

**VILLAGE OF MINERVA PARK  
FRANKLIN COUNTY, OHIO**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2011 AND 2010**







# Dave Yost • Auditor of State

Village Council  
Village of Minerva Park  
2829 Minerva Lake Road  
Columbus, Ohio 43231

We have reviewed the *Independent Accountants' Report* of the Village of Minerva Park, Franklin County, prepared by Kennedy Cottrell Richards LLC, for the audit period January 1, 2010 through December 31, 2011. 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 Minerva Park 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 8, 2012

**This page intentionally left blank.**

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Table of Contents

For the Years Ended December 31, 2011 and 2010

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
Independent Auditor's Report	1
Basic Financial Statements – <i>December 31, 2011</i>	
Government-Wide Financial Statements:	
Statement of Net Assets –Cash Basis	2
Statement of Activities – Cash Basis	3
Fund Financial Statements:	
<i>Governmental Funds:</i>	
Statement of Cash Basis Assets and Fund Balances	4
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances	5
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund	6
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – Street Construction & Maintenance Fund	7
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – State Highway Fund	8
<i>Fiduciary Funds:</i>	
Statement of Net Assets – Modified Cash Basis	9
Basic Financial Statements – <i>December 31, 2010</i>	
Government-Wide Financial Statements:	
Statement of Net Assets –Cash Basis	10
Statement of Activities – Cash Basis	11
Fund Financial Statements:	
<i>Governmental Funds:</i>	
Statement of Cash Basis Assets and Fund Balances	12
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances	13
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund	14
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – Street Construction & Maintenance Fund	15
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – State Highway Fund	16
<i>Fiduciary Funds:</i>	
Statement of Net Assets – Modified Cash Basis	17
Notes to the Basic Financial Statements	18
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	34

**This page intentionally left blank.**

## INDEPENDENT ACCOUNTANTS' REPORT

Village of Minerva Park  
Franklin County  
2829 Minerva Lake Road  
Columbus, Ohio 43231

To the Village Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Minerva Park, Franklin County, Ohio (the Village), as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions 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 reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Minerva Park, Franklin County, Ohio, as of December 31, 2011 and 2010, and the respective changes in cash financial position, thereof and the respective budgetary comparison for the General Fund, Street Construction Maintenance and Repair Fund, and State Highway Fund thereof for the years then ended in conformity with the accounting basis Note 1 describes.

As described in Note 2, for 2010 and 2011 the Village adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2012, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Kennedy Cottrell Richards LLC  
August 31, 2012

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Statement of Net Assets - Cash Basis*

*December 31, 2011*

---

---

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 614,160
<i>Total Assets</i>	<u>614,160</u>
<b>Net Assets</b>	
Restricted for:	
Capital Projects	128,985
Debt Service	58,430
Other Purposes	162,497
Unrestricted	264,248
<i>Total Net Assets</i>	<u>\$ 614,160</u>

See accompanying notes to the basic financial statements



**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Statement of Activities - Cash Basis  
For the Year Ended December 31, 2011*

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
<b>Governmental Activities</b>					
Security of Persons and Property	\$ 670,985	\$ 52,030	\$ 3,850	\$ -	\$ (615,105)
Leisure Time Activities	116,245	76,925	-	-	(39,320)
Community Environment	2,630	2,762	-	-	132
Basic Utility Services	131,505	-	-	88,933	(42,572)
Transportation	49,425	-	57,369	-	7,944
General Government	266,194	1,199	-	-	(264,995)
Capital Outlay	96,589	-	-	-	(96,589)
Debt Service:					-
Principal	102,278	-	-	-	(102,278)
Interest	26,198	-	-	-	(26,198)
<i>Total Governmental Activities</i>	<u>1,462,049</u>	<u>132,916</u>	<u>61,219</u>	<u>88,933</u>	<u>(1,178,981)</u>
		<b>General Receipts</b>			
		Property Taxes			604,681
		Municipal Income Taxes			275,403
		Other Taxes			4,790
		Grants and Entitlements not Restricted to Specific Programs			146,323
		Other Debt Proceeds			95,310
		Cable Franchise Fees			11,250
		Earnings on Investments			1,282
		Miscellaneous			5,200
		<i>Total General Receipts</i>			<u>1,144,239</u>
		Change in Net Assets			(34,742)
		<i>Net Assets Beginning of Year</i>			<u>648,902</u>
		<i>Net Assets End of Year</i>			<u>\$ 614,160</u>

