

**VILLAGE OF MEYERS LAKE  
STARK COUNTY, OHIO**

**REGULAR AUDIT**

**For The Years  
Ended December 31, 2007 – 2006**





# Mary Taylor, CPA

Auditor of State

Members of Council  
Village of Meyers Lake  
1600 Park Avenue NW  
Canton, Ohio 44708

We have reviewed the *Independent Auditor's Report* of the Village of Meyers Lake, Stark County, prepared by Kennedy Cottrell Richards LLC, 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 *Independent Auditor's Report* 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 *Independent Auditor's Report* 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 Village of Meyers Lake is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA  
Auditor of State

July 7, 2008

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**VILLAGE OF MEYERS LAKE, STARK COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

We have audited the accompanying financial statements of The Village of Meyers Lake, Stark County, Ohio (the Village), as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Village has prepared 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. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village 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 combined fund cash balances of The Village of Meyers Lake, Stark County, as of December 31, 2007 and 2006 and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The Village of Meyers Lake  
Stark County  
Independent Auditor's Report  
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In accordance with *Government Auditing Standards*, we have also issued a report dated May 23, 2008 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. 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*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Kennedy Cottrell Richards LLC". The signature is written in a cursive, flowing style.

Kennedy Cottrell Richards LLC  
May 23, 2008



**MEYERS LAKE VILLAGE  
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund</u>		<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$ 52,511	\$ 7,306	\$ 59,817
Intergovernmental	24,802	20,411	45,213
Charges for Services	25,024	-	25,024
Fines, Licenses and Permits	7,709	-	7,709
Earnings on Investments	8,517	-	8,517
Miscellaneous	12,307	-	12,307
	<u>130,870</u>	<u>27,717</u>	<u>158,587</u>
Total Cash Receipts			
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	9,565	-	9,565
Public Health Services	6,336	-	6,336
Community Environment	5,499	-	5,499
Basic Utility Services	21,926	-	21,926
General Government	78,678	-	78,678
Capital Outlay	24,764	20,429	45,193
	<u>146,768</u>	<u>20,429</u>	<u>167,197</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>(15,898)</u>	<u>7,288</u>	<u>(8,610)</u>
Fund Cash Balance, January 1	<u>129,051</u>	<u>26,900</u>	<u>155,951</u>
<b>Fund Cash Balance, December 31</b>	<u>\$ 113,153</u>	<u>\$ 34,188</u>	<u>\$ 147,341</u>

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

**MEYERS LAKE VILLAGE  
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund</u>		<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$ 43,487	\$ 6,701	\$ 50,188
Intergovernmental	30,697	17,590	48,287
Charges for Services	23,632	-	23,632
Fines, Licenses and Permits	8,612	-	8,612
Earnings on Investments	2,133	-	2,133
Miscellaneous	8,352	-	8,352
	<u>116,913</u>	<u>24,291</u>	<u>141,204</u>
<b>Total Cash Receipts</b>			
	<u>116,913</u>	<u>24,291</u>	<u>141,204</u>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	8,933	-	8,933
Public Health Services	7,083	-	7,083
Community Environment	3,142	-	3,142
Basic Utility Services	21,809	-	21,809
General Government	59,330	-	59,330
Capital Outlay	22,993	24,252	47,245
	<u>123,290</u>	<u>24,252</u>	<u>147,542</u>
<b>Total Cash Disbursements</b>			
	<u>123,290</u>	<u>24,252</u>	<u>147,542</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(6,377)</u>	<u>39</u>	<u>(6,338)</u>
<b>Fund Cash Balance, January 1</b>	<u>135,428</u>	<u>26,861</u>	<u>162,289</u>
<b>Fund Cash Balance, December 31</b>	<u>\$ 129,051</u>	<u>\$ 26,900</u>	<u>\$ 155,951</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, 2007 AND 2006**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Meyers Lake, Stark County, Ohio, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides basic governmental services. The Village also 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. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Cash and Investments**

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

Certificates of deposit are valued at cost.

**VILLAGE OF MEYERS LAKE  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006**

**D. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

*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 fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure.

**2. Estimated Resources**

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

**VILLAGE OF MEYERS LAKE  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006**

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Accumulated Leave**

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

**2. EQUITY IN POOLED CASH**

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

	<u>2007</u>	<u>2006</u>
Demand deposits	\$32,700	\$27,428
Certificates of deposits	<u>114,641</u>	<u>128,523</u>
Total deposits and investments	<u>\$147,341</u>	<u>\$155,951</u>

**Deposits:** Deposits are either (1) insured by the Federal Deposit Insurance Corporation, or (2) collateralized by securities pledged by the financial institution to the Village.

**VILLAGE OF MEYERS LAKE  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$123,483	\$130,870	\$7,387
Special Revenue	<u>26,480</u>	<u>27,717</u>	<u>1,237</u>
Total	<u>149,963</u>	<u>158,587</u>	<u>8,624</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	200,100	146,768	53,332
Special Revenue	<u>35,000</u>	<u>20,429</u>	<u>14,571</u>
Total	<u>235,100</u>	<u>167,197</u>	<u>67,903</u>

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	117,861	116,913	(948)
Special Revenue	<u>23,000</u>	<u>24,291</u>	<u>1,291</u>
Total	<u>140,861</u>	<u>141,204</u>	<u>343</u>

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	204,828	123,290	81,538
Special Revenue	<u>32,000</u>	<u>24,252</u>	<u>7,748</u>
Total	<u>\$236,828</u>	<u>\$147,542</u>	<u>\$89,286</u>

**VILLAGE OF MEYERS LAKE  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006**

**4. PROPERTY TAX**

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

Public utilities are also taxed on personal and real property located within the Village.

Tangible personal property tax revenue received in calendar 2007 (other than public utility property tax) represents the collection of calendar year 2007 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2006, on the value as of December 31, 2006. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessed percentage for all property including inventory for 2006 was 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

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, 2007 AND 2006**

**5. RETIREMENT SYSTEM**

The Village's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2006, members of PERS contributed 9.0% of their gross salaries, and the Village contributed an amount equal to 13.70% of participants' gross salaries. For 2007, members of PERS contributed 9.5% of their gross salaries, and the Village contributed an amount equal to 13.77% of participants' gross salaries. The Village has paid all employer contributions required through December 31, 2007.

**6. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

- General liability and casualty;
- Vehicles, and;
- Property, including electronic data equipment.



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

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

To Village Council:

We have audited the financial statements of the Village of Meyers Lake, Stark County (the Village) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated May 23, 2008 wherein we noted the Village reported on the regulatory basis of accounting 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 Control over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village'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 entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the cash basis of accounting such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity'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 entity'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 Village'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 or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of the Village in a separate letter dated May 23, 2008.

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

A handwritten signature in black ink that reads "Kennedy Cottrell Richards LLC". The signature is written in a cursive, flowing style.

Kennedy Cottrell Richards LLC  
May 23, 2008



**Mary Taylor, CPA**  
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  
JULY 17, 2008**