

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

REGULAR AUDIT

**For The Years
Ended December 31, 2005 – 2004**



**Auditor of State
Betty Montgomery**

Village Council
Village of Meyers Lake
1600 Park Ave. NW
Canton, Ohio 44708

We have reviewed the *Independent Auditor's Report* of the Village of Meyers Lake, Stark County, prepared by Ken Richards & Associates, LTD., 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. 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 "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

October 11, 2006

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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, 2005 and 2004. 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, 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 combined fund cash balances and reserves for encumbrances of The Village of Meyers Lake, Stark County, as of December 31, 2005 and 2004 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 August 30, 2006 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.

Ken Richards & Associates, LTD.

Ken Richards & Associates, Ltd.
August 30, 2006

**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, 2005**

	<u>Governmental Fund</u>		<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Property and Other Local Taxes	\$ 36,467	\$ 5,885	\$ 42,352
Intergovernmental	20,471	12,273	32,744
Charges for Services	24,036	-	24,036
Fines, Licenses and Permits	7,903	-	7,903
Earnings on Investments	1,323	73	1,396
Miscellaneous	2,346	-	2,346
	<u>92,546</u>	<u>18,231</u>	<u>110,777</u>
Total Cash Receipts			
	<u>92,546</u>	<u>18,231</u>	<u>110,777</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	8,268	-	8,268
Public Health Services	5,542	-	5,542
Community Environment	1,951	-	1,951
Basic Utility Services	21,440	-	21,440
General Government	41,565	-	41,565
Capital Outlay	17,190	40,933	58,123
	<u>95,956</u>	<u>40,933</u>	<u>136,889</u>
Total Cash Disbursements			
	<u>95,956</u>	<u>40,933</u>	<u>136,889</u>
Total Receipts Over/(Under) Disbursements	<u>(3,410)</u>	<u>(22,702)</u>	<u>(26,112)</u>
Other Financing Receipts/(Disbursements):			
Advance - Out	(21,198)	-	(21,198)
Advance - In	-	21,198	21,198
	<u>(21,198)</u>	<u>21,198</u>	<u>-</u>
Total Other Financing Receipts/(Disbursements)			
	<u>(21,198)</u>	<u>21,198</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements	<u>(24,608)</u>	<u>(1,504)</u>	<u>(26,112)</u>
Fund Cash Balance, January 1	<u>160,036</u>	<u>28,365</u>	<u>188,401</u>
Fund Cash Balance, December 31	<u>\$ 135,428</u>	<u>\$ 26,861</u>	<u>\$ 162,289</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, 2004**

	<u>Governmental Fund</u>		<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Property and Other Local Taxes	\$ 42,697	\$ 4,915	\$ 47,612
Intergovernmental	14,727	8,312	23,039
Charges for Services	16,549	-	16,549
Fines, Licenses and Permits	7,206	-	7,206
Earnings on Investments	2,012	116	2,128
Miscellaneous	1,980	-	1,980
	<u>85,171</u>	<u>13,343</u>	<u>98,514</u>
Total Cash Receipts			
	<u>85,171</u>	<u>13,343</u>	<u>98,514</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	8,314	-	8,314
Public Health Services	5,361	-	5,361
Community Environment	756	-	756
Basic Utility Services	14,013	-	14,013
General Government	48,685	-	48,685
Capital Outlay	29,054	20,271	49,325
	<u>106,183</u>	<u>20,271</u>	<u>126,454</u>
Total Cash Disbursements			
	<u>106,183</u>	<u>20,271</u>	<u>126,454</u>
Total Receipts Over/(Under) Disbursements	<u>(21,012)</u>	<u>(6,928)</u>	<u>(27,940)</u>
Other Financing Receipts/(Disbursements):			
Advances-In	7,493	7,493	14,987
Advances-Out	(7,493)	(7,493)	(14,987)
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Receipts/(Disbursements)			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements	<u>(21,012)</u>	<u>(6,928)</u>	<u>(27,940)</u>
Fund Cash Balance, January 1	<u>181,048</u>	<u>35,293</u>	<u>216,341</u>
Fund Cash Balance, December 31	<u>\$ 160,036</u>	<u>\$ 28,365</u>	<u>\$ 188,401</u>
Reserve for Encumbrances, December 31	<u>-</u>	<u>4,400</u>	<u>4,400</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, 2005 AND 2004**

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. Money market mutual funds are recorded at share values reported by the mutual fund.

**VILLAGE OF MEYERS LAKE
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

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, 2005 AND 2004**

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 2005 and 2004 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>2005</u>	<u>2004</u>
Demand deposits	\$25,009	\$18,005
Certificates of deposits	122,640	155,778
Total deposits	<u>147,649</u>	<u>173,783</u>
Money Market Savings	14,640	14,618
Total deposits and investments	<u>\$162,289</u>	<u>\$188,401</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, 2005 AND 2004**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2005 and 2004 follows:

2005 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$81,443	\$92,546	\$11,103
Special Revenue	<u>8,200</u>	<u>18,231</u>	<u>10,031</u>
Total	<u>\$89,643</u>	<u>\$110,777</u>	<u>\$21,134</u>

2005 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$240,678	\$95,956	\$144,722
Special Revenue	<u>40,965</u>	<u>40,933</u>	<u>32</u>
Total	<u>\$281,643</u>	<u>\$136,889</u>	<u>\$144,754</u>

2004 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$76,711	\$85,171	\$8,460
Special Revenue	<u>8,200</u>	<u>13,343</u>	<u>5,143</u>
Total	<u>\$84,911</u>	<u>\$98,514</u>	<u>\$13,603</u>

2004 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$257,759	\$106,183	\$151,576
Special Revenue	<u>50,986</u>	<u>24,671</u>	<u>26,315</u>
Total	<u>308,745</u>	<u>\$130,854</u>	<u>\$177,891</u>

**VILLAGE OF MEYERS LAKE
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

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 is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

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 2005 and 2004, members of PERS contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all employer contributions required through December 31, 2005.

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***

Members of Council and Mayor
Village of Meyers Lake
1600 Park Ave, N.W.
Canton, Ohio 44708

To the Village Council and Mayor:

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, 2005 and 2004, and have issued our report thereon dated August 30, 2006, wherein we noted the Village 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village'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 occur and not be detected within a timely period by employees when 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.

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 affect 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 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 August 30, 2006.

Village of Meyers Lake
Stark County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*

This report is intended solely for the information and use of the management, the 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.

Ken Richards & Associates, LTD.

Ken Richards & Associates, Ltd.
August 30, 2006



**Auditor of State
Betty Montgomery**

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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
NOVEMBER 9, 2006**