

VILLAGE OF MINERVA

STARK COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2009 and 2008

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA
Auditor of State

Village Council
Village of Minerva
209 North Market Street
Minerva, Ohio 44657

We have reviewed the *Report of Independent Accountants* of the Village of Minerva, Stark County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2008 through December 31, 2009. 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 is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 11, 2010

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Village of Minerva
Stark County
209 North Market Street
Minerva, Ohio 44657

To the Village Council:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Minerva, Stark County, Ohio, (the Village), as of and for the years ended December 31, 2009 and 2008, 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 an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 audit provides a reasonable basis for our opinion.

As discussed in Note 2, 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Minerva, Stark County, Ohio, as of December 31, 2009 and 2008, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General Fund, the Street Department Fund and Income Tax Fund thereof for the years then ended in conformity with accounting basis Note 2 describes.

For the years ended December 31, 2009 and 2008, the Village revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

The management's discussion and analysis not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally on inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2010 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, 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 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.

Charles E. Harris & Associates, Inc.

July 19, 2010

VILLAGE OF MINERVA
Stark County, Ohio
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
(unaudited)

The discussion and analysis of the Village of Minerva's (the Village) financial performance provides an overall review of the Village's financial activities for the years ended December 31, 2009 and 2008, within the limitations of the Village's cash basis of accounting. The intent of this discussion and analysis is to look at the Village's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Village's financial performance.

Financial Highlights

Key financial highlights for 2009 and 2008 are as follows:

- For governmental activities, net assets increased \$705,426 and \$59,953 in 2009 and 2008, respectively, which represent a 17 percent and 1 percent increase from 2008 and 2009, respectively.
- In 2009, general receipts accounted for \$3,090,577 in revenue or 90 percent of all governmental receipts. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$344,249 or 10 percent of total governmental revenues of \$3,434,826. In 2008, general receipts accounted for \$3,260,551, in revenue or 90 percent of all governmental receipts. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$354,360 or 10 percent of total governmental revenues of \$3,614,911.
- In 2009, the Village had \$2,727,996 in expenses related to governmental activities; only \$344,249 of these expenses were offset by program specific charges for services, grants or contributions. General receipts (primarily municipal taxes) of \$3,090,577 were adequate to provide for these programs. In 2008, the Village had \$3,540,674 in expenses related to governmental activities; only \$354,360 of these expenses were offset by program specific charges for services, grants or contributions. General receipts (primarily municipal taxes) of \$3,260,551 were adequate to provide for these programs.
- In 2009, among major funds, the general fund had \$1,929,740 in revenues and \$1,639,293 in expenditures. The general fund's fund balance increased to \$1,697,419 from \$1,406,972. In 2008, among major funds, the general fund had \$2,101,543 in revenues and \$2,149,930 in expenditures. The general fund's fund balance decreased to \$1,406,972 from \$1,455,359.
- In 2009, for Business-Type activities, program revenues were \$837,504. These offset expenses of \$1,153,694. In 2008, for Business-Type activities, program revenues were \$879,711. These offset expenses of \$807,609.

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Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Village as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provides information about the activities of the whole Village, presenting an aggregate view of the Village finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed. The fund financial statements also look at the Village's most significant funds with all other non-major funds presented in total in one column. In the case of the Village of Minerva, the General Fund, Street Maintenance Fund, Income Tax Fund, Capital Improvement, and Permanent Improvement by far are the most significant funds.

Reporting the Village as a Whole

Statement of Net Assets and the Statement of Activities

The statement of net assets and the statement of activities reflect how the Village did financially during 2009 and 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activities. 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. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Village's general receipts.

These two statements report the Village's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the Village as a whole, the *financial position* of the Village has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Village's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the Village has two kind of activities:

- Governmental Activities - Most of the Village's programs and services are reported here including, general government, security of persons and property, public health services, leisure time activities, community environment, basic utility services, and transportation.

