

428 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave
Vienna, WV 26105
304.422.2203

104 South Sugar St
St. Clairsville, OH 43950
740.695.1569



Certified Public Accountants, A.C.

**VILLAGE OF MEYERS LAKE
STARK COUNTY
Regular Audit**

For the Years Ended December 31, 2015 and 2014

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Dave Yost • Auditor of State

Village Council
Village of Meyers Lake
4115 12th Street, NW
Canton, Ohio 44708

We have reviewed the *Independent Auditors' Report* of the Village of Meyers Lake, Stark County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Meyers Lake is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

November 4, 2016

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VILLAGE OF MEYERS LAKE
STARK COUNTY

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INDEPENDENT AUDITOR'S REPORT

August 25, 2016

Village of Meyers Lake
Stark County
4115 12th St NW
Canton, Ohio 44708

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the **Village of Meyers Lake**, Stark County, (the Village) as of and for the years ended December 31, 2015 and 2014.

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 opinions.



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

As described in Note 1B 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 (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are 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 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, 2015 and 2014, 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 2015 and 2014, 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 1B.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2016, 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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**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, 2015**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 47,434	\$ 83,086	\$ 130,520
Intergovernmental	15,968	39,817	55,785
Charges for Services	20,814	-	20,814
Fines, Licenses and Permits	11,699	-	11,699
Earnings on Investments	9	-	9
Miscellaneous	10,959	-	10,959
<i>Total Cash Receipts</i>	<u>106,883</u>	<u>122,903</u>	<u>229,786</u>
Cash Disbursements			
Current:			
Security of Persons and Property	11,143	-	11,143
Public Health Services	4,845	-	4,845
Community Environment	2,657	-	2,657
Basic Utility Services	18,980	-	18,980
Transportation	-	15,146	15,146
General Government	63,630	1,083	64,713
Capital Outlay	-	2,155	2,155
<i>Total Cash Disbursements</i>	<u>101,255</u>	<u>18,384</u>	<u>119,639</u>
<i>Excess of Receipts Over Disbursements</i>	<u>5,628</u>	<u>104,519</u>	<u>110,147</u>
Other Financing Receipts			
Other Financing Sources	-	436	436
<i>Total Other Financing Receipts</i>	<u>-</u>	<u>436</u>	<u>436</u>
<i>Net Change in Fund Cash Balances</i>	5,628	104,955	110,583
<i>Fund Cash Balances, January 1</i>	<u>317,200</u>	<u>147,180</u>	<u>464,380</u>
Fund Cash Balances, December 31			
Restricted	-	252,135	252,135
Unassigned	322,828	-	322,828
<i>Fund Cash Balances, December 31</i>	<u>\$ 322,828</u>	<u>\$ 252,135</u>	<u>\$ 574,963</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, 2014**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 46,940	\$ -	\$ 46,940
Intergovernmental	12,659	34,710	47,369
Charges for Services	18,307	-	18,307
Fines, Licenses and Permits	11,000	-	11,000
Earnings on Investments	29	-	29
Miscellaneous	14,726	-	14,726
<i>Total Cash Receipts</i>	<u>103,661</u>	<u>34,710</u>	<u>138,371</u>
Cash Disbursements			
Current:			
Security of Persons and Property	10,891	-	10,891
Public Health Services	4,881	-	4,881
Community Environment	2,365	-	2,365
Basic Utility Services	18,860	-	18,860
General Government	67,831	-	67,831
Transportation	-	32,271	32,271
Capital Outlay	399	-	399
<i>Total Cash Disbursements</i>	<u>105,227</u>	<u>32,271</u>	<u>137,498</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,566)</u>	<u>2,439</u>	<u>873</u>
Other Financing (Disbursements)			
Other Financing Uses	(425)	-	(425)
<i>Total Other Financing (Disbursements)</i>	<u>(425)</u>	<u>-</u>	<u>(425)</u>
<i>Net Change in Fund Cash Balances</i>	(1,991)	2,439	448
<i>Fund Cash Balances, January 1</i>	<u>319,191</u>	<u>144,741</u>	<u>463,932</u>
Fund Cash Balances, December 31			
Restricted	-	147,180	147,180
Unassigned	317,200	-	317,200
<i>Fund Cash Balances, December 31</i>	<u>\$ 317,200</u>	<u>\$ 147,180</u>	<u>\$ 464,380</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
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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 collect 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

The Village maintains all funds in a checking and an interest-bearing savings account.

D. Fund Accounting

The Village uses fund accounting to segregate cash that is 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.

**VILLAGE OF MEYERS LAKE
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Fund

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 has 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, function, or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year-end.

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 also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year-end are cancelled, and reappropriated in the subsequent year. The Village did not properly encumber all commitments as required by Ohio law.

A summary of 2015 and 2014 budgetary activity appears in Note 3.

**VILLAGE OF MEYERS LAKE
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

**VILLAGE OF MEYERS LAKE
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

	2015	2014
Demand deposits	\$ 574,963	\$ 464,380
Total deposits	\$ 574,963	\$ 464,380

Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 106,883	\$ 106,883	\$ -
Special Revenue	123,339	123,339	-
Total	\$ 230,222	\$ 230,222	\$ -

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 225,684	\$ 101,255	\$ 124,429
Special Revenue	253,000	18,384	234,616
Total	\$ 478,684	\$ 119,639	\$ 359,045

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 94,995	\$ 103,661	\$ 8,666
Special Revenue	43,375	34,710	(8,665)
Total	\$ 138,370	\$ 138,371	\$ 1

**VILLAGE OF MEYERS LAKE
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

3. BUDGETARY ACTIVITY (Continued)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 201,500	\$ 105,652	\$ 95,848
Special Revenue	141,000	32,271	108,729
Total	\$ 342,500	\$ 137,923	\$ 204,577

4. PROPERTY TAXES

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 make semiannual payment, 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.

