



**FOREST HILL UNION CEMETERY  
MAIMI COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**



**FOREST HILL UNION CEMETERY  
MIAMI COUNTY  
DECEMBER 31, 2021 AND 2020**

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**INDEPENDENT AUDITOR'S REPORT**

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

To the Board of Trustees:

***Report on the Audit of the Financial Statements***

***Adverse Opinion and Additional Opinion Qualification***

We have audited the financial statements of the Forest Hill Union Cemetery, Miami County, Ohio (the Cemetery), which comprises the cash balances, receipts and disbursements for the governmental fund type and the fiduciary fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Cemetery, as of December 31, 2021 and 2020, or the changes in financial position thereof for the years then ended.

***Additional Opinion Qualification***

In our opinion, except for the possible effects of the matters described in the *Basis for Additional Opinion Qualification* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements for the governmental fund type as of and for the years ended December 31, 2021 and 2020, and related notes of the Forest Hill Union Cemetery, Miami County, in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 2.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Cemetery, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and qualified audit opinions.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the financial statements are prepared by the Cemetery on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### ***Basis for Additional Opinion Qualification***

We were unable to obtain sufficient appropriate audit evidence supporting the amounts reported as fund cash balance in the general fund and private purpose trust fund and earnings on investments for the private purpose trust fund for the years ended December 31, 2021 and 2020. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cemetery's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cemetery's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cemetery's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2023, 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 grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cemetery's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Cemetery's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 21, 2023

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**Forest Hill Union Cemetery  
Miami County**

**Statement of Receipts, Disbursements and  
Change In Fund Balance (Cash Basis)  
Governmental Fund Type  
For the Year Ended December 31, 2021**

	General
<b>Cash Receipts</b>	
Property and Other Local Taxes	\$219,462
Charges for Services	142,118
Sale of Lots	119,725
Intergovernmental	21,399
Rental Income	6,365
Grants & Donations	18,833
Farm Income	6,240
Sale of Capital Assets	213,344
Interest	90
Miscellaneous	1,745
	749,321
<b>Total Cash Receipts</b>	<b>749,321</b>
<b>Cash Disbursements</b>	
Current Disbursements:	
Salaries	165,681
Supplies & Materials	8,936
Uniforms	2,298
Office Expense	60,273
Utilities	7,538
General Expense	42,783
Public Employees' Retirement	23,135
Workers' Compensation and Health Insurance	16,530
Medicare	2,404
Bridge and Road	285
Building Repair and Upkeep	947
Grant Projects	6,186
	336,996
<b>Total Cash Disbursements</b>	<b>336,996</b>
Net Change in Fund Cash Balance	412,325
Fund Cash Balance, January 1	197,265
	609,590
<b>Fund Cash Balance, December 31</b>	<b>\$609,590</b>

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

**Forest Hill Union Cemetery  
Miami County**

**Statement of Receipts, Disbursements and  
Change In Fund Balance (Cash Basis)  
Fiduciary Fund Type  
For the Year Ended December 31, 2021**

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	<u>Private Purpose Trust Fund</u>
<b>Operating Cash Receipts</b>	
Earnings on Investments	\$195
Total Operating Cash Receipts	<u>195</u>
<b>Operating Cash Disbursements</b>	<u>0</u>
Operating Income	195
Fund Cash Balance, January 1	<u>126,083</u>
<b>Fund Cash Balance, December 31</b>	<u><u>\$126,278</u></u>

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

**Forest Hill Union Cemetery  
Miami County  
Notes to the Financial Statements  
For the Year Ended December 31, 2021**

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**Note 1 – Reporting 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). The City of Piqua and Washington Township appoint a three-member Board of Trustees to direct cemetery operations. These entities levy a property tax on behalf of the Cemetery to meet the Cemetery's operating costs under the agreement which established the Cemetery. The accompanying financial statements classify the tax levy as property taxes. The Cemetery provides grounds maintenance, opening and closing of graves, and the sale of grave lots.

The Piqua Community Foundation is a separate entity that provides tax exemption status to donors for specific funds set up by private individuals to provide support to the Cemetery. All donated funds are approved for distribution by the Foundation's Board of Directors. The Piqua Community Foundation was determined to be a separate and independent organization and its financial statements are not required to be included in this report. See additional information in Note 8.

The Cemetery's management believes these financial statements present all activities for which the Cemetery is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Cemetery's financial statements consist of a statement of receipts, disbursements and change in fund balance (cash basis) for the governmental and fiduciary fund types which is organized on a fund type basis.

