

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

FINANCIAL STATEMENTS

For the years ended December 31, 2003 and 2002



**Auditor of State
Betty Montgomery**

Village Council
Village of Minerva Park
2829 Minerva Lake Road
Columbus, Ohio 43231-4820

We have reviewed the Independent Auditor's Report of the Village of Minerva Park, Franklin County, prepared by Whalen & Company, CPAs, for the audit period January 1, 2002 through December 31, 2003. 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.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

November 29, 2004

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INDEPENDENT AUDITOR'S REPORT

To the Village Council of
the Village of Minerva Park, Franklin County, Ohio:

We have audited the accompanying financial statements of the Village of Minerva Park, Franklin, Ohio (the Village) as of and for the years ended December 31, 2003 and December 31, 2002. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 2003 and December 31, 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2004 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Whalen & Company, CPAs

Whalen & Company, CPAs

October 29, 2004

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

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash receipts:						
Property tax and other local taxes	\$ 422,045	\$ -	\$ 33,221	\$ -	\$ -	\$ 455,266
Intergovernmental receipts	141,209	49,846	-	-	-	191,055
Charges for services	510	-	25,394	4,340	-	30,244
Fines, licenses, and permits	57,305	2,425	-	-	-	59,730
Earnings on investments	5,081	2,694	-	-	354	8,129
Miscellaneous	21,280	-	-	-	-	21,280
Total cash receipts	647,430	54,965	58,615	4,340	354	765,704
Cash disbursements:						
Current:						
Security of persons and property	386,662	-	-	-	1,373	388,035
Public health services	334	-	-	-	-	334
Leisure time activities	9,609	-	-	-	1,503	11,112
Community environment	9,500	-	-	-	-	9,500
Basic utility services	97,740	-	-	-	-	97,740
Transportation	49,322	13,704	-	-	-	63,026
General government	156,032	-	-	-	-	156,032
Debt Service:						
Principal payments	-	-	46,579	-	-	46,579
Interest payments	-	-	28,170	-	-	28,170
Capital outlay	28,880	-	-	48,610	-	77,490
Total cash disbursements	738,079	13,704	74,749	48,610	2,876	878,018
Total receipts over/(under) disbursements	(90,649)	41,261	(16,134)	(44,270)	(2,522)	(112,314)
Other financing receipts and (disbursements):						
Transfers-in	-	-	24,990	17,160	-	42,150
Transfers-out	(17,160)	-	-	(24,990)	-	(42,150)
Total other financing receipts/(disbursements)	(17,160)	-	24,990	(7,830)	-	-
Excess of cash receipts over/(under) cash disbursements	(107,809)	41,261	8,856	(52,100)	(2,522)	(112,314)
Fund cash balances, January 1	318,265	230,113	4,850	191,532	32,697	777,457
Fund cash balances, December 31	\$ 210,456	\$ 271,374	\$ 13,706	\$ 139,432	\$ 30,175	\$ 665,143
Reserves for Encumbrances, December 31	\$ 11,045	\$ 5,015	\$ -	\$ -	\$ -	\$ 16,060

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

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

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGE IN FUND
CASH BALANCE OTHER FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003

	Fiduciary Fund Type
	Agency
Non-operating cash receipts:	
Fines, permits, and fees	\$ 77,117
Total non-operating cash receipts	77,117
Non-operating cash disbursements:	
Miscellaneous	73,562
Total non-operating cash disbursements	73,562
Net receipts over/(under) disbursements	3,555
Fund cash balances, January 1	4,104
Fund cash balances, December 31	\$ 7,659