See accompanying notes to the basic financial statements

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2011*

	GENERAL	STREET CONST. MAINT. REP	STATE HIGHWAY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 264,248	\$ 37,113	\$ 76,095	\$ 236,704	\$ 614,160
<i>Total Assets</i>	<u>\$ 264,248</u>	<u>\$ 37,113</u>	<u>\$ 76,095</u>	<u>\$ 236,704</u>	<u>\$ 614,160</u>
<b>Fund Balances</b>					
Nonspendable	-	-	-	-	-
Restricted	-	37,113	76,095	181,696	294,904
Committed	-	-	-	55,008	55,008
Assigned	5,853	-	-	-	5,853
Unassigned (Deficit)	258,395	-	-	-	258,395
<i>Total Fund Balances</i>	<u>\$ 264,248</u>	<u>\$ 37,113</u>	<u>\$ 76,095</u>	<u>\$ 236,704</u>	<u>\$ 614,160</u>

See accompanying notes to the basic financial statements

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2011*

	GENERAL	STREET CONST. MAINT.REP.	STATE HIGHWAY	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>Receipts</b>					
Municipal Income Taxes	\$ 275,403	\$ -	\$ -	\$ -	\$ 275,403
Property Taxes	488,958	-	-	30,929	519,887
Other Local Taxes	1,216	3,574	-	-	4,790
Intergovernmental	231,118	53,794	3,575	3,850	292,337
Special Assessment	-	-	-	88,933	88,933
Charges for Services	91,124	-	-	-	91,124
Fines, Licenses and Permits	48,154	-	-	4,887	53,041
Earnings on investments	1,103	52	127	-	1,282
Miscellaneous	1,590	-	-	3,610	5,200
<b>Total Receipts</b>	<b>1,138,666</b>	<b>57,420</b>	<b>3,702</b>	<b>132,209</b>	<b>1,331,997</b>
<b>Disbursements</b>					
Current:					
Security of Persons and Property	669,385	-	-	1,600	670,985
Leisure Time Activities	116,006	-	-	239	116,245
Community Environment	2,630	-	-	-	2,630
Basic Utility Services	131,505	-	-	-	131,505
Transportation	14,900	34,525	-	-	49,425
General Government	266,194	-	-	-	266,194
Capital Outlay	-	95,310	-	1,279	96,589
Debt Service:					
Principal Retirement	-	13,278	-	89,000	102,278
Interest and Fiscal Charges	-	2,052	-	24,146	26,198
<b>Total Disbursements</b>	<b>1,200,620</b>	<b>145,165</b>	<b>-</b>	<b>116,264</b>	<b>1,462,049</b>
Excess of Receipts Over (Under) Disbursements	(61,954)	(87,745)	3,702	15,945	(130,052)
Other Financing Sources (Uses)					
OPWC Loan Proceeds	-	95,310	-	-	95,310
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>95,310</b>	<b>-</b>	<b>-</b>	<b>95,310</b>
Net Change in Fund Balances	(61,954)	7,565	3,702	15,945	(34,742)
Fund Balances Beginning of Year	326,202	29,548	72,393	220,759	648,902
Fund Balances End of Year	<u>\$ 264,248</u>	<u>\$ 37,113</u>	<u>\$ 76,095</u>	<u>\$ 236,704</u>	<u>\$ 614,160</u>

See accompanying notes to the basic financial statements

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Statement of Receipts, Disbursements and Changes*