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Stark County, Ohio
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- Business-type activities – The Village has a number of business-type activities which are financed by fees charged to the customers receiving the services.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the Village's major funds begins on page 14 for 2009 and page 23 for 2008. Fund financial reports provide detailed information about the Village's major funds. The Village uses many funds to account for a multitude of financial transactions. However, these financial statements focus on the Village's most significant funds. The Village's major governmental funds are the General Fund, Street Maintenance Fund, Income Tax Fund, Capital Improvement Fund, and Permanent Improvement Fund. The Village's major proprietary funds are the Water Fund (2009 only), and Sewer Fund.

Governmental Funds Most of the Village's activities are reported in governmental funds, which focus on how money flows into and out of those funds and balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting. The governmental fund statements provide a detailed view of the Village's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or difference) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is essentially the same on a cash basis.

Proprietary Funds When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as enterprise funds. The proprietary funds for the Village consist of enterprise funds and internal service fund.

Notes to the Basic Financial Statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

VILLAGE OF MINERVA
 Stark County, Ohio
 Management's Discussion and Analysis
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The Village as a Whole

Table 1 provides a summary of the Village's net assets for 2009 compared to 2008 on the cash basis. 2007 information not presented due to change in presentation.

Table 1

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets:						
Cash and Investments	\$ 4,902,578	\$ 4,197,152	\$ 335,994	\$ 650,780	\$ 5,238,572	\$ 4,847,932
<i>Total Assets</i>	<u>\$ 4,902,578</u>	<u>\$ 4,197,152</u>	<u>\$ 335,994</u>	<u>\$ 650,780</u>	<u>\$ 5,238,572</u>	<u>\$ 4,847,932</u>
Net Assets:						
Restricted:						
Capital Projects	\$ 1,619,574	\$ 1,406,146	-	-	\$ 1,619,574	\$ 1,406,146
Other Purposes	1,038,275	843,001	-	-	1,038,275	843,001
Unrestricted	<u>2,244,729</u>	<u>1,948,005</u>	<u>\$ 335,994</u>	<u>\$ 650,780</u>	<u>2,580,723</u>	<u>2,598,785</u>
<i>Total Net Assets</i>	<u>\$ 4,902,578</u>	<u>\$ 4,197,152</u>	<u>\$ 335,994</u>	<u>\$ 650,780</u>	<u>\$ 5,238,572</u>	<u>\$ 4,847,932</u>

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The tables below show the net changes in net assets for 2009 and 2008.

Table 2

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Receipts:						
Program Receipts:						
Charges for Services and Sales	\$ 135,075	\$ 153,993	\$ 837,504	\$ 879,711	\$ 972,579	\$ 1,033,704
Operating Grants and Contributions	209,174	200,367	-	-	209,174	200,367
General Receipts:						
Property Taxes	364,015	359,857	-	-	364,015	359,857
Municipal Income Taxes	2,078,098	2,343,260	-	-	2,078,098	2,343,260
Intergovernmental	194,330	171,530	-	-	194,330	171,530
Proceeds of OWDA Loans	200,000	210,333	-	-	200,000	210,333
Earnings on Investments	61,056	137,506	-	-	61,056	137,506
Miscellaneous	193,078	38,065	-	-	193,078	38,065
Transfers	(1,404)	(14,284)	1,404	14,284	-	-
Total Receipts	3,433,422	3,600,627	838,908	893,995	4,272,330	4,494,622
Disbursements:						
Current:						
Security of Persons and Property	1,033,959	1,092,718	-	-	1,033,959	1,092,718
Public Health Services	130,970	154,034	-	-	130,970	154,034
Leisure Time Activities	81,752	113,415	-	-	81,752	113,415
Community Environment	3,515	3,587	-	-	3,515	3,587
Basic Utility Services	13,758	14,772	-	-	13,758	14,772
Transportation	464,665	768,775	-	-	464,665	768,775
General Government	632,210	586,119	-	-	632,210	586,119
Miscellaneous	14,778	178,801	-	-	14,778	178,801
Capital Outlay	316,124	592,188	-	-	316,124	592,188
Debt Service:						
Principal Retirement	30,424	29,226	-	-	30,424	29,226
Interest and Fiscal Charges	5,841	7,039	-	-	5,841	7,039
Water	-	-	337,991	344,995	337,991	344,995
Sewer	-	-	763,909	427,751	763,909	427,751
Parking Meter	-	-	14,720	14,259	14,720	14,259
Swimming Pool	-	-	33,554	17,396	33,554	17,396
Water Deposit	-	-	3,520	3,208	3,520	3,208
Total Disbursements	2,727,996	3,540,674	1,153,694	807,609	3,881,690	4,348,283
Changes in Net Assets	\$ 705,426	\$ 59,953	\$ (314,786)	\$ 86,386	\$ 390,640	\$ 146,339