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

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

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash receipts:						
Property tax and other local taxes	\$ 388,599	\$ -	\$ 34,372	\$ -	\$ -	\$ 422,971
Intergovernmental receipts	138,280	43,748	-	-	-	182,028
Charges for services	-	-	18,644	11,314	-	29,958
Fines, licenses, and permits	27,388	1,585	-	-	-	28,973
Earnings on investments	10,471	2,908	-	-	647	14,026
Miscellaneous	16,761	-	-	-	5	16,766
Total cash receipts	581,499	48,241	53,016	11,314	652	694,722
Cash disbursements:						
Current:						
Security of persons and property	286,594	-	-	-	110	286,704
Public health services	601	-	-	-	-	601
Leisure time activities	11,758	-	-	-	5,282	17,040
Community environment	10,430	-	-	-	-	10,430
Basic utility services	97,615	-	-	-	-	97,615
Transportation	61,012	1,559	-	-	-	62,571
General government	147,331	-	-	-	-	147,331
Debt Service:						
Principal payments	-	-	64,446	-	-	64,446
Interest payments	-	-	40,191	-	-	40,191
Capital outlay	34,240	-	-	18,274	-	52,514
Total cash disbursements	649,581	1,559	104,637	18,274	5,392	779,443
Total receipts over/(under) disbursements	(68,082)	46,682	(51,621)	(6,960)	(4,740)	(84,721)
Other financing receipts and (disbursements):						
Transfers-in	-	-	-	46,698	-	46,698
Transfers-out	(10,000)	-	-	-	-	(10,000)
Total other financing receipts/(disbursements)	(10,000)	-	-	46,698	-	36,698
Excess of cash receipts over/(under) cash disbursements	(78,082)	46,682	(51,621)	39,738	(4,740)	(48,023)
Fund cash balances, January 1	396,347	183,431	56,471	151,794	37,437	825,480
Fund cash balances, December 31	\$ 318,265	\$ 230,113	\$ 4,850	\$ 191,532	\$ 32,697	\$ 777,457
Reserves for Encumbrances, December 31	\$ 10,810	\$ -	\$ -	\$ -	\$ -	\$ 10,810

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

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

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGE IN FUND
CASH BALANCE PROPRIETARY AND OTHER FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2002

	Proprietary and Fiduciary Fund Type		Totals (Memorandum Only)
	Enterprise	Agency	
Non-operating cash receipts:			
Fines, permits, and fees	\$ -	\$ 36,551	\$ 36,551
Total non-operating cash receipts	<u>-</u>	<u>36,551</u>	<u>36,551</u>
Non-operating cash disbursements:			
Miscellaneous	-	35,744	35,744
Total non-operating cash disbursements	<u>-</u>	<u>35,744</u>	<u>35,744</u>
Other financing receipts and (disbursements):			
Transfers - out	(36,698)	-	(36,698)
Total non-operating cash disbursements	<u>(36,698)</u>	<u>-</u>	<u>(36,698)</u>
Net receipts over/(under) disbursements	(36,698)	807	(35,891)
Fund cash balances, January 1	<u>36,698</u>	<u>3,297</u>	<u>39,995</u>
Fund cash balances, December 31	<u><u>\$ -</u></u>	<u><u>\$ 4,104</u></u>	<u><u>\$ 4,104</u></u>

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

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2003 and 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The Village of Minerva Park, Franklin County, Ohio (the Village) is a body corporate and politic established in 1940 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village provides general governmental services, including refuse pickup, emergency medical services, and police services. The Village is directed by a publicly elected six member Council.

The Village's primary source of support is received through property tax and other local taxes. Approximately 59% and 61% of the Village's support came from these sources for the years ended December 31, 2003 and 2002, respectively.

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

Basis of Accounting

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

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

Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

Special Revenue Funds are used to account for proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specific purposes. The Village had the following significant Special Revenue Fund:

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

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2003 and 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Accounting - Continued

3. Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The Village had the following significant Debt Service Funds:

Waterline Funds – These funds are used to service the debt on the Village's waterlines.

Lake Restoration Project – This fund is used to account for money received for debt related to the dredging and beautification project of the Village's lakes.

4. Capital Project Funds

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The Village had the following significant Capital Project Fund:

Waterline Replacement Fund – This fund receives money from surcharges on City of Columbus water billings for the maintenance of the Village's waterlines.

5. Enterprise Fund

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Village had the following significant Enterprise fund:

Sewer Improvement – This fund receives money from surcharges on the City of Columbus' sewer billings for the maintenance of the Village's sewer lines. In 2002, the Village posted all surcharge money directly to the Capital Projects Fund due to repairs being paid out of this fund.

6. Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

Mary Yost Fund – This fund receives donations that are used exclusively for plantings and maintenance of the Village's parks.

Mayor's Court Agency Fund – This fund is used to account for activities of the Mayor's Court.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2003 and 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 and function level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated. A summary of 2003 and 2002 budgetary activity appears in Note 3.