*In Fund Balance - Budget and Actual -Budget Basis*

*General Fund*

*For the Year Ended December 31, 2011*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Municipal Income Taxes	\$ 300,000	\$ 300,000	\$ 275,403	\$ (24,597)
Property and Other Local Taxes	520,000	520,000	488,958	(31,042)
Other Local Taxes	11,000	4,000	1,216	(2,784)
Intergovernmental	225,500	178,000	231,118	53,118
Special Assessments	-	-	-	-
Charges for Services	85,000	84,000	91,124	7,124
Fines, Licenses and Permits	75,000	70,000	48,154	(21,846)
Earnings on Investments	1,000	1,000	1,103	103
Miscellaneous	30,000	35,000	1,590	(33,410)
<i>Total receipts</i>	<u>1,247,500</u>	<u>1,192,000</u>	<u>1,138,666</u>	<u>(53,334)</u>
<b>Disbursements</b>				
Current:				
Security of Persons and Property	726,540	709,686	671,221	38,465
Public Health Services	-	-	-	-
Leisure Time Activities	114,590	127,647	117,006	10,641
Community Environment	11,500	7,252	2,630	4,622
Basic Utility Services	144,100	133,147	131,505	1,642
Transportation	18,000	18,000	14,900	3,100
General Government	326,800	315,477	269,211	46,266
<i>Total Disbursements</i>	<u>1,341,530</u>	<u>1,311,209</u>	<u>1,206,473</u>	<u>104,736</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(94,030)</u>	<u>(119,209)</u>	<u>(67,807)</u>	<u>51,402</u>
<i>Fund Balance Beginning of Year</i>	312,919	312,919	312,919	-
Prior Year Encumbrances Appropriated	13,283	13,283	13,283	-
<i>Fund Balance End of Year</i>	<u>\$ 232,172</u>	<u>\$ 206,993</u>	<u>\$ 258,395</u>	<u>\$ 51,402</u>

See accompanying notes to the basic financial statements

**MINERVA PARK VILLAGE, FRANKLIN COUNTY**  
*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budget Basis  
Street Construction Maintenance and Repair Fund  
For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Other Local Taxes	\$ -	\$ 4,000	\$ 3,574	\$ (426)
Intergovernmental	67,465	77,355	53,794	(23,561)
Earnings on Investments	515	515	52	(463)
<i>Total receipts</i>	<u>67,980</u>	<u>81,870</u>	<u>57,420</u>	<u>(24,450)</u>
<b>Disbursements</b>				
Current:				
Transportation	25,000	34,690	34,525	165
Capital Outlay	-	95,310	95,310	-
Debt Service:				
Principal Retirement	12,000	13,278	13,278	-
Interest and Fiscal Charges	3,000	3,000	2,052	948
<i>Total Disbursements</i>	<u>40,000</u>	<u>146,278</u>	<u>145,165</u>	<u>1,113</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>27,980</u>	<u>(64,408)</u>	<u>(87,745)</u>	<u>(23,337)</u>
<b>Other Financing Sources (Uses)</b>				
OPWC Loan Proceeds	-	95,310	95,310	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>95,310</u>	<u>95,310</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	27,980	30,902	7,565	(23,337)
<i>Fund Balance Beginning of Year</i>	29,548	29,548	29,548	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 57,528</u>	<u>\$ 60,450</u>	<u>\$ 37,113</u>	<u>\$ (23,337)</u>

See accompanying notes to the basic financial statements

**MINERVA PARK VILLAGE, FRANKLIN COUNTY**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*State Highway Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 4,326	\$ 4,326	\$ 3,575	\$ (751)
Earnings on Investments	206	206	127	(79)
<i>Total receipts</i>	4,532	4,532	3,702	(830)
<i>Excess of Receipts Over (Under) Disbursements</i>	4,532	4,532	3,702	(830)
<i>Net Change in Fund Balance</i>	4,532	4,532	3,702	(830)
<i>Fund Balance Beginning of Year</i>	72,393	72,393	72,393	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Fund Balance End of Year</i>	\$ 76,925	\$ 76,925	\$ 76,095	\$ (830)

See accompanying notes to the basic financial statements

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Statement of Net Assets - Cash Basis*

*Fiduciary Funds*

*December 31, 2011*

---

---

	<u>AGENCY</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$2,433</u>
<i>Total Assets</i>	<u><u>\$2,433</u></u>
<b>Net Assets</b>	
Deposits held and Due to Other Governments	<u>\$2,433</u>
<i>Total Net Assets</i>	<u><u>\$2,433</u></u>

See accompanying notes to the basic financial statements

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2010*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 648,902
<i>Total Assets</i>	648,902
 <b>Net Assets</b>	
Restricted for:	
Capital Projects	125,102
Debt Service	55,599
Other Purposes	141,999
Unrestricted	326,202
<i>Total Net Assets</i>	\$ 648,902

