

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

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2003 & 2002

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



**Auditor of State
Betty Montgomery**

Board of Trustees
Union Cemetery Association of Boston Township

We have reviewed the Independent Auditor's Report of the Union Cemetery Association of Boston Township, Summit County, prepared by Charles E. Harris & Associates, Inc. for the audit period January 1, 2002 through December 31, 2003. 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.

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.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

October 27, 2004

This Page is Intentionally Left Blank.

UNION CEMETERY ASSOCIATION OF BOSTON TOWNSHIP
Audit Report
For the Years Ended December 31, 2003 & 2002

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Appointed Officials	- ii -
Report of Independent Accountants	1
Combined Statement of Cash, Investments and Fund Cash Balances, Governmental Fund Types, As of December 31, 2003 & 2002	2
Combined Statement of Receipts, Disbursements and Changes in Fund Cash Balances, Governmental Fund Types - For the Years Ended December 31, 2003 & 2002	3-4
Notes to the Financial Statements	5-7
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	8
Status of Prior Audit's Citations and Recommendations	9

UNION CEMETERY ASSOCIATION OF BOSTON TOWNSHIP
Audit Report
For the Years Ended December 31, 2003 & 2002

<u>APPOINTED OFFICIALS</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>
Randy Bergdorf	President	1/1/00 to 12/31/03	N/A
Lily Felder	Trustee	1/1/00 to 12/31/03	N/A
Patricia Tesmer	Trustee	1/1/00 to 12/31/03	N/A
Amy Anderson	Clerk	Yearly	(A)

Union Cemetery Association of Boston Township
P.O. Box 65
Peninsula, Oh 44264

(A) Seibert Keck Insurance Agency, Inc

STATUTORY LEGAL COUNSEL

Edward C. Pullekens, Attorney
Slater, Zurz & Gilbert
Attorneys & Counselors at Law
One Cascade Plaza
Suite 2210
Akron, Ohio 44308-1135

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

Rockefeller Building
614 W Superior Ave Ste1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

INDEPENDENT AUDITOR'S REPORT

**The Board of Trustees
Union Cemetery Association of Boston Township
Peninsula, Ohio**

We have audited the accompanying financial statements of the Union Cemetery Association of Boston Township (the Cemetery), as of and for the years ended December 31, 2002 & 2003, 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 on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Cemetery prepares its financial statements on a prescribed basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash, investments and fund cash balances of the Cemetery as of December 31, 2002 & 2003 and the receipts, disbursements, and changes in fund balances for the years then ended in conformity with the basis of accounting stated in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 13, 2004 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, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the management, the Board of Trustees and other officials authorized to receive this report under Section 117.28, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.
September 13, 2004

**UNION CEMETERY ASSOCIATION OF BOSTON TOWNSHIP
SUMMIT COUNTY, OHIO
COMBINED STATEMENT OF CASH, INVESTMENTS AND FUND
CASH BALANCES - ALL FUND TYPES
As of December 31, 2003 & 2002**

	2003 Balance	2002 Balance
Cash and Cash Equivalents	\$ 33,811	23,190
Investments	0	32,418
	\$ 33,811	55,608

CASH BALANCES BY FUND CLASS

Governmental Fund Types:

General Fund	\$ 26,976	\$ 23,190
Special Revenue	6,835	32,418
Total	\$ 33,811	\$ 55,608

See accompanying Notes to the Financial Statements.

**UNION CEMETERY ASSOCIATION OF BOSTON TOWNSHIP
SUMMIT COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
All Governmental Fund Types
For the Year Ended December 31, 2003**

	Governmental Fund Types		Total Memorandum Only
	General	Special Revenue	
Receipts:			
Opening and Closing Graves	\$ 5,250	\$ -	\$ 5,250
Sale of Lots	200	-	200
Foundations	2,125	-	2,125
Taxes	20,504	-	20,504
Earnings on Investments	-	401	401
Miscellaneous Revenue	458	1,520	1,978
Total Receipts	28,537	1,921	30,458
Disbursements:			
Current:			
Salaries	13,144	-	13,144
Employee Benefits	4,081	-	4,081
Taxes- State, Village and Medicare	959	-	959
Supplies	582	-	582
Insurance	795	-	795
Contractual Services	2,545	-	2,545
Utilities	302	-	302
Miscellaneous	2,343	-	2,343
Capital Outlay	-	27,504	27,504
Total Disbursements	24,751	27,504	52,255
Total Receipts Over/(Under) Disbursements	3,786	(25,583)	(21,797)
Fund Cash Balance, January 1	23,190	32,418	55,608
Fund Cash Balance, December 31	\$ 26,976	\$ 6,835	\$ 33,811

See accompanying Notes to the Financial Statements.

