



Mary Taylor, CPA  
Auditor of State



**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

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Mary Taylor, CPA  
Auditor of State

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

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 3, 2008

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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, (the Cemetery), as of and for the years ended December 31, 2007 and 2006. 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 combined funds the accompanying financial statements present, GAAP requires 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, 2007 and 2006 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, 2007 and 2006, 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 combined fund cash balances of Forest Hill Union Cemetery, Miami County, as of December 31, 2007 and 2006, and its combined 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 3, 2008, 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, 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 3, 2008

**FOREST HILL UNION CEMETERY  
MIAMI 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, 2007**

	<u>Governmental Fund Types</u>		<u>Fiduciary Funds</u>	<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Private Purpose Trusts</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$165,869			\$165,869
Intergovernmental	32,240			32,240
Charges for Services	101,411			101,411
Sale of Lots	59,575			59,575
Rental Income	20,207			20,207
Interest	250	\$322	\$6,269	6,841
Miscellaneous	6,768			6,768
Total Cash Receipts	<u>386,320</u>	<u>322</u>	<u>6,269</u>	<u>392,911</u>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
Salaries	214,595		5,612	220,207
Supplies	17,570		296	17,866
Equipment	14,363			14,363
Health Insurance	36,533			36,533
Office Expense	9,548			9,548
Public Employees' Retirement	24,320			24,320
Workers' Compensation	7,031			7,031
Utilities	4,646			4,646
General	45,242			45,242
Miscellaneous	3,344			3,344
Capital Outlay	25,938			25,938
Total Disbursements	<u>403,130</u>		<u>5,908</u>	<u>409,038</u>
Total Receipts Over/(Under) Disbursements	(16,810)	322	361	(16,127)
Fund Cash Balances, January 1	<u>90,525</u>	<u>12,915</u>	<u>137,812</u>	<u>241,252</u>
Fund Cash Balances, December 31	<u>\$73,715</u>	<u>\$13,237</u>	<u>\$138,173</u>	<u>\$225,125</u>

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

**FOREST HILL UNION CEMETERY  
MIAMI 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, 2006**

	<u>Governmental Fund Types</u>		<u>Fiduciary Funds</u>	<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Private Purpose Trusts</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$175,989			\$175,989
Intergovernmental	24,522			24,522
Charges for Services	105,318			105,318
Sale of Lots	52,300			52,300
Rental Income	4,800			4,800
Grants	19,213			19,213
Interest	368	\$437	\$5,623	6,428
Miscellaneous	2,122			2,122
Total Cash Receipts	<u>384,632</u>	<u>437</u>	<u>5,623</u>	<u>390,692</u>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
Salaries	189,043		4,676	193,719
Supplies	20,919		216	21,135
Equipment	17,975			17,975
Health Insurance	35,663			35,663
Contracts - Services	13,106			13,106
Public Employees' Retirement	20,540			20,540
Workers' Compensation	7,329			7,329
Utilities	4,530			4,530
Office Expense	11,601			11,601
General	48,598			48,598
Miscellaneous	1,835			1,835
Capital Outlay	7,644			7,644
Total Disbursements	<u>378,783</u>		<u>4,892</u>	<u>383,675</u>
Total Receipts Over/(Under) Disbursements	5,849	437	731	7,017
Fund Cash Balances, January 1	<u>84,676</u>	<u>12,478</u>	<u>137,081</u>	<u>234,235</u>
Fund Cash Balances, December 31	<u>\$90,525</u>	<u>\$12,915</u>	<u>\$137,812</u>	<u>\$241,252</u>

*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, 2007 AND 2006**

**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 the Forest Hill Union Cemetery, Miami County, (the Cemetery) as a body corporate and politic. The City of Piqua and Washington Township 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 Taxes and 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. Budgetary presentations report budgetary expenditures when a commitment is made.

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

**C. Cash and Investments**

The Cemetery records certificates of deposit at cost and has no investments.

**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 is the general operating fund. It presents all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

**Pre-Arranged Burial Fund** – This is an expendable trust fund that receives payments that are restricted and maintained for burial purposes as specified by the payee.

**3. Fiduciary Funds (Private Purpose Trusts)**

These funds 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:

**Perpetual Care Fund** – This is a non-expendable trust fund that receives revenue from wills, bequests and donations that are maintained in perpetuity. Investments earnings are used for grave upkeep as specified by the donor.

**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

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

**E. Budgetary Process**

The Cemetery's Board budgets each fund annually.

**1. Appropriations**

Budgetary expenditures may not exceed appropriations at the fund, function or object level of control. The Board annually approves appropriation measures and subsequent amendments. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

A summary of 2007 and 2006 budgetary activity appears in Note 4.

**F. 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.

**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. The financial statements do not report unpaid vacation and sick leave as liabilities.

**2. PRIOR PERIOD ADJUSTMENT**

The Perpetual Care Fund was previously classified as a non-expendable trust fund. It has been reclassified as a Private Purpose Trust Fund. The Pre-Arranged Burial Fund was previously classified as an expendable trust fund. It has been reclassified as a Special Revenue Fund.

**3. 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 and investments at December 31 follows:

	<u>2007</u>	<u>2006</u>
Demand deposits	\$96,935	\$108,930
Certificates of deposit	128,190	132,322
Total deposits	<u>\$225,125</u>	<u>\$241,252</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

<b>2007 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$338,005	\$386,320	\$48,315
Fiduciary (Trust Funds)	5,500	6,591	1,091
Total	\$343,505	\$392,911	\$49,406

<b>2007 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$427,000	\$403,130	\$23,870
Fiduciary (Trust Funds)	21,000	5,908	15,092
Total	\$448,000	\$409,038	\$38,962

<b>2006 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$338,126	\$384,632	\$46,506
Fiduciary (Trust Funds)	4,000	6,060	2,060
Total	\$342,126	\$390,692	\$48,566

<b>2006 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$419,000	\$378,783	\$40,217
Fiduciary (Trust Funds)	19,000	4,892	14,108
Total	\$438,000	\$383,675	\$54,325

**5. RETIREMENT SYSTEMS**

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 2007 and 2006, OPERS members contributed 9.5% and 9%, respectively, of their gross salaries and the Cemetery contributed an amount equaling 13.85% and 13.70%, respectively, of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2007.

**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Forest Hill Union Cemetery has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicle.



# 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*

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

To the Board of Trustees:

We have audited the financial statements of the Forest Hill Union Cemetery, Miami County, (the Cemetery), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated September 3, 2008, 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 expressing our opinion on the financial statements, but not to opine 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.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency or combination of control deficiencies, that adversely affects the Cemetery's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Cemetery's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency or combination of significant deficiencies resulting in more than a remote likelihood that the Cemetery's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the Cemetery's management in a separate letter dated September 3, 2008.

### **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 noncompliance or other matters not requiring inclusion in this report that we reported to the Cemetery's management in a separate letter dated September 3, 2008.

We intend this report solely for the information and use of management and Board of Trustees. It is not intended for anyone other than these specified parties.

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

Mary Taylor, CPA  
Auditor of State

September 3, 2008



**Mary Taylor, CPA**  
Auditor of State

**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  
SEPTEMBER 30, 2008**