***Fund Accounting***

The Cemetery uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Cemetery are presented below:

***General Fund*** - The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Cemetery for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Fiduciary Fund*** – The fiduciary fund includes private purpose trust funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Cemetery's own programs. The Cemetery had the following significant fiduciary fund:

***Perpetual Care Fund*** - This fund has received revenue from wills, bequests, and donations to be used for individual grave sites as specified by the donor.

**Forest Hill Union Cemetery  
Miami County  
Notes to the Financial Statements  
For the Year Ended December 31, 2021**

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Deposits***

The Cemetery has only demand deposit accounts and does not have any investments.

***Capital Assets***

The Cemetery records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statement does not include a liability for unpaid leave.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Cemetery must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** - The Cemetery classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

***Restricted*** - Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** - Trustees can *commit* amounts via formal action (resolution). The Cemetery must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Forest Hill Union Cemetery  
Miami County  
Notes to the Financial Statements  
For the Year Ended December 31, 2021**

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**Note 2 – Summary of Significant Accounting Policies (continued)**

*Assigned* - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Cemetery Trustees or a Cemetery official delegated that authority by resolution, or by State Statute.

*Unassigned* - Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Cemetery applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Deposits**

The Cemetery maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	<u>2021</u>
Demand deposits	<u>\$735,868</u>
Total deposits	<u>\$735,868</u>

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 4 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statement includes these credits and/or deduction amounts the State pays as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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 taxing authority.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the taxing authority.

**Forest Hill Union Cemetery  
Miami County  
Notes to the Financial Statements  
For the Year Ended December 31, 2021**

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**Note 5 – Risk Management**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Cemetery pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***Commercial Insurance***

The Cemetery has obtained commercial insurance for the following risks:

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

**Note 6 – Defined Benefit Pension Plans**

Employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Cemetery contributed an amount equaling 14% of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2021.

**Note 7 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4 percent during calendar year 2021.

**Note 8 – The Piqua Community Foundation**

The Piqua Community Foundation (the "Foundation") is a not-for-profit corporation that was created in 1993 and manages a variety of funds ranging from donor designated to unrestricted, including funds related to the Cemetery. The Foundation was formed with a common goal to encourage charitable giving to benefit the citizens of Piqua, and provides a variety of methods for donors to help fulfill their charitable giving wishes. Unaudited financial statements of the Foundation may be obtained by contacting Michelle Perry, Executive Director at 209 W. Ash Street, P.O. Box 226, Piqua, Ohio 45356.

**Forest Hill Union Cemetery  
Miami County**

**Statement of Receipts, Disbursements and  
Change In Fund Balance (Cash Basis)  
Governmental Fund Type  
For the Year Ended December 31, 2020**

	General
<b>Cash Receipts</b>	
Property and Other Local Taxes	\$215,139
Charges for Services	124,602
Sale of Lots	90,280
Intergovernmental	21,562
Rental Income	13,380
Grants & Donations	11,361
Farm Income	6,240
Miscellaneous	13,440
	496,004
<b>Total Cash Receipts</b>	<b>496,004</b>
<b>Cash Disbursements</b>	
Current Disbursements:	
Salaries	189,243
Supplies & Materials	6,871
Uniforms	1,906
Office Expense	74,833
Utilities	5,726
General Expense	49,118
Public Employees' Retirement	27,380
Workers' Compensation and Health Insurance	25,681
Medicare	2,844
Bridge and Road	1,394
Building Repair and Upkeep	3,199
Grant Projects	35,552
Capital Outlay	60,000
	483,747
<b>Total Cash Disbursements</b>	<b>483,747</b>
Net Change in Fund Cash Balance	12,257
Fund Cash Balance, January 1	185,008
<b>Fund Cash Balance, December 31</b>	<b>\$197,265</b>

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

**Forest Hill Union Cemetery  
Miami County**

**Statement of Receipts, Disbursements and  
Change In Fund Balance (Cash Basis)  
Fiduciary Fund Type  
For the Year Ended December 31, 2020**

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	<u>Private Purpose Trust Fund</u>
<b>Operating Cash Receipts</b>	
Earnings on Investments	\$1,162
Total Operating Cash Receipts	<u>1,162</u>
<b>Operating Cash Disbursements</b>	<u>0</u>
Operating Income	1,162
Fund Cash Balance, January 1	<u>124,921</u>
<b>Fund Cash Balance, December 31</b>	<u><u>\$126,083</u></u>

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



**Forest Hill Union Cemetery  
Miami County  
Notes to the Financial Statements  
For the Year Ended December 31, 2020**

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**Note 1 – Reporting Entity**

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The Piqua Community Foundation is a separate entity that provides tax exemption status to donors for specific funds set up by private individuals to provide support to the Cemetery. All donated funds are approved for distribution by the Foundation's Board of Directors. The Piqua Community Foundation was determined to be a separate and independent organization and its financial statements are not required to be included in this report. See additional information in Note 8.