UNION CEMETERY ASSOCIATION OF BOSTON TOWNSHIP
SUMMIT COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
All Governmental Fund Types
For the Year Ended December 31, 2002

	Governmental Fund Types		Total Memorandum Only
	General	Special Revenue	
Receipts:			
Opening and Closing of Graves	\$ 3,875	\$ -	\$ 3,875
Sale of Lots	900	-	900
Foundation	475	-	475
Taxes	18,040	-	18,040
Earnings on Investments	-	1,331	1,331
Miscellaneous Revenue	291	-	291
Total Receipts	23,581	1,331	24,912
Disbursements:			
Current:			
Salaries	13,058	-	13,058
Employee Benefits	3,033	-	3,033
Taxes-State, Village and Medicare	970	-	970
Supplies	1,250	-	1,250
Insurance	678	-	678
Contractual Services	1,625	-	1,625
Utilities	334	-	334
Miscellaneous	3,438	-	3,438
Capital Outlay	635	-	635
Total Disbursements	25,021	-	25,021
Total Receipts Over/(Under)			
Disbursements	(1,440)	1,331	(109)
Fund Cash Balance, January 1	24,630	31,087	55,717
Fund Cash Balance, December 31	\$ 23,190	\$ 32,418	\$ 55,608

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, 2003 AND 2002**

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. The Cemetery is directed by an appointed three-member Board of Trustees. 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, 2003 AND 2002**

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.

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 and investment pool. The balance of this pool is displayed on the "Combined Statement of Cash, Investments, and Fund Cash Balances, Governmental Fund Types, As of December 31, 2002 & 2003."

Protection of the Cemetery's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Clerk by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Deposits: At year end, the carrying amount of the Cemetery's deposits were \$ 33,811 in 2003 and \$55,608 in 2002 and the bank balance was \$33,811 in 2003 and \$55,608 in 2002. Of the bank balance, all was covered by the Federal Depository Insurance Corporation (FDIC) in both years.

**UNION CEMETERY ASSOCIATION OF BOSTON TOWNSHIP
SUMMIT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS (continued)

Investments: GASB Statement No.3 “Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements” requires that local governments disclose the carrying amounts and market value of investments classified by risk. Category 1 includes investments that are insured or registered for which the securities are held in the counter party’s trust department or agent in the Cemetery’s name. Category 2 includes uninsured and unregistered investments which are held by the counter party’s trust department or agent in the Cemetery’s name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party or by its trust department but not in the Cemetery’s name. At December 31, 2002 and 2003, the Cemetery held no investments that would be classified as investments under GASB Statement No.3.

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. Benefits are established by Chapter 145 of the Ohio Revised Code. 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.

Plan members are required to contribute 8.5 percent of their annual covered salary and the Cemetery is required to contribute 13.55 percent. The contribution rates are determined actuarially. The Cemetery's required contributions to OPERS for the years ended December 31, 2003, 2002 and 2001 were \$4,081, \$3,033 and \$2,458, respectively, which equals the required contributions for those years. The full amount has been contributed for 2003, 2002 and 2001.

5. SUBSEQUENTEVENTS/PENDING LITIGATION

Management believes there are no pending claims or lawsuits.

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

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**The Board of Trustees
Union Cemetery Association of Boston Township
Peninsula, Ohio**

We have audited the financial statements of Union Cemetery Association of Boston Township, (the Cemetery) as of and for the year ended December 31, 2002 & 2003, and have issued our report thereon dated September 13, 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.

Internal Controls 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 an opinion 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 caused by errors or fraud 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 we have reported to management of Union Cemetery Association of Boston Township, in a separate letter dated September 13, 2004.

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 and grant agreements, 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated September 13, 2004.

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

Charles E. Harris & Associates, Inc.
September 13, 2004

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of December 31, 2001 and 2000, did not include material citations or recommendations.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

**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
NOVEMBER 16, 2004**