



**MOUND HILL UNION CEMETERY
PREBLE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**MOUND HILL UNION CEMETERY
PREBLE COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

Mound Hill Union Cemetery
Preble County
533 West Main Street
Eaton, Ohio 45320

To the Board of Trustees:

We have audited the accompanying financial statements of Mound Hill Union Cemetery, Preble County, Ohio (the Cemetery), as of and for the years ended December 31, 2000 and 1999. 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 combined fund cash balances of the Cemetery as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2001, 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.

Mound Hill Union Cemetery
Preble County
Independent Accountants' Report
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This report is intended solely for the information and use of management, the 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.

Jim Petro
Auditor of State

May 23, 2001

**MOUND HILL UNION CEMETERY
PREBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	General	Fiduciary Funds	Totals (Memorandum Only)
Cash Receipts:			
Intergovernmental	\$118,894		\$118,894
Charges for Services	27,245		27,245
Sale of Lots	13,750		13,750
Interest	5,572	\$337	5,909
Miscellaneous	2,861		2,861
	<u>168,322</u>	<u>337</u>	<u>168,659</u>
Cash Disbursements:			
Current:			
Salaries	71,687		71,687
Supplies	17,654		17,654
Equipment	4,222		4,222
Workers' Compensation	991		991
Miscellaneous	14,627	0	14,627
	<u>109,181</u>	<u>0</u>	<u>109,181</u>
Total Cash Disbursements	<u>109,181</u>	<u>0</u>	<u>109,181</u>
Total Receipts Over/(Under) Disbursements	<u>59,141</u>	<u>337</u>	<u>59,478</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	59,141	337	59,478
Fund Cash Balances, January 1	<u>119,047</u>	<u>29,174</u>	<u>148,221</u>
Fund Cash Balances, December 31	<u>\$178,188</u>	<u>\$29,511</u>	<u>\$207,699</u>

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

**MOUND HILL UNION CEMETERY
PREBLE COUNTY**

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

	General	Fiduciary Funds	Totals (Memorandum Only)
Cash Receipts:			
Intergovernmental	\$118,894		\$118,894
Charges for Services	22,008		22,008
Sale of Lots	14,500		14,500
Interest	4,235	\$331	4,566
Miscellaneous	78		78
Total Cash Receipts	159,715	331	160,046
Cash Disbursements:			
Current:			
Salaries	69,069		69,069
Supplies	20,381		20,381
Equipment	11,806		11,806
Debt Service:			
Principal	20,000		20,000
Interest	880		880
Workers' Compensation	3,908		3,908
Miscellaneous	14,561	78	14,639
Total Cash Disbursements	140,605	78	140,683
Total Receipts Over/(Under) Disbursements	19,110	253	19,363
Other Financing Receipts/(Disbursements):			
Other Sources	40,053	10,000	50,053
Total Other Financing Receipts/(Disbursements)	40,053	10,000	50,053
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	59,163	10,253	69,416
Fund Cash Balances, January 1	59,884	18,921	78,805
Fund Cash Balances, December 31	\$119,047	\$29,174	\$148,221

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

**MOUND HILL UNION CEMETERY
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Mound Hill Union Cemetery, Preble 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 the City of Eaton Council and Washington Township Trustees. 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.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Deposits

Certificates of deposits are valued at cost. The Cemetery also has checking and savings accounts.

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 and funds for which the Cemetery is acting in an agency capacity. The Cemetery had the following significant Fiduciary Funds:

Francis and Brower Trust Fund - This fund is used to account for the perpetual maintenance of the graves of Richard Francis and Fred and Rebecca Brower. This is a nonexpendable trust fund that did not have any disbursements during 1999 or 2000. Interest is posted to, and expended from, the general fund. The restricted amount which may not be spent is \$10,000.

**MOUND HILL UNION CEMETERY
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Perpetual Care Trust Fund - This fund is used to account for the perpetual care accounts held by the Cemetery for various individuals. This is an expendable trust fund.

E. Budgetary Process

The Ohio Revised Code does not require the Cemetery to budget funds annually; however, the Cemetery budgets the general fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund or function level of control. The Board annually approves appropriation measures and subsequent amendments.

2. Estimated Resources

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

2. Encumbrances

The Cemetery reserves (encumbers) appropriations when commitments are made. Encumbrances are closed quarterly.

A summary of 2000 and 1999 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 DEPOSITS

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

	<u>2000</u>	<u>1999</u>
Checking account	\$ 46,810	\$ 43,637
Savings account	131,379	75,411
Certificates of deposit	<u>29,510</u>	<u>29,173</u>
Total deposits	<u>\$ 207,699</u>	<u>\$ 148,221</u>

**MOUND HILL UNION CEMETERY
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. EQUITY IN POOLED CASH AND DEPOSITS (Continued)

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

At December 31, 2000, \$82,837 of deposits were not insured or collateralized and at December 31, 1999, \$19,781 of deposits were not insured or collateralized, contrary to Chapter 135, Ohio Revised Code.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 143,858	\$ 168,322	\$ 24,464
Total	<u>\$ 143,858</u>	<u>\$ 168,322</u>	<u>\$ 24,464</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 221,468	\$ 109,181	\$ 112,287
Total	<u>\$ 221,468</u>	<u>\$ 109,181</u>	<u>\$ 112,287</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 143,858	\$ 199,768	\$ 55,910
Total	<u>\$ 143,858</u>	<u>\$ 199,768</u>	<u>\$ 55,910</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 203,741	\$ 140,605	\$ 63,136
Total	<u>\$ 203,741</u>	<u>\$ 140,605</u>	<u>\$ 63,136</u>

4. 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 post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**MOUND HILL UNION CEMETERY
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

4. RETIREMENT SYSTEMS (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Cemetery contributed an amount equal to 13.55% of participants' gross salaries in 1999 and 10.84% in 2000. The Cemetery has paid all contributions required through December 31, 2000.

5. RISK MANAGEMENT

The Cemetery has obtained commercial insurance for the following risks:

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

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



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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Mound Hill Union Cemetery
Preble County
533 West Main Street
Eaton, Ohio 45320

To the Board of Trustees:

We have audited the accompanying financial statements of Mound Hill Union Cemetery, Preble County, Ohio (the Cemetery), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 23, 2001. 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 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 2000-20368-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Cemetery in a separate letter dated May 23, 2001.

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 23, 2001.

Mound Hill Union Cemetery
Preble County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

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

Jim Petro
Auditor of State

May 23, 2001

**MOUND HILL UNION CEMETERY
PREBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2000-20368-001

Material Noncompliance

Ohio Rev. Code, Section 135.18, specifies that the Clerk shall require public depositories to pledge to and deposit with the Cemetery, as security for the repayment of all public moneys to be deposited in the public depository during the period of designation, eligible securities of aggregate market value equal to the excess of the amount of public moneys deposited over and above such portion or amount of such monies as is at such time insured by the federal deposit insurance corporation or by any other agency or instrumentality of the federal government.

The Cemetery did not have any pledged or pooled collateral statements from Eaton National Bank. The Cemetery's deposits exceeded the FDIC at various times throughout the audit period and by \$82,837 at December 31, 2000 and by \$19,781 at December 31, 1999. We recommend that the Cemetery request and retain collateral statements from all banks on a quarterly basis to ensure that all deposits are adequately secured. Also the Cemetery should monitor the collateral activity.



STATE OF OHIO
OFFICE OF THE AUDITOR

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MOUND HILL UNION CEMETERY

PREBLE 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 7, 2001**