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**Note 2 – Summary of Significant Accounting Policies**

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***Perpetual Care Fund*** - This fund has received revenue from wills, bequests, and donations to be used for individual grave sites as specified by the donor.

**Forest Hill Union Cemetery  
Miami County  
Notes to the Financial Statements  
For the Year Ended December 31, 2020**

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Deposits***

The Cemetery has certificates of deposit, which are recorded at cost. All other Cemetery cash is in depository accounts.

***Capital Assets***

The Cemetery records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Cemetery must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

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***Restricted*** - Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** - Trustees can *commit* amounts via formal action (resolution). The Cemetery must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Forest Hill Union Cemetery  
Miami County  
Notes to the Financial Statements  
For the Year Ended December 31, 2020**

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**Note 2 – Summary of Significant Accounting Policies (continued)**

*Assigned* - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Cemetery Trustees or a Cemetery official delegated that authority by resolution, or by State Statute.

*Unassigned* - Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Cemetery applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Deposits**

The Cemetery maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	<u>2020</u>
Demand deposits	\$208,468
Certificate of deposit	<u>114,880</u>
Total deposits	<u>\$323,348</u>

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation.

**Note 4 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statement includes these credits and/or deduction amounts the State pays as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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 taxing authority.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the taxing authority.

**Forest Hill Union Cemetery  
Miami County  
Notes to the Financial Statements  
For the Year Ended December 31, 2020**

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**Note 5 – Risk Management**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Cemetery pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***Commercial Insurance***

The Cemetery has obtained commercial insurance for the following risks:

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

**Note 6 – Defined Benefit Pension Plans**

Employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Cemetery contributed an amount equaling 14% of participants' gross salaries. The Cemetery has paid all contributions required through December 31, 2020.

**Note 7 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for members in the member-directed plan was 4 percent during calendar year 2020.

**Note 8 – The Piqua Community Foundation**

The Piqua Community Foundation (the "Foundation") is a not-for-profit corporation that was created in 1993 and manages a variety of funds ranging from donor designated to unrestricted, including funds related to the Cemetery. The Foundation was formed with a common goal to encourage charitable giving to benefit the citizens of Piqua, and provides a variety of methods for donors to help fulfill their charitable giving wishes. Unaudited financial statements of the Foundation may be obtained by contacting Michelle Perry, Executive Director at 209 W. Ash Street, P.O. Box 226, Piqua, Ohio 45356.

# OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215  
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(800) 282-0370

## INDEPENDENT AUDITOR'S 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, 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for the governmental and fiduciary fund type as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Forest Hill Union Cemetery, Miami County, (the Cemetery) and have issued our report thereon dated March 21, 2023, wherein we noted the Cemetery followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also qualified our opinion due to the lack of sufficient appropriate audit evidence supporting the amounts recorded as fund balance for the general fund and private purpose trust fund and earnings on investments for the private purpose trust fund.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Cemetery's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cemetery's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cemetery's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Cemetery's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2021-001 through 2021-003 that we consider to be material weaknesses.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Cemetery's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cemetery's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cemetery's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Cemetery's Response to Findings***

Government Auditing Standards requires the auditor to perform limited procedures on the Cemetery's responses to the findings identified in our audit and described in the accompanying schedule of findings. The Cemetery's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 21, 2023

**FOREST HILL UNION CEMETERY  
MIAMI COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2021 AND 2020**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2021-001**

**Material Weakness – Private Purpose Trust Fund**

GASB Statement 54, paragraph 35 (GASB Codification 1300.108) states private-purpose trust funds should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.

The Cemetery maintained a private purpose trust fund known as the perpetual care fund, which was classified incorrectly as a non-expendable trust fund, with a fund cash balance of \$126,278 and \$126,083 at December 31, 2021 and 2020, respectively. The Cemetery could not provide underlying evidence to support that a large portion of the related fund balance was received by the Cemetery for the benefit of individuals, private organizations, or other governments. In addition, a non-expendable trust fund classification is not an existing fund type within current governmental accounting reporting framework.