Property, Plant and Equipment

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

NOTE 2 - EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2003</u>	<u>2002</u>
Demand deposits	\$ 58,061	\$ 153,599
Certificates of deposit	<u>128,495</u>	<u>126,907</u>
Total deposits	186,556	280,506
STAR Ohio	<u>478,587</u>	<u>496,951</u>
Total investments	<u>478,587</u>	<u>496,951</u>
Total deposits and investments	<u>\$ 665,143</u>	<u>\$ 777,457</u>

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2003 and 2002

NOTE 3 - BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 are as follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 590,000	\$ 647,430	\$ 57,430
Special Revenue	38,650	54,965	16,315
Debt Service	112,789	83,605	(29,184)
Capital Projects	12,000	21,500	9,500
Fiduciary	800	354	(446)
Total	<u>\$ 754,239</u>	<u>\$ 807,854</u>	<u>\$ 53,615</u>

2003 Appropriations vs. Budgetary Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 740,752	\$ 766,284	\$ (25,532)
Special Revenue	20,000	18,719	1,281
Debt Service	119,800	74,749	45,051
Capital Projects	73,690	73,600	90
Fiduciary	4,500	2,876	1,624
Total	<u>\$ 958,742</u>	<u>\$ 936,228</u>	<u>\$ 22,514</u>

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 599,950	\$ 581,499	\$ (18,451)
Special Revenue	41,050	48,241	7,191
Debt Service	91,000	53,016	(37,984)
Capital Projects	24,000	58,012	34,012
Fiduciary	1,600	652	(948)
Total	<u>\$ 757,600</u>	<u>\$ 741,420</u>	<u>\$ (16,180)</u>

2002 Appropriations vs. Budgetary Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 774,000	\$ 670,391	\$ 103,609
Special Revenue	75,000	1,559	73,441
Debt Service	91,880	104,637	(12,757)
Capital Projects	44,000	18,274	25,726
Fiduciary	6,000	5,392	608
Total	<u>\$ 990,880</u>	<u>\$ 800,253</u>	<u>\$ 190,627</u>

Contrary to Ohio law, the Village had expenditures in excess of appropriations in the General Fund and Debt Service Fund for fiscal years 2003 and 2002, respectively .

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2003 and 2002

NOTE 4 - PROPERTY TAX

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

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

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

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

NOTE 5 - DEBT

Debt outstanding at December 31, 2003 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Waterline Replacement Phase I – Ohio Public Works	\$ 96,886	0%
Waterline Replacement Phase II – Ohio Public Works	169,148	3%
Waterline Replacement Phase III – Ohio Public Works	363,584	3%
Waterline Replacement Phase IV – Ohio Public Works	413,086	3%
Lake Restoration Bond	<u>265,000</u>	4.8%
Total deposits	<u>\$ 1,307,704</u>	

The Ohio Public Works Commissions (OPWC) loans related to construction of waterlines within the Village. The OPWC initially approved \$1,125,360 in loans to the Village for these projects. The loans are being repaid in semi-annual installments, including interest, over 20 years.

The Village's Lake Restoration Bond was a voter approved \$365,000 general obligation bond to be used for the dredging and beautification of the Village's lakes. The loans will be repaid in annual installments including interest over a 17 year period.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2003 and 2002

NOTE 5 - DEBT – CONTINUED

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Waterline Replacement Phase I Ohio Public Works	Waterline Replacement Phase II Ohio Public Works	Waterline Replacement Phase III Ohio Public Works
2004	\$ 11,398	\$ 16,327	\$ 25,752
2005	11,398	16,327	25,752
2006	11,398	16,327	25,752
2007	11,398	16,327	25,752
2008	11,398	16,327	25,752
Subsequent	39,896	122,453	347,652
Total	<u>\$ 96,886</u>	<u>\$ 204,088</u>	<u>\$ 476,412</u>

Year ending December 31:	Waterline Replacement Phase IV Ohio Public Works	Lake Restoration Bond
2004	\$ 28,682	\$ 32,720
2005	28,682	31,760
2006	28,682	30,800
2007	28,682	29,840
2008	28,682	28,880
Subsequent	363,548	197,880
Total	<u>\$ 506,958</u>	<u>\$ 351,880</u>

NOTE 6 - RETIREMENT SYSTEMS

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 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.

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, 2003 and 2002 were \$34,882, and \$29,527, respectively, equal to the required contributions each year.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2003 and 2002

NOTE 6 - RETIREMENT SYSTEMS – CONTINUED

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

- 1) The Traditional Pension Plan (TP) – is a cost-sharing multiple-employer defined benefit pension plan.
- 2) The Member-Directed Plan (MD) – is 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 thereon.
- 3) The Combined Plan (CO) is 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.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan and Combined Plan. 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.