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Governmental Activities

In 2009, net assets of the Village's governmental activities increased by \$705,426. The governmental expenses of \$2,727,996 were primarily offset by program revenues of \$344,249, general revenues of \$3,090,577 and the prior year cash balance. Program revenues supported 10% of the total governmental activities.

In 2009, the primary sources of revenue for governmental activities are derived from property taxes, and income taxes. These two revenue sources represent 71% of total general revenue.

In 2008, net assets of the Village's governmental activities increased by \$59,953. The governmental expenses of \$3,540,674 were primarily offset by program revenues of \$354,360, general revenues of \$3,260,551 and the prior year cash balance. Program revenues supported 10% of the total governmental activities.

In 2008, the primary sources of revenue for governmental activities are derived from property taxes, and income taxes. These two revenue sources represent 75% of total general revenue.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services for 2009 and 2008. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

VILLAGE OF MINERVA
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Table 3
Total and Cost of Program Services

	Governmental Activities		Business Type Activities	
	2009		2009	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Security of Persons and Property	\$ 1,033,959	\$ (1,033,959)	-	-
Public Health Services	130,970	(88,583)	-	-
Leisure Time Activities	81,752	(73,339)	-	-
Community Environment	3,515	(3,515)	-	-
Basic Utility Services	13,758	(13,758)	-	-
Transportation	464,665	(271,827)	-	-
General Government	632,210	(531,599)	-	-
Capital Outlay	316,124	(316,124)	-	-
Miscellaneous	14,778	(14,778)	-	-
Debt Service:				
Principal Retirement	30,424	(30,424)	-	-
Interest and Fiscal Charges	5,841	(5,841)	-	-
Water	-	-	\$ 337,991	\$ (23,004)
Sewer	-	-	763,909	(283,402)
Parking Meter	-	-	14,720	(3,295)
Swimming Pool	-	-	33,554	(8,554)
Water Deposit	-	-	3,520	2,065
Total Expenses	\$ 2,727,996	\$ (2,383,747)	\$ 1,153,694	\$ (316,190)

	Governmental Activities		Business Type Activities	
	2008		2008	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Security of Persons and Property	\$ 1,092,718	\$ (1,092,718)	-	-
Public Health Services	154,034	(121,661)	-	-
Leisure Time Activities	113,415	(105,799)	-	-
Community Environment	3,587	(3,587)	-	-
Basic Utility Services	14,772	(14,772)	-	-
Transportation	768,775	(580,886)	-	-
General Government	586,119	(459,637)	-	-
Capital Outlay	592,188	(592,188)	-	-
Miscellaneous	178,801	(178,801)	-	-
Debt Service:				
Principal Retirement	29,226	(29,226)	-	-
Interest and Fiscal Charges	7,039	(7,039)	-	-
Water	-	-	\$ 344,995	\$ 11,635
Sewer	-	-	427,751	53,594
Parking Meter	-	-	14,259	(2,026)
Swimming Pool	-	-	17,396	7,608
Water Deposit	-	-	3,208	1,291
Total Expenses	\$ 3,540,674	\$ (3,186,314)	\$ 807,609	\$ 72,102

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For 2009 and 2008, 12.7 percent and 10 percent of general government activities were supported through program revenues, respectively. For all governmental activities, general revenue and prior year cash balance supports all expenses as shown in the above table. The community, as a whole, is by far the primary support for the Village of Minerva.

Business-type Activities

The dependence upon program revenues is apparent as 100 percent of Business-Type activities are supported through these receipts for 2008, and 73 percent for 2009. The infrastructure is beginning to age but the Village has ongoing maintenance projects to upgrade the infrastructure.

