



Dave Yost • Auditor of State



VILLAGE OF MEYERS LAKE  
STARK COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Village of Meyers Lake  
Stark County  
1600 N Park Ave NW  
Canton, Ohio 44708

To the Village Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of the Village of Meyers Lake, Stark County, (the Village) as of and for the years ended December 31, 2013 and 2012.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1.B of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy these requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1.B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted is in the Opinion on Regulatory Basis of Accounting paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2013 and 2012, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Meyers Lake, Stark County, as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.B.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2015, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

January 28, 2015

**VILLAGE OF MEYERS LAKE  
STARK COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|   | General          | Special<br>Revenue | Totals<br>(Memorandum<br>Only) |
|---|------------------|--------------------|--------------------------------|
| <b>Cash Receipts</b>                                  |                  |                    |                                |
| Property and Other Local Taxes                        | \$46,455         | \$0                | \$46,455                       |
| Intergovernmental                                     | 49,820           | 37,282             | 87,102                         |
| Charges for Services                                  | 19,200           | 0                  | 19,200                         |
| Fines, Licenses and Permits                           | 13,214           | 0                  | 13,214                         |
| Earnings on Investments                               | 135              | 16                 | 151                            |
| Miscellaneous   | 10,943           | 0                  | 10,943                         |
| <i>Total Cash Receipts</i>                            | <u>139,767</u>   | <u>37,298</u>      | <u>177,065</u>                 |
| <b>Cash Disbursements</b>                             |                  |                    |                                |
| Current:  |                  |                    |                                |
| Security of Persons and Property                      | 10,603           | 0                  | 10,603                         |
| Public Health Services                                | 4,855            | 0                  | 4,855                          |
| Community Environment                                 | 14,943           | 0                  | 14,943                         |
| Basic Utility Services                                | 18,860           | 0                  | 18,860                         |
| General Government                                    | 60,435           | 0                  | 60,435                         |
| Capital Outlay  | 0                | 280                | 280                            |
| <i>Total Cash Disbursements</i>                       | <u>109,696</u>   | <u>280</u>         | <u>109,976</u>                 |
| <i>Excess of Receipts Over (Under) Disbursements</i>  | <u>30,071</u>    | <u>37,018</u>      | <u>67,089</u>                  |
| <b>Other Financing Receipts (Disbursements)</b>       |                  |                    |                                |
| Other Financing Sources                               | 651              | 0                  | 651                            |
| Other Financing Uses                                  | (253)            | 0                  | (253)                          |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>398</u>       | <u>0</u>           | <u>398</u>                     |
| <i>Net Change in Fund Cash Balances</i>               | 30,469           | 37,018             | 67,487                         |
| <i>Fund Cash Balances, January 1</i>                  | <u>288,722</u>   | <u>107,723</u>     | <u>396,445</u>                 |
| <b>Fund Cash Balances, December 31</b>                |                  |                    |                                |
| Restricted  | 0                | 143,292            | 143,292                        |
| Unassigned (Deficit)                                  | 319,191          | 1,449              | 320,640                        |
| <i>Fund Cash Balances, December 31</i>                | <u>\$319,191</u> | <u>\$144,741</u>   | <u>\$463,932</u>               |

