

**UNION CEMETERY ASSOCIATION OF BOSTON TOWNSHIP
SUMMIT COUNTY**

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2007 & 2006

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA

Auditor of State

Board of Trustees
Union Cemetery Association of Boston Township
P.O. Box 65
Peninsula, Ohio 44264

We have reviewed the *Report of Independent Accountants* of the Union Cemetery Association of Boston Township, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Union Cemetery Association of Boston Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 31, 2008

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**UNION CEMETERY ASSOCIATION OF BOSTON TOWNSHIP
SUMMIT COUNTY
Audit Report
For the Years Ended December 31, 2007 & 2006**

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances, All Governmental Fund Types, For the Year Ended December 31, 2007	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances, All Governmental Fund Types, For the Year Ended December 31, 2006	4
Notes to the Financial Statements	5-7
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Required by <i>Government Auditing Standards</i>	8 -9
Status of Prior Audit's Citations and Recommendations	10

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Union Cemetery Association of Boston Township
Summit County
6780 Riverview Road
Peninsula, Ohio 44264

To the Board of Trustees:

We have audited the accompanying financial statements of the Union Cemetery Association of Boston Township, Summit County, Ohio (the Cemetery) as of and for the years ended December 31, 2007 and 2006, as listed in the table of contents. These financial statements are the responsibility of the Cemetery's management. Our responsibility is to express an opinion 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 more fully in Note 1, the Cemetery has presented these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Cemetery to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2007 and 2006. Instead of the combined funds the accompanying financial statements present for 2007 and 2006, the revisions require presenting entity wide statements and also to present it's larger (i.e. major) funds separately for 2007 and 2006. While the Cemetery does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Cemetery has elected not to reformat its statements. Since the Cemetery does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matters discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Cemetery as of December 31, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Union Cemetery Association of Boston Township, Summit County, as of December 31, 2007 and 2006, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Cemetery to include Management's Discussion and Analysis for the years ended December 31, 2007 and 2006. The Cemetery has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2008, on our consideration of the Cemetery's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal controls over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Charles E. Harris & Associates, Inc.
February 21, 2008

**UNION CEMETERY ASSOCIATION OF BOSTON TOWNSHIP
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, 2007**

	Governmental Fund Types		Totals (Memorandum Only)
	General Fund	Special Revenue	
<u>Cash Receipts:</u>			
Opening and Closing Graves	\$ 2,950	-	\$ 2,950
Sale of Lots	1,100	-	1,100
Foundations	900	-	900
Taxes	22,424	-	22,424
Miscellaneous	190	\$ 49	239
Total Cash Receipts	27,564	49	27,613
<u>Cash Disbursements:</u>			
Current:			
Salaries	13,985	-	13,985
Employee Benefits	4,013	-	4,013
Taxes - State, Village & Medicare	1,793	-	1,793
Supplies	3,046	-	3,046
Purchase of equipment	902	-	902
Insurance	795	-	795
Contractual Services	4,146	-	4,146
Auditor's Deductions	287	-	287
Utilities	624	-	624
Miscellaneous	2,608	565	3,173
Total Cash Disbursements	32,199	565	32,764
Total Receipts Over/(Under) Disbursements	(4,635)	(516)	(5,151)
Beginning Fund Balance	10,667	2,220	12,887
Ending Fund Balance	\$ 6,032	\$ 1,704	\$ 7,736

See accompanying Notes to the Financial Statements

**UNION CEMETERY ASSOCIATION OF BOSTON TOWNSHIP
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, 2006**

	Governmental Fund Types		Totals (Memorandum Only)
	General Fund	Special Revenue	
<u>Cash Receipts:</u>			
Opening and Closing Graves	\$ 4,600	-	\$ 4,600
Sale of Lots	525	-	525
Foundations	900	-	900
Taxes	22,758	-	22,758
Miscellaneous	1,289	\$ 100	1,389
Total Cash Receipts	30,072	100	30,172
<u>Cash Disbursements:</u>			
Current:			
Salaries	18,575	-	18,575
Employee Benefits	5,939	-	5,939
Taxes - State, Village & Medicare	1,226	-	1,226
Supplies	2,354	-	2,354
Purchase of equipment	325	-	325
Insurance	784	-	784
Contractual Services	2,336	-	2,336
Auditor's Deductions	311	-	311
Utilities	624	-	624
Repairs & maintenance	3,025	-	3,025
Miscellaneous	2,543	-	2,543
Total Cash Disbursements	38,042	-	38,042
Total Receipts Over/(Under) Disbursements	(7,970)	100	(7,870)
Beginning Fund Balance	18,637	2,120	20,757
Ending Fund Balance	\$ 10,667	\$ 2,220	\$ 12,887

