

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

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2005 & 2004

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



**Auditor of State
Betty Montgomery**

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, 2004 through December 31, 2005. 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's Office (AOS). 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 AOS 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 AOS 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.

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

BETTY MONTGOMERY
Auditor of State

July 6, 2006

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

**Audit Report
For the Years Ended December 31, 2005 & 2004**

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

**Audit Report
For the Years Ended December 31, 2005 & 2004**

<u>APPOINTED OFFICIALS</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>
Randy Bergdorf	President	1/1/03 to 12/31/05	N/A
Lily Felder	Trustee	1/1/04 to 12/31/06	N/A
Patricia Tesmer	Trustee	1/1/05 to 12/31/07	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

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Certified Public Accountants

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Cleveland, Ohio 44113
Office phone - (216) 575-1630
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REPORT OF INDEPENDENT ACCOUNTANTS

Members of 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, Summit County, Ohio (the Cemetery) as of and for the years ended December 31, 2005 and 2004, 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 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, 2005 and 2004. Instead of the combined funds the accompanying financial statements present for 2005 and 2004, the revisions require presenting entity wide statements and also to present it's larger (i.e. major) funds separately beginning in 2004. 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 this 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 matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2005 and 2004 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, 2005 and 2004, 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 Union Cemetery Association of Boston Township, Summit County, as of December 31, 2005 and 2004, 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, 2005 and 2004. 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 June 16, 2006, 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.
June 16, 2006

**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, 2005**

	Governmental Fund Types		Totals (Memorandum Only)
	General Fund	Special Revenue	
<u>Cash Receipts:</u>			
Opening and Closing Graves	\$ 3,800	-	\$ 3,800
Sale of Lots	550	-	550
Foundations	1,400	-	1,400
Taxes	20,978	-	20,978
Miscellaneous	3,341	-	3,341
Total Cash Receipts	30,069	-	30,069
<u>Cash Disbursements:</u>			
Current:			
Salaries	13,487	-	13,487
Employee Benefits	3,429	-	3,429
Taxes - State, Village & Medicare	939	-	939
Supplies	767	-	767
Insurance	890	-	890
Contractual Services	1,335	-	1,335
Auditor's Deductions	302	-	302
Utilities	760	-	760
Miscellaneous	6,112	-	6,112
Total Cash Disbursements	28,021	-	28,021
Total Receipts Over/(Under) Disbursements	2,048	-	2,048
Beginning Fund Balance	16,589	\$ 2,120	18,709
Ending Fund Balance	\$ 18,637	\$ 2,120	\$ 20,757

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, 2004**

	Governmental Fund Types		Totals (Memorandum Only)
	General Fund	Special Revenue	
<u>Cash Receipts:</u>			
Opening and Closing Graves	\$ 6,500	-	\$ 6,500
Sale of Lots	1,775	-	1,775
Foundations	3,325	-	3,325
Taxes	21,339	-	21,339
Miscellaneous	1,719	\$ 285	2,004
Total Cash Receipts	34,658	285	34,943
<u>Cash Disbursements:</u>			
Current:			
Salaries	14,138	-	14,138
Employee Benefits	16,238	-	16,238
Taxes - State, Village & Medicare	981	-	981
Supplies	1,341	-	1,341
Insurance	1,020	-	1,020
Contractual Services	3,290	-	3,290
Auditor's Deductions	334	-	334
Utilities	629	-	629
Miscellaneous	7,074	-	7,074
Capital Outlay	-	5,000	5,000
Total Cash Disbursements	45,045	5,000	50,045
Total Receipts Over/(Under) Disbursements	(10,387)	(4,715)	(15,102)
Beginning Fund Balance	26,976	6,835	33,811
Ending Fund Balance	\$ 16,589	\$ 2,120	\$ 18,709

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, 2005 AND 2004**

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, 2005 AND 2004**

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:

	2005	2004
Demand Deposits	\$ 20,757	\$ 18,709

Deposits: The bank balance 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, 2005 AND 2004**

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.

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, 2005, 2004 and 2003 were \$ 2,247, \$ 2,192 and \$ 2,044, respectively, which equals the required contributions for those years. The full amount has been contributed for all three years.

5. SUBSEQUENT EVENTS/PENDING LITIGATION

Management believes there are no pending claims or lawsuits.

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Certified Public Accountants

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

Members of Board of Trustees
Union Cemetery Association of Boston Township
Peninsula, Ohio

We have audited the financial statements of the Union Cemetery Association of Boston Township, Summit County, Ohio (the Cemetery) as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated June 16, 2006, wherein we noted the Cemetery followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 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 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 that might be material weaknesses. A material weakness is a reportable 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 error 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 do not require inclusion in this report, that we have reported to management of the Cemetery in a separate letter dated June 16, 2006.

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 solely for the information and use of the 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 and Associates, Inc.

June 16, 2006

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of December 31, 2003 and 2002, reported no material citations or recommendations.



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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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
JULY 18, 2006**