



**Auditor of State
Betty Montgomery**

VILLAGE OF BOSTON HEIGHTS
SUMMIT COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Village of Boston Heights
Summit County
45 E. Boston Mills Road
Hudson, Ohio 44236

To the Village Council:

We have audited the accompanying financial statements of the Village of Boston Heights, Summit County, Ohio, (the Village) as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the Village'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 described in Note 1, the Village 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 and reserves for encumbrances of the Village of Boston Heights, Summit County, Ohio, as of December 31, 2003 and 2002, 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 July 19, 2004, on our consideration of the Village'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.

This report is intended solely for the information and use of the finance/audit committee, management, Village Council and other officials authorized to receive this report under Section 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 19, 2004

**VILLAGE OF BOSTON HEIGHTS
SUMMIT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$591,146	\$241,385	\$16,493	\$849,024
Intergovernmental Receipts	128,077	104,392	33,096	265,565
Charges for Services	1,475	9,974		11,449
Fines, Licenses, and Permits	329,513	28,282		357,795
Earnings on Investments	3,530	1,776	6	5,312
Miscellaneous	39,754	2,133		41,887
	<u>1,093,495</u>	<u>387,942</u>	<u>49,595</u>	<u>1,531,032</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	580,251	514		580,765
Public Health Services	19,532			19,532
Leisure Time Activities		32,349		32,349
Community Environment	48,617			48,617
Transportation	160,642	369,491		530,133
General Government	318,090	31,411		349,501
Debt Service:				
Principal Payments	35,892	53,522		89,414
Interest Payments	4,030	5,015		9,045
Capital Outlay	45,672	71,214	33,076	149,962
	<u>1,212,726</u>	<u>563,516</u>	<u>33,076</u>	<u>1,809,318</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>(119,231)</u>	<u>(175,574)</u>	<u>16,519</u>	<u>(278,286)</u>
Other Financing Receipts and (Disbursements):				
Proceeds of Notes		242,000		242,000
		<u>242,000</u>		<u>242,000</u>
Total Other Financing Receipts/(Disbursements)	<u>0</u>	<u>242,000</u>	<u>0</u>	<u>242,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(119,231)	66,426	16,519	(36,286)
Fund Cash Balances, January 1	<u>187,696</u>	<u>314,894</u>	<u>44,915</u>	<u>547,505</u>
Fund Cash Balances, December 31	<u>\$68,465</u>	<u>\$381,320</u>	<u>\$61,434</u>	<u>\$511,219</u>

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

**VILLAGE OF BOSTON HEIGHTS
SUMMIT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Fiduciary Fund Types</u>		Totals (Memorandum Only)
	<u>Nonexpendable Trust</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$185	\$0	\$185
Earnings on Investments	718		718
Total Operating Cash Receipts	<u>903</u>	<u>0</u>	<u>903</u>
Operating Cash Disbursements:			
Contractual Services		300	300
Total Operating Cash Disbursements	<u>0</u>	<u>300</u>	<u>300</u>
Operating Income/(Loss)	<u>903</u>	<u>(300)</u>	<u>603</u>
Non-Operating Cash Receipts:			
Other Non-Operating Receipts		464,459	464,459
Total Non-Operating Cash Receipts	<u>0</u>	<u>464,459</u>	<u>464,459</u>
Non-Operating Cash Disbursements:			
Other Non-Operating Cash Disbursements		481,284	481,284
Total Non-Operating Cash Disbursements	<u>0</u>	<u>481,284</u>	<u>481,284</u>
Net Receipts Over/(Under) Disbursements	903	(17,125)	(16,222)
Fund Cash Balances, January 1	<u>63,329</u>	<u>97,039</u>	<u>160,368</u>
Fund Cash Balances, December 31	<u>\$64,232</u>	<u>\$79,914</u>	<u>\$144,146</u>