The Village's Funds

Information about the Village's major funds is on pages 14-15 and 23-24. These funds are accounted for using the cash basis of accounting.

In 2009, all governmental funds had total revenues of \$5,352,768 and expenditures of \$4,653,619. The net change in fund balance for the year was most significant in the General Fund, where the fund's net assets increased by \$290,447 for 2009.

In 2008, all governmental funds had total revenues of \$5,897,198 and expenditures of \$5,936,290. The net change in fund balance for the year was most significant in the Street Department Fund, where the fund's net assets increased by \$95,093 for 2008.

General Fund Budgeting Highlights

The Village's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2009 and 2008 the Village amended its General Fund budget numerous times. The Village uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

In 2009, for the General Fund, budget basis revenue was \$1,670,931 which was a slight change from the original budget. Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$1,643,058, \$286,682 under revenues.

In 2008, for the General Fund, budget basis revenue was \$1,669,917 which was a slight change from the original budget. Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$2,178,427, \$76,884 over revenues.

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Capital Assets and Debt Administration

Capital Assets

The Village is not required to record its capital assets and infrastructure under its current basis of accounting.

Debt

At December 31, 2009, the Village had \$571,700 in OWDA, OPWC and capital leases. These issues were used for improvements to the Village's roads and water systems.

Current Financial Related Activities

The Village of Minerva is strong financially. As the preceding information shows, the Village heavily depends on its property/income taxpayers. However, financially the future is not without challenges.

Contacting the District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information contact Gail Bender, Fiscal Officer at 209 N. Market Street, Minerva, Ohio 44657.

Village of Minerva, Stark County

Statement of Net Assets - Cash Basis

December 31, 2009

	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 4,902,578	\$ 335,994	\$ 5,238,572
<i>Total Assets</i>	<u>\$ 4,902,578</u>	<u>\$ 335,994</u>	<u>\$ 5,238,572</u>
Net Assets			
Restricted for:			
Capital Projects	\$ 1,619,575	-	\$ 1,619,575
Other Purposes	1,038,274	-	1,038,274
Unrestricted	<u>2,244,729</u>	<u>\$ 335,994</u>	<u>2,580,723</u>
<i>Total Net Assets</i>	<u>\$ 4,902,578</u>	<u>\$ 335,994</u>	<u>\$ 5,238,572</u>

See accompanying notes to the basic financial statements

Village of Minerva, Stark County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2009

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
General Government	\$ 632,210	\$ 100,611	-	\$ (531,599)	-	\$ (531,599)
Security of Persons and Property	1,033,959	-	-	(1,033,959)	-	(1,033,959)
Public Health Services	130,970	30,440	\$ 11,947	(88,583)	-	(88,583)
Leisure Time Activities	81,752	4,024	4,389	(73,339)	-	(73,339)
Community Environment	3,515	-	-	(3,515)	-	(3,515)
Basic Utility Services	13,758	-	-	(13,758)	-	(13,758)
Transportation	464,665	-	192,838	(271,827)	-	(271,827)
Capital Outlay	316,124	-	-	(316,124)	-	(316,124)
Miscellaneous	14,778	-	-	(14,778)	-	(14,778)
Debt Service:						
Principal Retirement	30,424	-	-	(30,424)	-	(30,424)
Interest and Fiscal Charges	5,841	-	-	(5,841)	-	(5,841)
<i>Total Governmental Activities</i>	<u>2,727,996</u>	<u>135,075</u>	<u>209,174</u>	<u>(2,383,747)</u>	<u>-</u>	<u>(2,383,747)</u>
Business Type Activities						
Water	337,991	314,987	-	-	\$ (23,004)	(23,004)
Sewer	763,909	480,507	-	-	(283,402)	(283,402)
Parking Meter	14,720	11,425	-	-	(3,295)	(3,295)
Swimming Pool	33,554	25,000	-	-	(8,554)	(8,554)
Water Deposit	3,520	5,585	-	-	2,065	2,065
<i>Total Business Type Activities</i>	<u>1,153,694</u>	<u>837,504</u>	<u>-</u>	<u>-</u>	<u>(316,190)</u>	<u>(316,190)</u>
Total	<u>\$ 3,881,690</u>	<u>\$ 972,579</u>	<u>\$ 209,174</u>	<u>(2,383,747)</u>	<u>(316,190)</u>	<u>(2,699,937)</u>
General Receipts						
Property Taxes Levied for:						
General Purposes				\$ 179,111	-	\$ 179,111
Special Purposes				184,904	-	184,904
Municipal Income Taxes				2,078,098	-	2,078,098
Grants and Entitlements not Restricted to						
Specific Programs				194,330	-	194,330
OPWC Proceeds				200,000	-	200,000
Interest				61,056	-	61,056
Miscellaneous				193,078	-	193,078
<i>Total General Receipts</i>				<u>3,090,577</u>	<u>-</u>	<u>3,090,577</u>
Transfers				(1,404)	1,404	-
Change in Net Assets				705,426	(314,786)	390,640
<i>Net Assets Beginning of Year</i>				<u>4,197,152</u>	<u>650,780</u>	<u>4,847,932</u>
<i>Net Assets End of Year</i>				<u>\$ 4,902,578</u>	<u>\$ 335,994</u>	<u>\$ 5,238,572</u>