The 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) 222-6705 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2003, member and employer contributions rates were consistent across all three plans (TP, MD and CO). Separate divisions for law enforcement and public safety exist only within the Traditional Plan.

The 2003 member contribution rates were 8.5%, for members in classifications other than law enforcement and public safety. Members in the law enforcement classification, which consists generally of sheriffs, deputy sheriffs and township police, contributed at a rate of 10.1%. Public safety division members contributed at 9%.

The 2003 employer contribution rate for state employers was 13.31% of covered payroll. For local government employer units the rate was 13.55% of covered payroll. For both the law enforcement and public safety divisions the employer contribution rate for 2003 was 16.7%

Total required employer contributions for all plans are equal to 100% of employer charges, and equaled \$12,865, and \$9,303 in December 31, 2003 and 2002, respectively.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2003 and 2002

NOTE 7 - RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- General liability and casualty
- Public official's liability
- Vehicles

The Village also provides health insurance and dental and vision coverage to full-time employees.

NOTE 8 - JOINTLY GOVERNED ORGANIZATION

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.

OTHER REPORTS



REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Village Council
Village of Minerva Park,
of Franklin County, Ohio:

We have audited the financial statements of the Village of Minerva Park (the Village) as of and for the year ended December 31, 2003 and 2002, and have issued our report thereon dated October 29, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items #2003-001, #2003-002 and #2003-003. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated October 29, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Village in a separate letter dated October 29, 2004.

This report is intended solely for the information and use of the finance or audit committee, management, and council and is not intended to be and should not be used by anyone other than these specified parties.

Whalen & Company, CPAs

Whalen & Company, CPAs

October 29, 2004

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY, OHIO

SCHEDULE OF FINDINGS
December 31, 2003 and 2002

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

FINDING 2003-001

Ohio Rev. Code Section 9.38 states that a public official other than a state officer, employee, or agent shall deposit all public money received with the treasurer of the public office or properly designated depository on the next business day following the day of receipt, if the total amount of such moneys received exceeds \$1,000. If the total amount does not exceed \$1,000, the public official has the option of either depositing the money on the next business day following the day of receipt or adopting a policy permitting a different time period. The alternate time period, however, shall not exceed three business days following the day of receipt. Further, the policy must include procedures to safeguard the moneys until the time of deposit.

The Village does not have a policy allowing a different deposit timetable than the one recommended by the Ohio Revised Code, and we noted instances where monies were deposited outside the three day time limit. This practice increases the risk that cash could be stolen or lost. We recommend that the Village make every effort to deposit receipts in a timely manner to ensure proper accountability of public funds.

FINDING 2003-002

Ohio Rev. Code Section 5705.39 states that total appropriation from each fund shall not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

It was noted during the audit that the total appropriations exceeded the total estimated resources as follows:

	<u>Fund Type</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
2003	Debt Service			
	Lake Restoration Bond	\$ 35,479	\$ 37,400	\$ (1,921)
	Waterline Phase III	25,752	25,900	(148)
	Waterline Phase IV	28,682	28,900	(218)
2002	Debt Service			
	Waterline Phase II	\$ 16,327	\$ 16,482	(155)

The Village did not receive a certificate from the county acknowledging that appropriations do not exceed estimated resources as the last submitted measure contained line items with appropriations greater than estimated resources. We recommend that the Village ensure that they obtain a certificate from the county showing appropriations do not exceed estimated resources.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY, OHIO
SCHEDULE OF FINDINGS - CONTINUED
 December 31, 2003 and 2002

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

FINDING 2003-003

Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated.

It was noted during the audit that the total expenditures exceeded appropriation as follows:

<u>Fund Type</u>	<u>Appropriations</u>	<u>Expenditure s</u>	<u>Excess</u>
2003 General Fund	\$ 740,752	\$ 766,284	\$ (25,532)
2002 Debt Service Fund	\$ 91,880	\$ 104,637	\$ (12,757)

We recommend the Village approve permanent appropriations and limit its expenditures to the amount appropriated. The Village Council and Clerk should periodically review the Village expenditures versus appropriations to identify and investigate any variances and to help monitor legal compliance.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
 December 31, 2003

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2001-30625-001	Ohio Revised Code 9.38 deposits of public money.	No	Current year finding #2003-001
2001-30625-002	Additional signature on checks	Yes	Dual signatures on all checks.



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**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
DECEMBER 9, 2004**