



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

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**STATE OF OHIO**



**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

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OFFICE OF THE AUDITOR

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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 (the Cemetery), as of and for the years ended December 31, 2001 and 2000. 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 *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 accounting principles generally accepted in the United States of America.

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, 2001 and 2000, 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 24, 2002 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Forest Hill Union Cemetery  
Miami County  
Report of Independent Accountants  
Page 2

This report is intended solely for the information and use of the management, Board of Trustees 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". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

**Jim Petro**  
Auditor of State

May 24, 2002

**FOREST HILL 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, 2001**

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$163,283		\$163,283
Intergovernmental	17,502		17,502
Licenses and Permits	119,994		119,994
Interest	2,347	\$509	2,856
Miscellaneous	9,148		9,148
	<u>312,274</u>	<u>509</u>	<u>312,783</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	73,638		73,638
Health	186,875		186,875
Public Works	43,464		43,464
Capital Outlay	69,097		69,097
Miscellaneous - Farm	1,533		1,533
	<u>374,607</u>	<u>509</u>	<u>374,607</u>
Total Receipts Over/(Under) Disbursements	(62,333)	509	(61,824)
Fund Cash Balances, January 1	<u>138,048</u>	<u>13,277</u>	<u>151,325</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$75,715</u></u>	<u><u>\$13,786</u></u>	<u><u>\$89,501</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, 2001**

	<u>Fiduciary Fund Type</u>
	<u>Nonexpendable Trust</u>
<b>Cash Receipts:</b>	
Interest	\$5,048
Gifts	769
	<hr/>
Total Cash Receipts	5,817
	<hr/>
<b>Cash Disbursements:</b>	
Personal Services	4,822
Supplies and Materials	373
	<hr/>
Total Cash Disbursements	5,195
	<hr/>
Net Receipts Over Disbursements	622
	<hr/>
Fund Cash Balance, January 1	127,703
	<hr/>
<b>Fund Cash Balance, December 31</b>	<b><u><u>\$128,325</u></u></b>

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



**FOREST HILL 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, 2000**

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$156,070		\$156,070
Intergovernmental	17,603		17,603
Licenses and Permits	114,987		114,987
Interest	3,192	\$609	3,801
Miscellaneous	11,358		11,358
<b>Total Cash Receipts</b>	<u>303,210</u>	<u>609</u>	<u>303,819</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	72,645		72,645
Health	171,526		171,526
Capital Outlay	7,448	500	7,948
Miscellaneous - Farm	1,490		1,490
<b>Total Disbursements</b>	<u>253,109</u>	<u>500</u>	<u>253,609</u>
<b>Total Receipts Over Disbursements</b>	50,101	109	50,210
<b>Fund Cash Balances, January 1</b>	<u>87,947</u>	<u>13,168</u>	<u>101,115</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$138,048</u></u>	<u><u>\$13,277</u></u>	<u><u>\$151,325</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, 2000**

	<u>Fiduciary Fund Type</u>
	<u>Nonexpendable Trust</u>
<b>Cash Receipts:</b>	
Interest	<u>\$5,639</u>
<b>Cash Disbursements:</b>	
Personal Services	5,138
Supplies and Materials	<u>372</u>
Total Cash Disbursements	<u>5,510</u>
Net Receipts Over Disbursements	129
Fund Cash Balance, January 1	<u>127,574</u>
<b>Fund Cash Balance, December 31</b>	<u><u>\$127,703</u></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, 2001 AND 2000**

**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, 2001 AND 2000  
(Continued)**

**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 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. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2001 and 2000 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:

	2001	2000
Demand deposits	\$148,905	\$222,520
Certificates of deposit	68,921	56,508
Total deposits	217,826	279,028

**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Cemetery, or (3) collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$295,501	\$312,274	\$16,773
Expendable Trust		509	509
Non-Expendable Trust	5,000	5,817	817
Total	\$300,501	\$318,600	\$18,099

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$404,500	\$374,607	\$29,893
Expendable Trust	13,000		\$13,000
Non-Expendable Trust	8,200	5,195	\$3,005
Total	\$425,700	\$379,802	\$45,898

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$292,350	\$303,210	\$10,860
Expendable Trust		609	609
Non-Expendable Trust	5,000	5,639	639
Total	\$297,350	\$309,458	\$12,108

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$367,998	\$253,109	\$114,889
Expendable Trust	13,168	500	\$12,668
Non-Expendable Trust	8,074	5,510	\$2,564
Total	\$389,240	\$259,119	\$130,121

Contrary to Ohio law, the Cemetery did not obtain prior certification of the availability of funds for any expenditures.

**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**4. 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.

**5. 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 2001 and 2000, PERS employee members contributed 8.5% of their gross salaries. The Cemetery contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. Commencing July 1, 2000, PERS temporarily reduced employer contributions to 8.13%. The Cemetery has paid all contributions required through December 31, 2001.

**6. RISK MANAGEMENT**

The Forest Hill Union 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.



STATE OF OHIO  
OFFICE OF THE AUDITOR

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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 (the Cemetery), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 24, 2002. 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 *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 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2001-20355-001. We also noted an immaterial instance of noncompliance that we have reported to management of the Cemetery in a separate letter dated May 24, 2002.

**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 24, 2002.

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 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 stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

**Jim Petro**  
Auditor of State

May 24, 2002



**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2001-20355-001**

**Noncompliance Citation**

**Certification of Expenditures**

**Ohio Rev. Code Section 5705.41(D)** states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriation fund free from any previous encumbrance.

This Section also provides an exception to this requirement:

If no certificate is issued at the time the contract or order is entered into, the fiscal officer may later certify that there were funds properly appropriated and in the treasury or in the process of collection and such funds are free from previous encumbrance both at the time the contract or order was entered into and at the time of payment. After certifying this, the fiscal officer may proceed to pay for such order or contract. If the amount involved is over \$1,000, the taxing authority must approve of such payment within thirty days of the date of the fiscal officer's certification.

The Cemetery did not comply with certification requirements for 100% of the expenditures tested. The exceptions provided by the aforementioned Section were not utilized for any of the tested transactions.

The Cemetery should implement policies and procedures to comply with the certification requirement.

**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2001 AND 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
1999-20355-001	Ohio Rev. Code Section 5705.41(D), failure to certify funds	Not Corrected	Citation was repeated, see Finding # 2001-20355-001
1999-20355-002	Ohio Rev. Code Section 5705.41(B), failure to pass appropriations prior to expending funds in Perpetual Care and Pre-Arranged Funds.	Fully Corrected.	



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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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 27, 2002**