See accompanying notes to the basic financial statements

Village of Minerva, Stark County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	General	Street Maintenance Fund	Income Tax Fund	Capital Improvement Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 1,697,419	\$ 574,128	\$ 153,899	\$ 731,131	\$ 820,244	\$ 378,447	\$ 4,355,268
<i>Total Assets</i>	<u>\$ 1,697,419</u>	<u>\$ 574,128</u>	<u>\$ 153,899</u>	<u>\$ 731,131</u>	<u>\$ 820,244</u>	<u>\$ 378,447</u>	<u>\$ 4,355,268</u>
Fund Balances							
Reserved:							
Reserved for Encumbrances	\$ 3,765	\$ 1,368	\$ 2,176	\$ 294,110	-	\$ 8,378	\$ 309,797
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	1,693,654	-	-	-	-	-	1,693,654
Special Revenue Funds	-	572,760	151,723	-	-	301,870	1,026,353
Capital Projects Funds	-	-	-	437,021	\$ 820,244	68,199	1,325,464
<i>Total Fund Balances</i>	<u>\$ 1,697,419</u>	<u>\$ 574,128</u>	<u>\$ 153,899</u>	<u>\$ 731,131</u>	<u>\$ 820,244</u>	<u>\$ 378,447</u>	<u>\$ 4,355,268</u>
Total Governmental Fund Balances				\$ 4,355,268			
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>							
Governmental activities' net assets include the internal service funds' cash and cash equivalents. The proprietary funds' statements include these assets.							
				<u>547,310</u>			
<i>Net Assets of Governmental Activities</i>				<u>\$ 4,902,578</u>			