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

**VILLAGE OF BOSTON HEIGHTS
SUMMIT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$578,297	\$174,133	\$13,974	\$766,404
Intergovernmental Receipts	125,524	75,848	24,565	225,937
Charges for Services	2,375	10,138		12,513
Fines, Licenses, and Permits	414,938	32,883		447,821
Earnings on Investments	5,883	1,441	6	7,330
Miscellaneous	37,883	1,734		39,617
	<u>1,164,900</u>	<u>296,177</u>	<u>38,545</u>	<u>1,499,622</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	601,536			601,536
Public Health Services	18,869			18,869
Leisure Time Activities		38,389		38,389
Community Environment	41,578			41,578
Transportation	144,030	51,135		195,165
General Government	339,723	30,528		370,251
Debt Service:				
Principal Payments	34,125	50,506		84,631
Interest Payments	5,797	8,031		13,828
Capital Outlay		26,261	32,514	58,775
	<u>1,185,658</u>	<u>204,850</u>	<u>32,514</u>	<u>1,423,022</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>(20,758)</u>	<u>91,327</u>	<u>6,031</u>	<u>76,600</u>
Other Financing Receipts and (Disbursements):				
Sale of Assets		35,000		35,000
	<u>0</u>	<u>35,000</u>	<u>0</u>	<u>35,000</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(20,758)	126,327	6,031	111,600
Fund Cash Balances, January 1	<u>208,454</u>	<u>188,567</u>	<u>38,884</u>	<u>435,905</u>
Fund Cash Balances, December 31	<u>\$187,696</u>	<u>\$314,894</u>	<u>\$44,915</u>	<u>\$547,505</u>
Reserves for Encumbrances, December 31	<u>\$1,323</u>	<u>\$12,640</u>	<u>\$0</u>	<u>\$13,963</u>

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

**VILLAGE OF BOSTON HEIGHTS
SUMMIT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Fiduciary Fund Types		Totals (Memorandum Only)
	Nonexpendable Trust	Agency	
Operating Cash Receipts:			
Charges for Services	\$360	\$0	\$360
Earnings on Investments	1,827		1,827
Total Operating Cash Receipts	2,187	0	2,187
Operating Income	2,187	0	2,187
Non-Operating Cash Receipts:			
Other Non-Operating Receipts		608,620	608,620
Total Non-Operating Cash Receipts	0	608,620	608,620
Non-Operating Cash Disbursements:			
Other Non-Operating Cash Disbursements		604,724	604,724
Total Non-Operating Cash Disbursements	0	604,724	604,724
Net Receipts Over/(Under) Disbursements	2,187	3,896	6,083
Fund Cash Balances, January 1	61,142	93,143	154,285
Fund Cash Balances, December 31	\$63,329	\$97,039	\$160,368

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

**VILLAGE OF BOSTON HEIGHTS
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Boston Heights, Summit County, Ohio, (the Village) 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 Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, park operations (leisure time activities), fire protection, and police services. The Village contracts with the Macedonia Fire Department to provide dispatch and emergency medical services.

The Village's management believes these financial statements present all activities for which the Village 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

Investments are included in fund cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

The Village invests in certificates of deposit and overnight repurchase agreements which are valued at cost. Money market funds are valued at share price, which is the price the investment could be sold for on December 31, 2003 and 2002.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village 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.

**VILLAGE OF BOSTON HEIGHTS
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Road Levy Fund - This fund receives revenue generated from a special tax levy for maintaining and repairing Village streets.

Fire Levy Fund - This fund receives revenue generated from a special tax levy to purchase a fire truck and equipment for fire protection.

3. Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through trust funds). The Village had the following significant Capital Projects Fund:

Capital Improvement Fund - This fund is used to account for the portion of tax revenue used for capital improvements in the Village.

4. Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a non-expendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

Cemetery Trust Fund - This fund is used to maintain the corpus of a trust. The interest earned on the principal amount is used to maintain the Village's cemetery.

Refundable Performance Bond Fund - This fund is used to account for performance bond deposits for residential or commercial site improvements within the Village. Deposits are refunded upon completion of construction and proof of inspection.

Mayor's Court Fund - This fund is used to account for fine monies from traffic violations and other Mayor's Court activities.

**VILLAGE OF BOSTON HEIGHTS
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control for the General Fund and the fund level for all other funds, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. For 2002, unencumbered appropriations lapse at year end.