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 this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2015 and 2014, OPERS members contributed 10.0% of their gross salaries, and the Village contributed an amount equaling 14.0% of participants' gross salaries. The Village has paid all contributions required through December 31, 2015.

6. RISK MANAGEMENT

Risk Pool Membership

The Village has obtained commercial insurance for the following risks:

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



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

August 25, 2016

Village of Meyers Lake
Stark County
4115 12th St 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 cash balances, receipts, and disbursements by fund type of the **Village of Meyers Lake**, Stark County, (the Village) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated August 25, 2016, 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 opinions 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 audit findings, we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and a significant deficiency.

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 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. We consider findings 2015-001 and 2015-003 described in the accompanying schedule of audit findings to be material weaknesses.



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Internal Control Over Financial Reporting (Continued)

A *significant deficiency* is a deficiency, or combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2015-004 described in the accompanying schedule of audit findings to be a significant deficiency.

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 instances of noncompliance or other matters that we must report under *Government Auditing Standards* as findings 2015-002 and 2015-003.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated August 25, 2016.

Village's Response to Findings

The Village's responses to the audit findings identified in our audit are described in the accompanying schedule of audit 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.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

VILLAGE OF MEYERS LAKE
STARK COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2015-001

Material Weakness

Posting Receipts and Disbursements

Accurate financial reporting is the responsibility of the Clerk-Treasurer and is essential to ensure information provided to the readers of the financial statements is accurate.

During 2015 and 2014, receipts and disbursements were not always posted or classified correctly. The following errors were noted:

- Homestead rollback receipts were recorded as Permissive Sales Tax in the Street Construction, Maintenance and Repair Fund instead of Intergovernmental in the General Fund in 2014;
- The Village began collecting receipts from a new Road Levy without setting up a separate Special Revenue Fund for the money in 2015;
- Expenses were not charged to the appropriate classification in 2015 and 2014;
- Prior audit adjustments were not posted to the correct year;
- Motor Vehicle Tax distributions were improperly recorded as Property and Other Local Taxes instead of Intergovernmental in 2015 and 2014.

Not posting revenues and disbursements accurately resulted in the financial statements requiring adjustments and reclassifications. The accompanying financial statements reflect all adjustments and reclassifications. The Village has made these adjustments to their accounting system.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenditures are properly identified and classified on the financial statements.

We recommend the Village refer to the Ohio Village Handbook for guidance to determine the proper establishment of receipt and disbursement accounts.

Officials' Response – We will do better to post receipts and disbursements correctly in the future. We will move the Road Levy money into the correct fund.

FINDING NUMBER 2015-002

Noncompliance

Ohio Revised Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the Clerk-Treasurer is attached thereto. The Clerk-Treasurer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

**VILLAGE OF MEYERS LAKE
STARK COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
--

FINDING NUMBER 2015-002 (Continued)

Noncompliance (Continued)

There are several exceptions to the standard requirement stated above that a Clerk-Treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate - If the Clerk-Treasurer can certify that both at the time that the contract or order was made ("then"), and at the time that the Clerk-Treasurer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority (Village Council) can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the Clerk-Treasurer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.
2. Blanket Certificate – The Clerk-Treasurer may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any particular line item appropriation.
3. Super Blanket Certificate – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the Clerk-Treasurer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line-item appropriation.

31% of the disbursements tested in 2015 and 6% of disbursements tested in 2014 were not certified by the Clerk-Treasurer at the time the commitment was incurred and there was no evidence that the Village followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute, but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Clerk-Treasurer certify that the funds are, or will be, available prior to obligation by the Village. When prior certification is not possible, "then and now" certification should be used.

Management's Response – We will get the purchase order approved before the expense in the future.

**VILLAGE OF MEYERS LAKE
STARK COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2015-003

Material Weakness/Noncompliance

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.

The Village improperly posted \$8,666 of local government fund payment for 2014 to the Special Revenue Street Construction, Maintenance and Repair Fund rather than the General Fund as required by Ohio Rev. Code § 5705.50.

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.

Officials' Response – We will do better about posting receipts in the correct fund in the future.

FINDING NUMBER 2015-004

Significant Deficiency

Payroll Withholdings

When designing the Village's system of internal control and specific control activities, management should ensure that all transactions are properly authorized in accordance with management's policies and ensure the accounting records are properly completed, submitted as required, and copies retained for documentation.

The following deficiency was noted in the Village's payroll:

- Withholding forms 941's were not always completed correctly and filed timely.

We recommend that all payroll document be retained and proper completion instructions should be consulted to ensure the accurate payment of these withholdings. Withholdings should be remitted timely to prevent penalty and interest costs being assessed and the extra time and effort in correcting these errors. The Village should reconcile between the amounts withheld from employees and amounts remitted to the appropriate agencies to help ensure accurate reporting.

Officials' Response – We did not receive a response from officials to this finding.

**VILLAGE OF MEYERS LAKE
STARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	Noncompliance and material weakness of control procedures of the receipt process.	No	Repeated as Finding 2015-003
2013-002	Material weakness over financial reporting	No	Repeated as Finding 2015-001



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
NOVEMBER 17, 2016