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

**VILLAGE OF MEYERS LAKE  
STARK COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

|   | General          | Special<br>Revenue | Totals<br>(Memorandum<br>Only) |
|---|------------------|--------------------|--------------------------------|
| <b>Cash Receipts</b>                                  |                  |                    |                                |
| Property and Other Local Taxes                        | \$54,632         | \$0                | \$54,632                       |
| Intergovernmental                                     | 27,928           | 28,607             | 56,535                         |
| Charges for Services                                  | 19,400           | 0                  | 19,400                         |
| Fines, Licenses and Permits                           | 13,726           | 0                  | 13,726                         |
| Earnings on Investments                               | 166              | 0                  | 166                            |
| Miscellaneous   | 10,564           | 0                  | 10,564                         |
| <i>Total Cash Receipts</i>                            | <u>126,416</u>   | <u>28,607</u>      | <u>155,023</u>                 |
| <b>Cash Disbursements</b>                             |                  |                    |                                |
| Current:  |                  |                    |                                |
| Security of Persons and Property                      | 13,958           | 0                  | 13,958                         |
| Public Health Services                                | 5,211            | 0                  | 5,211                          |
| Community Environment                                 | 24,279           | 0                  | 24,279                         |
| Basic Utility Services                                | 18,860           | 0                  | 18,860                         |
| General Government                                    | 68,056           | 0                  | 68,056                         |
| Capital Outlay  | 180              | 0                  | 180                            |
| <i>Total Cash Disbursements</i>                       | <u>130,544</u>   | <u>0</u>           | <u>130,544</u>                 |
| <i>Excess of Receipts Over (Under) Disbursements</i>  | <u>(4,128)</u>   | <u>28,607</u>      | <u>24,479</u>                  |
| <b>Other Financing Receipts (Disbursements)</b>       |                  |                    |                                |
| Other Financing Uses                                  | (219)            | 0                  | (219)                          |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(219)</u>     | <u>0</u>           | <u>(219)</u>                   |
| <i>Net Change in Fund Cash Balances</i>               | (4,347)          | 28,607             | 24,260                         |
| <i>Fund Cash Balances, January 1</i>                  | <u>293,069</u>   | <u>79,116</u>      | <u>372,185</u>                 |
| <b>Fund Cash Balances, December 31</b>                |                  |                    |                                |
| Restricted  | 0                | 107,723            | 107,723                        |
| Unassigned (Deficit)                                  | 288,722          | 0                  | 288,722                        |
| <i>Fund Cash Balances, December 31</i>                | <u>\$288,722</u> | <u>\$107,723</u>   | <u>\$396,445</u>               |

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



**VILLAGE OF MEYERS LAKE  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Meyers Lake, Stark County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides street maintenance and repair services and contracts with an outside company to provide utility services including refuse collection and disposal. The Village contracts with the Stark County Sheriff's department to provide security of persons and property.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**C. Deposits and Investments**

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**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 accounts for and reports all financial resources not accounted for and reported in another fund.

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Fund:

**VILLAGE OF MEYERS LAKE  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

**E. Budgetary Process**

The Ohio Revised Code requires that each be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2013 and 2012 budgetary activity appears in Note 3.

**F. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**VILLAGE OF MEYERS LAKE  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Fund Balance (Continued)**

**3. Committed**

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**G. Property, Plant, and Equipment**

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

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

|                 |                  |                  |
|-----------------|------------------|------------------|
|                 | <u>2013</u>      | <u>2012</u>      |
| Demand deposits | <u>\$463,932</u> | <u>\$396,445</u> |

Deposits are insured by the Federal Depository Insurance Corporation.

**VILLAGE OF MEYERS LAKE  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending 2013 and 2012 follows:

| 2013 Budgeted vs. Actual Receipts |                      |                    |             |
|-----------------------------------|----------------------|--------------------|-------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance    |
| General                           | \$386,961            | \$140,418          | (\$246,543) |
| Special Revenue                   | 156,305              | 37,298             | (119,007)   |
| Total                             | \$543,267            | \$177,716          | (\$365,551) |

| 2013 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |           |
|---|----------------------------|---------------------------|-----------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance  |
| General   | \$185,561                  | \$109,949                 | \$75,612  |
| Special Revenue                                       | 35,050                     | 280                       | 34,770    |
| Total   | \$220,611                  | \$110,229                 | \$110,382 |

| 2012 Budgeted vs. Actual Receipts |                      |                    |             |
|-----------------------------------|----------------------|--------------------|-------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance    |
| General                           | \$374,714            | \$126,416          | (\$248,298) |
| Special Revenue                   | 118,928              | 28,607             | (90,321)    |
| Total                             | \$493,643            | \$155,023          | (\$338,620) |

| 2012 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |           |
|---|----------------------------|---------------------------|-----------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance  |
| General   | \$201,361                  | \$130,763                 | \$70,598  |
| Special Revenue                                       | 35,050                     | 0                         | 35,050    |
| Total   | \$236,411                  | \$130,763                 | \$105,648 |

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

**VILLAGE OF MEYERS LAKE  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**5. RETIREMENT SYSTEMS**

The Village's elected officials belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2013.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Meyers Lake  
Stark County  
1600 N Park Ave NW  
Canton, Ohio 44708

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of Meyers Lake, Stark County, (the Village) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated January 28, 2015 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2013-001 and 2013-002 described in the accompanying schedule of findings to be material weaknesses.

***Compliance and Other Matters***

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2013-001.