2. Estimated Resources

For 2002, estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. For 2003, estimated resources include estimates of cash to be received (budgeted receipts). The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. For 2002, encumbrances outstanding at year end are carried over, and need not be re-appropriated. For 2003, encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

**VILLAGE OF BOSTON HEIGHTS
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2003	2002
Demand Deposits	\$ 85,566	\$ 88,862
Certificates of Deposit	58,542	57,824
Money Market	16,257	16,187
Total Deposits	160,365	162,873
Repurchase Agreement	495,000	545,000
Total Deposits and Investments	\$ 655,365	\$ 707,873

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

Investments: The Village's financial institution transfers securities to the Village's agent to collateralize repurchase agreements. The securities are not in the Village's name.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,198,662	\$ 1,093,495	\$ (105,167)
Special Revenue	595,295	629,942	34,647
Capital Projects	20,242	49,595	29,353
Fiduciary	3,500	903	(2,597)
Total	\$ 1,817,699	\$ 1,773,935	\$ (43,764)

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,392,159	\$ 1,212,726	\$ 179,433
Special Revenue	868,877	563,516	305,361
Capital Projects	55,000	33,076	21,924
Fiduciary	2,000	-	2,000
Total	\$ 2,318,036	\$ 1,809,318	\$ 508,718

**VILLAGE OF BOSTON HEIGHTS
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,103,900	\$ 1,164,900	\$ 61,000
Special Revenue	273,298	331,177	57,879
Capital Projects	16,913	38,545	21,632
Fiduciary	3,500	2,187	(1,313)
Total	\$ 1,397,611	\$ 1,536,809	\$ 139,198

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,318,396	\$ 1,186,981	\$ 131,415
Special Revenue	376,737	217,489	159,248
Capital Projects	40,000	32,515	7,485
Fiduciary	2,000	-	2,000
Total	\$ 1,737,133	\$ 1,436,985	\$ 300,148

4. PROPERTY TAX

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

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 Village.

5. LOCAL INCOME TAX

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**VILLAGE OF BOSTON HEIGHTS
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

6. DEBT

Debt outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
General Obligation Note - Backhoe	\$ 13,899	4.55%
General Obligation Note - Dump Truck	23,953	6.00%
General Obligation Note - Fire Truck	55,973	4.58%
General Obligation Note - Road	210,000	3.08%
General Obligation Note - Tractor	32,000	3.57%
	<u>\$ 335,825</u>	

The General Obligation Notes relate to the purchase of a backhoe, a dump truck, a fire truck, road construction projects, and a tractor for the Village. The General Obligation Notes are collateralized by the Village's taxing authority.

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	General Obligation Note - Backhoe	General Obligation Note - Dump Truck	General Obligation Note - Fire Truck	General Obligation Note - Road	General Obligation Note - Tractor
2004	\$ 14,532	\$ 25,391	\$ 58,536	\$ 74,785	\$ 8,727
2005	-	-	-	74,312	8,727
2006	-	-	-	72,156	8,727
2007	-	-	-	-	8,727
Total	<u>\$ 14,532</u>	<u>\$ 25,391</u>	<u>\$ 58,536</u>	<u>\$ 221,253</u>	<u>\$ 34,908</u>

7. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. These plans provide 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 2003 and 2002, OP&F participants contributed 10% of their gross salaries. The Village contributed an amount equal to 19.5% of police participant wages. OPERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of OPERS participants' gross salaries for 2003 and 2002. The Village has paid all contributions required through December 31, 2003.

**VILLAGE OF BOSTON HEIGHTS
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

8. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Commercial Inland Marine
- General liability
- Public officials' liability
- Employer's liability
- Employee benefits liability
- Cemetery liability

The Village also provides health insurance and dental to full-time employees through a private carrier.

9. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

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**Auditor of State
Betty Montgomery**

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

Village of Boston Heights
Summit County
45 E. Boston Mills Road
Hudson, Ohio 44236

To the Village Council:

We have audited the financial statements of the Village of Boston Heights, Summit County, Ohio, (the Village) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated July 19, 2004. 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 Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, 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 such an opinion. The results of our tests disclosed no instances of noncompliance we must report under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the Village's management in a separate letter dated July 19, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting 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 the Village's management in a separate letter dated July 19, 2004.

This report is intended solely for the information and use of the finance/audit committee, management, and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 19, 2004

**VILLAGE OF BOSTON HEIGHTS
SUMMIT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 AND 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-3097-001	Ohio Revised Code Section 5705.41 (D), Proper Certification of Expenditures	No	Partially corrected. See management letter comment.
2001-30977-002	Ohio Revised Code Section 135.14, Filing of Investment Policy	Yes	



**Auditor of State
Betty Montgomery**

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VILLAGE OF BOSTON HEIGHTS

SUMMIT 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
AUGUST 24, 2004**