See accompanying notes to the basic financial statements





**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2010*

	GENERAL	STREET CONST. MAINT. REP.	STATE HIGHWAY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 326,202	\$ 29,548	\$ 72,393	\$ 220,759	\$ 648,902
<i>Total Assets</i>	<u>\$ 326,202</u>	<u>\$ 29,548</u>	<u>\$ 72,393</u>	<u>\$ 220,759</u>	<u>\$ 648,902</u>
<b>Fund Balances</b>					
Nonspendable	-	-	-	-	-
Restricted	-	29,548	72,393	165,751	267,692
Committed	-	-	-	55,008	55,008
Assigned	13,283	-	-	-	13,283
Unassigned (Deficit)	312,919	-	-	-	312,919
<i>Total Fund Balances</i>	<u>\$ 326,202</u>	<u>\$ 29,548</u>	<u>\$ 72,393</u>	<u>\$ 220,759</u>	<u>\$ 648,902</u>

See accompanying notes to the basic financial statements

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2010*

	GENERAL	STREET CONST. MAINT. REP.	STATE HIGHWAY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>Receipts</b>					
Property and Other Local Taxes	\$ 481,786	\$ -	\$ -	\$ 27,951	\$ 509,737
Municipal Income Taxes	290,203	-	-	-	290,203
Intergovernmental	389,873	60,031	3,747	551	454,202
Special Assessments	-	-	-	89,013	89,013
Charges for Services	78,708	-	-	-	78,708
Fines, Licenses and Permits	75,914	-	-	2,366	78,280
Earnings on Investments	857	217	164	-	1,238
Miscellaneous	40,561	-	-	-	40,561
<b>Total Receipts</b>	<b>1,357,902</b>	<b>60,248</b>	<b>3,911</b>	<b>119,881</b>	<b>1,541,942</b>
<b>Disbursements</b>					
Current:					
Security of Persons and Property	677,802	-	-	-	677,802
Leisure Time Activities	114,457	-	-	-	114,457
Community Environment	3,596	-	-	-	3,596
Basic Utility Services	135,777	-	-	-	135,777
Transportation	15,500	121,741	-	-	137,241
General Government	347,079	-	-	-	347,079
Capital Outlay	-	-	-	2,551	2,551
Debt Service:					
Principal Retirement	-	9,953	-	82,456	92,409
Interest and Fiscal Charges	-	2,200	-	26,652	28,852
<b>Total Disbursements</b>	<b>1,294,211</b>	<b>133,894</b>	<b>-</b>	<b>111,659</b>	<b>1,539,764</b>
<b>Excess of Receipts Over (Under) Disbursements</b>	<b>63,691</b>	<b>(73,646)</b>	<b>3,911</b>	<b>8,222</b>	<b>2,178</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	-	-	5,000	5,000
Transfers Out	(5,000)	-	-	-	(5,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,000)</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>58,691</b>	<b>(73,646)</b>	<b>3,911</b>	<b>13,222</b>	<b>2,178</b>
<b>Fund Balances Beginning of Year</b>	<b>267,511</b>	<b>103,194</b>	<b>68,482</b>	<b>207,537</b>	<b>646,724</b>
<b>Fund Balances End of Year</b>	<b>\$ 326,202</b>	<b>\$ 29,548</b>	<b>\$ 72,393</b>	<b>\$ 220,759</b>	<b>\$ 648,902</b>

See accompanying notes to the basic financial statements

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2010*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$540,000	\$516,000	\$481,786	(\$34,214)
Municipal Income Taxes	290,000	290,000	290,203	\$203
Intergovernmental	150,500	225,500	389,873	\$164,373
Special Assessments	-	-	-	\$0
Charges for Services	80,000	77,000	78,708	\$1,708
Fines, Licenses and Permits	60,000	83,000	75,914	(\$7,086)
Earnings on Investments	4,000	1,000	857	(\$143)
Miscellaneous	35,000	35,000	40,561	\$5,561
				\$0
<i>Total receipts</i>	<u>1,159,500</u>	<u>1,227,500</u>	<u>1,357,902</u>	<u>130,402</u>
<b>Disbursements</b>				
Current:				
Security of Persons and Property	673,375	735,727	688,462	47,265
Public Health Services	-	-	-	-
Leisure Time Activities	117,100	128,725	115,513	13,212
Community Environment	6,116	4,165	3,598	567
Basic Utility Services	140,094	140,594	136,025	4,569
Transportation	23,000	16,500	15,500	1,000
General Government	329,394	374,884	348,396	26,488
<i>Total Disbursements</i>	<u>1,289,079</u>	<u>1,400,595</u>	<u>1,307,494</u>	<u>93,101</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(129,579)</u>	<u>(173,095)</u>	<u>50,408</u>	<u>223,503</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	-	(5,000)	(5,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(129,579)	(178,095)	45,408	223,503
<i>Fund Balance Beginning of Year</i>	214,806	214,806	214,806	-
Prior Year Encumbrances Appropriated	52,705	52,705	52,705	-
<i>Fund Balance End of Year</i>	<u>137,932</u>	<u>89,416</u>	<u>312,919</u>	<u>223,503</u>