***Entity's Response to Findings***

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

January 28, 2015



**VILLAGE OF MEYERS LAKE  
STARK COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012**

|  |
|--|
| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b> |
|--|

**FINDING NUMBER 2013-001**

**Noncompliance and Material Weakness**

**Ohio Rev. Code § 5705.50** states, in part, that local government fund payments received by a municipal corporation under this division shall be paid into its general fund and may be used for any lawful purpose. In addition, **Ohio Rev. Code § 5735.27** provides the gasoline excise tax funds given to municipalities shall be used to plan, construct, reconstruct, repave, widen, maintain, repair, clear, and clean public highways, roads, and streets; to maintain and repair bridges and viaducts; to purchase, erect, and maintain street and traffic signs and markers; to pay the costs apportioned to the municipal corporation under section 4907.47 of the Revised Code; to purchase, erect, and maintain traffic lights and signals; to pay the principal, interest, and charges on bonds and other obligations issued pursuant to Chapter 133. of the Revised Code or incurred pursuant to section 5531.09 of the Revised Code for the purpose of acquiring or constructing roads, highways, bridges, or viaducts or acquiring or making other highway improvements for which the municipal corporation may issue bonds; and to supplement revenue already available for these purposes

The Village improperly posted \$8,654 and \$9,582 of local government fund payment, for 2013 and 2012, respectively, to the Special Revenue Street Construction, Maintenance and Repair Fund rather than the General Fund as required by Ohio Rev. Code § 5705.50.

In addition, the Village improperly posted \$1,449 of gasoline tax receipts to the General Fund Charges for Services rather than the Special Revenue Street Construction, Maintenance and Repair Fund Intergovernmental Revenue as required by Ohio Rev. Code § 5735.27.

The Village records and financial statements were subsequently adjusted to properly reflect the activity. Sound financial reporting is the responsibility of the Clerk-Treasurer and governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. To help ensure complete and accurate financial reporting, the Village should implement control procedures over the receipt process in order to enable management to prevent and detect potential receipts recorded in the incorrect fund and/or line item. Control procedures could include a separate review and analysis of the monthly receipt ledger by someone within management who is knowledgeable of the accounting system and use of the Village Officer's Handbook issued by the Auditor of State's Office.

**Official's Response: We will be more careful about our postings in these funds. We will strive to have no mistakes at the next audit cycle.**

**FINDING NUMBER 2013-002**

**Material Weakness – Financial Reporting**

There were material revenue misstatements (See Finding Number 2013-001) and misclassifications (as noted below) which strongly indicates the Village did not have sufficient internal control procedures over the financial reporting process.

**FINDING NUMBER 2013-002 (Continued)**

**Material Weakness – Financial Reporting (Continued)**

The Village misclassified \$19,714 and \$14,774 of motor vehicle tax distributions in 2013 and 2012 as Property Tax Revenue rather than as Intergovernmental Revenue within the Special Revenue Street Construction, Maintenance and Repair Fund. The financial statements were subsequently adjusted to properly report these receipts.

The compilation and presentation of materially correct financial statements and the related footnotes is the responsibility of management of the Village. This responsibility remains intact, even if management decides to outsource this function for efficiency purposes, or any other reason, to another accountant or consultant. It is essential to note that independent auditors are not part of an entity's internal control structure and should not be relied upon by management to detect misstatements in the financial statements.

It is important that management develop control procedures related to drafting financial statements that enable management to prevent and detect potential misstatements in the financial statements and footnotes prior to audit.

The Village should implement control procedures over the financial reporting process to help enable management to prevent and detect potential misstatements in the financial statements. Control procedures could include a separate review and analysis of the compiled financial statements by someone within management who is knowledgeable of financial reporting.

**Official's Response: Again, we will be more careful about how we post receipts in the future. Thank you for your constructive advice.**

**VILLAGE OF MEYERS LAKE  
STARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2013 AND 2012**

| Finding Number | Finding Summary  | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b> |
|----------------|--|------------------|--|
| 2011-01        | Material Weakness – Village needed to develop controls over the financial reporting process  | No               | Not Corrected. See 2013-001 and 2013-002   |
| 2011-02        | ORC 5705.10 - General Property Tax Levy Homestead and Rollback receipts were improperly posted to the Street Construction, Maintenance and Repair Fund | Yes              | Corrected.   |

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# Dave Yost • Auditor of State

**VILLAGE OF MEYERS LAKE**

**STARK 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  
FEBRUARY 24, 2015**