit of an appropriate fund free from a previous encumbrance, provided such action is taken within thirty days of the contract date, and the amount involved is less than \$1,000. Amounts less than \$1,000 may be paid by the fiscal officer without affirmation of the taxing authority, upon completion of a "then and now" certificate.

For one hundred percent of the expenditures tested, obligations were incurred by the Cemetery without obtaining prior certification of the availability of funds. The exceptions provided by the aforementioned Section were not utilized for any of the tested transactions.

**FINDING NUMBER 1999-20355-002**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41 (B) prohibits a subdivision from making an expenditure unless it has been appropriated. No 1998 appropriations were approved for the Perpetual Care and Pre-Arranged Funds. Therefore 100% of the expenditures made from these funds during 1998 exceeded appropriations. The lack of appropriations could result in expenditures exceeding available funds. The Cemetery should pass appropriations prior to expending any funds.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**FOREST HILL UNION CEMETERY**

**MIAMI 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 15, 2000**