See accompanying notes to the basic financial statements

**MINERVA PARK VILLAGE, FRANKLIN COUNTY**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Street Construction Maintenance and Repair Fund*  
*For the Year Ended December 31, 2010*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Receipts</b>				
Intergovernmental	65,807	65,500	60,031	(5,469)
Charges for Services	-	109,200	-	(109,200)
Earnings on Investments	530	500	217	(283)
<i>Total receipts</i>	66,337	175,200	60,248	(114,952)
<b>Disbursements</b>				
Current:				
Transportation	100,000	236,000	121,741	114,259
Debt Service:				
Principal Retirement	-	12,000	9,953	2,047
Interest and Fiscal Charges	-	3,000	2,200	800
<i>Total Disbursements</i>	100,000	251,000	133,894	117,106
<i>Excess of Receipts Over (Under) Disbursements</i>	(33,663)	(75,800)	(73,646)	2,154
<i>Net Change in Fund Balance</i>	(33,663)	(75,800)	(73,646)	2,154
<i>Fund Balance Beginning of Year</i>	80,327	80,327	80,327	
Prior Year Encumbrances Appropriated	22,867	22,867	22,867	-
<i>Fund Balance End of Year</i>	69,531	27,394	29,548	2,154

See accompanying notes to the basic financial statements

**MINERVA PARK VILLAGE, FRANKLIN COUNTY**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*State Highway Fund*  
*For the Year Ended December 31, 2010*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$4,200	\$4,200	\$3,747	(453)
Earnings on Investments	212	212	164	(48)
<i>Total receipts</i>	<u>4,412</u>	<u>4,412</u>	<u>3,911</u>	<u>(501)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>4,412</u>	<u>4,412</u>	<u>3,911</u>	<u>(501)</u>
<i>Net Change in Fund Balance</i>	4,412	4,412	3,911	(501)
<i>Fund Balance Beginning of Year</i>	68,482	68,482	68,482	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>72,894</u>	<u>72,894</u>	<u>72,393</u>	<u>(501)</u>

See accompanying notes to the basic financial statements

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Statement of Net Assets - Cash Basis*

*Fiduciary Funds*

*December 31, 2010*

---

---

	<u>AGENCY</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$4,072</u>
<i>Total Assets</i>	<u><u>\$4,072</u></u>
<b>Net Assets</b>	
Deposits held and Due to Other Governments	<u>\$4,072</u>
<i>Total Net Assets</i>	<u><u>\$4,072</u></u>

See accompanying notes to the basic financial statements

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2011 and 2010*

---

**Note 1 – Reporting Entity**

The Village of Minerva Park, Franklin County, Ohio (the Village), is a body politic and corporate established in 1940 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 six-member Council elected at large for four year terms. The Mayor is elected to a four-year term and votes only to break a tie. The Village provides general governmental services, including refuse pick up, emergency medical services, and police services.

The reporting entity is comprised only of the primary government to ensure that the financial statements are not misleading.

**A. Primary Government**

The primary government of the Village consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, a mayor's court, police protection, emergency medical services, recreation, planning, zoning, street maintenance and repair, refuse collection, recycling, park care and maintenance (including operations for a pool during summer months) and general administrative services. The Village appropriates general fund money to support a volunteer EMS department.

The Minerva Park Mayor's Court has been included in the Village's financial statements as an agency fund.

**B. Component Units**

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Village is obligated for the debt of the organization. The Village is also financially accountable for any organizations that are fiscally dependent on the Village in that the Village approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Village, are accessible to the Village and are significant in amount to the Village. There are no component Units included as part of this report.