See accompanying Notes to the Financial Statements

**UNION CEMETERY ASSOCIATION OF BOSTON TOWNSHIP
SUMMIT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Union Cemetery Association of Boston Township, Summit County, (the Cemetery) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. An appointed three-member Board of Trustees directs the Cemetery. The Board is appointed on a rotational basis by the Village of Peninsula and Boston Township. The Cemetery provides grounds maintenance, opening and closing of graves, and the sale of grave lots.

Management believes the financial statements included in this report represent all of the funds of the Cemetery over which the Cemetery has the ability to exercise direct operating control.

B. BASIS OF ACCOUNTING

The financial statements follow the basis of accounting prescribed by the Auditor of State, which is similar to the cash receipts and disbursement basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when the obligation is incurred. The Cemetery is not required to follow budgetary laws. Therefore there is no budgetary presentation.

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

C. INVESTMENTS AND INACTIVE FUNDS

Investment procedures are restricted by the provisions of the Ohio Revised Code. Purchased investments are all certificates of deposits valued at cost and are neither charged when purchased nor credited at the time of redemption to their respective fund balances. Interest earned is recognized and recorded when received.

D. FUND ACCOUNTING

The Cemetery maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

**UNION CEMETERY ASSOCIATION OF BOSTON TOWNSHIP
SUMMIT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. FUND ACCOUNTING (continued)

General Fund: The general operating fund of the Cemetery. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Special Revenue Fund: This fund is used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes.

Mausoleum Fund – This fund is used to maintain the mausoleum.

E. 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.

F. 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 the Cemetery uses.

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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

	<u>2007</u>	<u>2006</u>
Demand Deposits	<u>\$ 7,736</u>	<u>\$ 12,887</u>

Deposits: The bank balances are either (1) insured by the Federal Depository Insurance Corporation or (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.

**UNION CEMETERY ASSOCIATION OF BOSTON TOWNSHIP
SUMMIT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

3. RISK MANAGEMENT

The Cemetery has obtained commercial insurance for the following risks:

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

4. DEFINED BENEFIT PENSION PLAN

The employees of the Cemetery are covered by the Ohio Public Employees Retirement System (OPERS), a cost sharing multiple-employer public employee retirement system administered by the Ohio Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code establishes benefits. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio, 43215-4642.

Contribution rates are also prescribed by the Ohio Revised Code. In 2006, OPERS member employees contributed 9% of their gross salaries. The Cemetery contributed an amount equal to 13.7% of participant's salaries. In 2007, OPERS member employees contributed 9.5% while the Cemetery contributed 13.85%. The Cemetery has paid all contributions required through December 31, 2007 and 2006.

5. SUBSEQUENT EVENTS/PENDING LITIGATION

Management believes there are no pending claims or lawsuits.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Union Cemetery Association of Boston Township
Summit County
6780 Riverview Road
Peninsula, Ohio 44264

To the Board of Trustees:

We have audited the financial statements of the Union Cemetery Association of Boston Township, Summit County, Ohio (Cemetery) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated February 21, 2008, wherein we noted the Cemetery followed accounting practices prescribed or permitted by the Auditor of State of Ohio. 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.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the Cemetery's internal control over financial reporting as a basis for designing our auditing procedures for the purpose 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Cemetery's internal control over financial reporting.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Cemetery's internal control.

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

Compliance and Other Matters

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, grant agreements and other matters, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Charles E. Harris & Associates, Inc.

February 21, 2008

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of December 31, 2005 and 2004, reported no material citations or recommendations.



Mary Taylor, CPA
Auditor of State

UNION CEMETERY ASSOCIATION OF BOSTON TOWNSHIP

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
APRIL 10, 2008**