Due to the nature of the private purpose trust fund cash balance, we could not determine whether the related fund cash balance should be reported within the private purpose trust fund, general fund, or some other fund type. Therefore, we have modified our financial statement opinion related to all fund balances of the Cemetery for 2021 and 2020. In addition, because interest earnings for the Cemetery is derived from the private purpose trust fund balance, we have also modified our financial statement opinion related to private purpose trust fund earnings on investments revenue for 2021 and 2020.

This matter has been caused by the Cemetery not maintaining appropriate supporting documents for funds that have been given to the Cemetery over the course of many years.

Failure to support the allowable use of private purpose trust money could lead to material financial statement errors, misleading financial statement information, a modified financial statement opinion, an inability by the Cemetery to determine how these funds can or must be spent, and a lack of understanding by the Cemetery related to required upkeep of specific Cemetery grave sites.

Failure to maintain supporting documentation for a bequest or donation that shows the origin and purpose of the monies could lead to improper accounting and use of the fund balances. This could also lead to financial statement misstatements.

The Cemetery should implement procedures to maintain original bequest/donation documents or any other appropriate support for any receipts that are received for private purpose trust purposes. The Cemetery should establish and implement policies and procedures to verify that all financial activity is properly reported and should determine proper reporting in accordance with GASB 54 requirements. The Cemetery should consider utilizing an automated accounting system such as the Uniform Accounting Network (UAN). The Cemetery should also perform a comprehensive review of this fund to verify that financial activity and balances are recorded and reported in the proper fund type. If appropriate underlying supporting documents cannot be obtained for any portion of the private purpose trust fund balance, the Cemetery should seek guidance from its legal counsel on the proper use and reporting of such funds.

**Officials' Response:** The Cemetery is aware of the issues that were identified during the audit period and the new staff is working to correct these errors. Moving forward, this new team will be diligent in documenting everything in the correct fashion.

## FINDING NUMBER 2021-002

### Material Weakness – Financial Statement Errors

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The Cemetery's 2021 financial statements contained the following misstatements which were adjusted:

- Proceeds from the sale of real property in the amount of \$213,344 were classified as tax levy fund miscellaneous receipts rather than general fund sale of fixed assets.
- Interest receipts in the amount of \$90 were classified as tax levy fund interest receipts rather than general fund interest receipts.
- Property tax receipts in the amount of \$131,767 were recorded in the tax levy fund rather than the general fund.
- Duplicate transactions totaling \$85,022 were incorrectly recorded as general fund miscellaneous receipts.
- Duplicate transactions totaling \$191,789 were incorrectly recorded as general fund office expense and transactions totaling \$25,000 were incorrectly recorded as tax levy office expense resulting in an overstatement of these expenses.
- Fund cash balance of \$320,201 was classified as tax levy fund balance rather than general fund balance.

The above errors occurred when creating the financial statements. Failure to properly account for financial activity could lead to materially misstated financial statements and users of the financial statements basing their conclusions on incorrect information.

The Cemetery should establish and implement procedures to verify that all financial activity is accounted for correctly, including by recognizing that for financial reporting purposes, there should be no tax levy fund. Also, the Cemetery should consider utilizing an automated accounting system such as the Uniform Accounting Network (UAN).

**Officials' Response:** The Cemetery is aware of the issues that were identified during the audit period and the new staff is working to correct these errors. Moving forward, this new team will be diligent in documenting everything in the correct fashion.



# FOREST HILL CEMETERY

8660 N. State Route 66, Piqua, OH 45356 (937) 773-2614

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2021 AND 2020

Finding Number	Finding Summary	Status	Additional Information
2019-001	Material Weakness – Private Purpose Trust Fund – The Cemetery could not provide underlying evidence to support that a large portion of the private purpose trust fund balance was received by the Cemetery for the benefit of individuals, private organizations, or other governments.	Not Corrected	Will be repeated as Finding 2021-001
2019-002	Material Weakness – Fund Classification – The Cemetery did not report the fund balance classification for the general fund as unassigned, and the private purpose trust fund was incorrectly reported as non-expendable trust fund, which is not an existing fund type within current governmental accounting reporting framework.	Not Corrected	Combined with above matter and re-issued as Finding 2021-001. Fund balance classifications are no longer reported on the face of the financial statements for a regulatory cash report; therefore, that portion of the finding will not be repeated in the current audit report.

# OHIO AUDITOR OF STATE KEITH FABER



**FOREST HILL UNION CEMETERY**

**MIAMI COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 4/4/2023**

88 East Broad Street, Columbus, Ohio 43215  
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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)