**C. Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools**

The Village is associated with a jointly organized organization. The Westerville, Minerva Park and Blendon Township Joint Hospital District are presented in Note 13 to the basic financial statements.

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



**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2011 and 2010*

---

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The following are the more significant of the Village's accounting policies.

**A. Basis of Presentation**

The Village's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Village does not report any business-type activities.

The statement of net assets presents the cash and investment balances of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the Village's general receipts.

**Fund Financial Statements**

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2011 and 2010*

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**B. Fund Accounting**

The Village uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Village are divided into two categories, governmental and fiduciary.

**Governmental Funds**

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds.

**General Fund:** The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Street Construction and Maintenance Fund:** This fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for consulting, maintaining and repairing streets within the Village.

**State Highway Fund:** This fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for consulting, maintaining and repairing highways within the Village.

The other governmental funds of the Village account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

**Fiduciary Funds:**

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village's only fiduciary fund is an agency fund which accounts for deposits belonging to the Mayor's Court.

**C. Basis of Accounting**

The Village's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2011 and 2010*

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate.

The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

**E. Cash and Investments**

Village records identify the purchase of specific investments by specific funds.

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. 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 negative receipts, respectively.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2011 and 2010.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2010 was \$857, and during 2011 was \$1,103.

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2011 and 2010*

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**F. Restricted Assets**

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Village has no restricted assets.

**G. Inventory and Prepaid Items**

The Village reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**H. Capital Assets**

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

**I. Interfund Receivables/Payables**

The Village reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**J. Employer Contributions to Cost-Sharing Pension Plans**

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**K. Long-Term Obligations**

The Village's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither are other financing source nor capital outlay expenditure are reported at inception. Lease payments are reported when paid.

**L. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources primarily restricted for street and highway construction and maintenance, mayor's court computers, EMS services, and law enforcement.

The Village's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2011 and 2010

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

M. Fund Balance

In 2010 and 2011, the Village implemented GASB Statement No. 54. Accordingly, fund balance is divided into five classifications based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

***Restricted*** Fund balance is reported as 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.

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of Village Council. Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Village Council or a Village official delegated that authority by ordinance, or by State Statute.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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 MINERVA PARK, FRANKLIN COUNTY**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2011 and 2010*

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**N. Interfund Transactions**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statements of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund, street construction, maintenance and repair fund, and state highway fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The difference(s) between the budgetary basis and the cash basis is (are) outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as assigned fund balance (cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis)). The encumbrances outstanding at year end (budgetary basis) amounted to 2010, \$13,283 for the general fund, and \$0 for all other funds. For 2011, encumbrances were \$5,853 for the General Fund, and \$0 for all other funds.

**Note 4 – Deposits and Investments**

Monies held by the Village are classified by State statute into three categories.

**Active monies** are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdraw able on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

**Inactive deposits** are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

**Interim deposits** are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2011 and 2010*

---

**Note 4 - Deposits and Investments (Continued)**

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio).

Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Deposits**

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2011 and December 31, 2010, the carrying amounts of the Village's deposits were \$616,592 and \$652,974 and the bank balances were \$681,759 and \$748,834, respectively. Of the Village's bank balances at December 31, 2011 and December 31, 2010, \$334,553 and \$401,682, respectively, was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Village or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2011 and 2010*

---

**Note 4 - Deposits and Investments (Continued)**

Investments

As of December 31, 2011 and 2010, the Village had \$97,206 and \$97,151, respectively, invested in STAR Ohio, which had a maturity of less than three months.

*Interest Rate Risk:* Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the Village's investment policy limits investment portfolio maturities to one year or less.

*Credit Risk:* STAR Ohio carries a rating of AAAm by Standard and Poor's. The Village has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service

*Concentration of Credit Risk:* The Village's investment policy limits investments in securities to US Treasury Securities and obligations of the Federal Government Agencies. The investment policy limits investments in certificates of deposits to no more than twenty percent of the total current portfolio obligation.

**Note 5 – Income Taxes**

The Village levies a 1 percent income tax whose proceeds are placed into the General Fund. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. In the latter case, the Village allows a credit of the lesser of actual taxes paid to another entity or .5 percent of the 1 percent tax rate on taxable income.

Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Regional Income Tax Agency (RITA) at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

**Note 6 – Property Taxes.**

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax receipts received during 2011 for real and public utility property taxes represents collections of 2010 taxes. 2011 real property taxes are levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2011 with real property taxes.



**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2011 and 2010*

---

**Note 6 – Property Taxes (Continued)**

The full tax rate for all Village operations for the year ended December 31, 2011, was \$16.05 per \$1,000 of assessed value. The assessed value of real and public utility tangible property upon which the 2011 property tax receipts was based was \$38,350,520.

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

**Note 7 – Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2010 and 2011, the Village's insurance coverage was as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>
Selective Insurance	Commercial Liability	2,000,000
	Commercial Umbrella	5,000,000
	Business Automobile	1,000,000

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

The Village also provides health insurance, life insurance, dental and vision to full-time employees and the Mayor through a private carrier.

**Note 8 – Defined Benefit Pension Plans**

**A. Ohio Public Employees Retirement System**

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans as described below:

1. The Traditional Pension Plan – a cost-sharing multiple-employer defined benefit pension plan.
2. The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
3. The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2011 and 2010*

---

**Note 8 – Defined Benefit Pension Plans (Continued)**

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, member and employer contribution rates were consistent across all three plans. The 2011 and 2010 member contribution rate for Village employees was 10.00% of covered payroll. The 2011 and 2010 employer contribution rate for the Village was 14.00% of covered payroll. The Village's required contributions to OPERS for the years ended December 31, 2011, 2010, and 2009 were \$27,601, \$30,122, and \$45,093 respectively. The full amount has been contributed for 2011, 2010 and 2009.

**B. Ohio Police and Fire Pension Fund**

The Village contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The Village's contributions to OP&F for the years ending December 31, 2011, 2010, and 2009 were \$41,084, \$46,512, and \$66,668, respectively. The full amount has been contributed for 2011, 2010, and 2009.

**Note 9 – Other Post Employment Benefits**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post employment Benefit (OPEB) as described in GASB Statement No. 45.

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2011 and 2010*

---

**Note 9 – Other Post Employment Benefits (Continued)**

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interest parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or calling 614-222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.0% of covered payroll. This is the maximum employer contribution rate permitted by Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2011. The portion of employer contributions allocated to health care for the calendar year beginning January 1, 2012 remained the same, but they are subject to change based on Board action. Employers will be notified if the portion allocated to health care changes during calendar year 2012. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The portion of the Village's contributions to OPERS that were used to fund post-employment benefits for the years ending December 31, 2011, 2010, and 2009 were \$7,886, \$8,606, and \$18,939, respectively. The full amount has been contributed for 2011, 2010, and 2009.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

**B. Ohio Police and Fire Pension Fund**

The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multi-employer defined postemployment health care plan administered by OP&F. OP&F provide healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45.

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2011 and 2010*

---

**Note 9 – Other Post Employment Benefits (Continued)**

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contributions to OP&F for the years ending December 31, 2011, 2010, and 2009 were \$41,084, \$46,512, and \$66,668, respectively, of which \$14,215, \$16,093 and \$23,067, respectively, was allocated to the healthcare plan.

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2011 and 2010*

**Note 10 - Debt**

A summary of long-term debt follows:

	Balance December 31			Balance December 31	Due Within One Year
	2009	Additions	Reductions	2011	
1992 Waterline Replace-Phase I	\$ 28,496	\$ -	\$ 22,797	\$ 5,699	\$ 5,699
1996 Waterline Replace-Phase II	95,772	-	27,519	68,253	14,387
1999 Lake Restoration	145,000	-	45,000	100,000	25,000
2002 Waterline Replace-Phase III	266,788	-	36,304	230,484	18,979
2002 Waterline Replace-Phase IV	306,873	-	39,836	267,037	20,825
2005 Minerva Lake Road Reconstruct	70,112	-	9,642	60,470	4,967
2006 Street Paving	83,398	-	10,412	72,986	5,284
2009 Street Paving	-	64,675	2,156	62,519	4,312
2010 Street Paving	-	30,635	1,021	29,614	2,042
	<u>\$ 996,439</u>	<u>\$ 95,310</u>	<u>\$ 194,687</u>	<u>\$ 897,062</u>	<u>\$ 101,495</u>

In 1992, 1996, and twice in 2002, the Village borrowed funds from the Ohio Public Works Commission (OPWC) to replace waterlines within the Village. The OPWC initially approved \$1,506,614.92 in loans to the Village for these projects. The 1992 loan has a fixed interest rate of 0.0% and is being repaid in semi-annual installments of principle over a 20 year period. The 1996 and 2002 loans each have a fixed interest rate of 3.0% and are being repaid in semi-annual installments of principle and interest over a 20 year period.

In 1999, the Village issued a voter-approved \$365,000 general obligation bond to be used for the dredging and beautification of the Village's South Lake. The 1999 bond has a fixed interest rate of 4.8% and is being repaid in annual installments of principle and semi-annual installments of interest over a 17 year period.

In 2005, the Village borrowed \$83,874 from OPWC to reconstruct Minerva Lake Road. The 2005 loan has an interest rate of 2.0% and is being repaid in semi-annual installments of principle and interest over a 16 year period.

In 2006 the Village borrowed \$93,604 from OPWC to reconstruct several roads in Village, consisting mainly of Wildwood and Woodley roads. The 2006 loan has a fixed interest rate of 1.0% and is being repaid in semi-annual installments of principle and interest over a 17 year period.

In 2009 the Village borrowed \$64,675 from OPWC for street paving projects within the Village. The 2009 loan has a fixed interest rate of 0.0% and is being repaid in semi-annual installments of principle over a 15 year period.

In 2010 the Village borrowed \$30,635 from OPWC for street paving projects within the Village. The 2010 loan has a fixed interest rate of 0.0% and is being repaid in semi-annual installments of principle over a 15 year period.

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2011 and 2010*

---

**Note 10 – Debt (Continued)**

The following is a summary of the Village's future annual debt service requirements as of December 31, 2011:

<u>Year</u>	<u>OPWC</u>	<u>General Obligation Bonds</u>
2012	94,967	\$ 29,800
2013	89,268	28,600
2014	89,268	27,400
2015	89,268	26,200
2016	81,104	-
2017-2021	364,702	-
2022-2026	94,306	-
Total Payments	902,882	112,000
Less: Interest	105,820	12,000
Present Value	<u>797,062</u>	<u>\$ 100,000</u>

**Note 11 –Leases**

The Village leases a copier under non-cancelable leases. The Village disbursed \$3,168 to pay lease costs for the year ended December 31, 2011. Future lease payments are as follows:

2012	3,168
2013	3,168
2014	3,168

**Note 12 – Interfund Transfers**

During 2010 the following transfers were made:

Transfers from the General Fund to:	
EMS Vehicle Fund	<u>\$5,000</u>
Total Transfers from the General Fund	<u>\$5,000</u>

The Village had no transfers in 2011.

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The 2010 transfer to the EMS Vehicle Fund was unused capital from the EMS area of the General Fund set aside for the future purchase of a new EMS vehicle.

**VILLAGE OF MINERVA PARK, FRANKLIN COUNTY**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2011 and 2010*

---

**Note 13 – Jointly Governed Organizations**

The Westerville, Minerva Park and Blendon Township Joint Hospital District is a jointly governed organization managed by a nine member board consisting of three elected officials from each of the governmental entities comprising the Joint Hospital District. The Joint Hospital District possesses its own budgeting and taxing authority and does not receive contributions or payments from its members. The participating members do not retain an ongoing financial interest or an ongoing financial responsibility for the Joint Hospital District.

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

Village of Minerva Park  
Franklin County  
2829 Minerva Lake Road  
Columbus, Ohio 43231

To the Village Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Minerva Park, Franklin County, (the Village) as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Village's basic financial statements and have issued our report thereon dated August 31, 2012, wherein we noted the Village uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted in that report that the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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 as a basis for designing our audit procedures for the purpose of expressing our opinion(s) on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

**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, 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 we must report under *Government Auditing Standards*.



We did note a certain matter not requiring inclusion in this report that we reported to the Village's management in a separate letter dated August 31, 2012.

We intend this report solely for the information and use of management, the Village Council and others within the Village. We intend it for no one 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  
August 31, 2012

**This page intentionally left blank.**



# Dave Yost • Auditor of State

VILLAGE OF MINERVA PARK

FRANKLIN 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 27, 2012