See accompanying notes to the basic financial statements

Village of Minerva, Stark County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Street Maintenance Fund	Income Tax Fund	Capital Improvement Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
Receipts							
Municipal Income Taxes	-	-	\$ 2,078,098	-	-	-	\$ 2,078,098
Property and Other Local Taxes	\$ 179,111	-	-	-	-	\$ 184,904	364,015
Charges for Services	69,678	-	-	-	-	34,464	104,142
Fines, Licenses and Permits	28,432	-	-	-	-	2,501	30,933
Intergovernmental	168,267	\$ 168,039	-	\$ 26,063	-	41,135	403,504
Interest	61,016	-	-	-	-	40	61,056
Miscellaneous	175,496	2,980	-	7,133	-	2,843	188,452
<i>Total Receipts</i>	<u>682,000</u>	<u>171,019</u>	<u>2,078,098</u>	<u>33,196</u>	<u>-</u>	<u>265,887</u>	<u>3,230,200</u>
Disbursements							
<i>Current:</i>							
General Government	524,309	-	76,230	-	-	3,054	603,593
Security of Persons and Property	1,033,959	-	-	-	-	-	1,033,959
Public Health Services	14,334	-	-	-	-	116,636	130,970
Leisure Time Activities	-	-	-	-	-	81,752	81,752
Community Environment	3,515	-	-	-	-	-	3,515
Basic Utility Services	13,758	-	-	-	-	-	13,758
Transportation	-	377,781	-	74,803	-	12,081	464,665
Capital Outlay	-	63,269	-	201,043	-	51,812	316,124
<i>Debt Service:</i>							
Principal Retirement	-	20,239	-	10,185	-	-	30,424
Interest and Fiscal Charges	-	5,151	-	690	-	-	5,841
<i>Total Disbursements</i>	<u>1,589,875</u>	<u>466,440</u>	<u>76,230</u>	<u>286,721</u>	<u>-</u>	<u>265,335</u>	<u>2,684,601</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(907,875)	(295,421)	2,001,868	(253,525)	-	552	545,599
Other Financing Sources (Uses)							
OPWC Proceeds	-	-	-	200,000	-	-	200,000
Transfers In	1,247,740	383,920	-	289,263	-	1,645	1,922,568
Transfers Out	(34,640)	-	(1,919,600)	-	-	-	(1,954,240)
Other Financing Uses	(14,778)	-	-	-	-	-	(14,778)
<i>Total Other Financing Sources (Uses)</i>	<u>1,198,322</u>	<u>383,920</u>	<u>(1,919,600)</u>	<u>489,263</u>	<u>-</u>	<u>1,645</u>	<u>153,550</u>
<i>Net Change in Fund Balances</i>	290,447	88,499	82,268	235,738	-	2,197	699,149
<i>Fund Balances Beginning of Year</i>	<u>1,406,972</u>	<u>485,629</u>	<u>71,631</u>	<u>495,393</u>	<u>\$ 820,244</u>	<u>376,250</u>	<u>3,656,119</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,697,419</u>	<u>\$ 574,128</u>	<u>\$ 153,899</u>	<u>\$ 731,131</u>	<u>\$ 820,244</u>	<u>\$ 378,447</u>	<u>\$ 4,355,268</u>

Net Change in Fund Balances - Total Governmental Funds \$ 699,149

Amounts reported for governmental activities in the statement of activities are different because:

Internal service funds charge insurance costs to other funds. The entity-wide statements eliminate governmental fund expenditures and related internal service fund charges. Governmental activities report allocated net internal service fund receipts (disbursements).

6,277

Change in Net Assets of Governmental Activities

\$ 705,426

See accompanying notes to the basic financial statements

Village of Minerva, Stark County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 157,734	\$ 155,089	\$ 179,111	\$ 24,022
Charges for Services	61,362	60,333	69,678	9,345
Fines, Licenses and Permits	25,039	24,619	28,432	3,813
Intergovernmental	148,185	145,700	168,267	22,567
Interest	53,734	52,833	61,016	8,183
Miscellaneous	154,551	151,959	175,496	23,537
<i>Total receipts</i>	<u>600,605</u>	<u>590,533</u>	<u>682,000</u>	<u>91,467</u>
Disbursements				
Current:				
General Government	568,672	584,918	528,074	56,844
Security of Persons and Property	1,113,448	1,145,259	1,033,959	111,300
Public Health Services	15,436	15,877	14,334	1,543
Community Environment	3,785	3,893	3,515	378
Basic Utility Services	14,816	15,239	13,758	1,481
<i>Total Disbursements</i>	<u>1,716,157</u>	<u>1,765,186</u>	<u>1,593,640</u>	<u>171,546</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(1,115,552)	(1,174,653)	(911,640)	263,013
Other Financing Sources (Uses)				
Transfers In	1,098,824	1,080,398	1,247,740	167,342
Transfers Out	(37,303)	(38,369)	(34,640)	3,729
Other Financing Uses	(15,914)	(16,369)	(14,778)	1,591
<i>Total Other Financing Sources (Uses)</i>	<u>1,045,607</u>	<u>1,025,660</u>	<u>1,198,322</u>	<u>172,662</u>
<i>Net Change in Fund Balance</i>	(69,945)	(148,993)	286,682	435,675
<i>Fund Balance Beginning of Year</i>	1,378,475	1,378,475	1,378,475	-
Prior Year Encumbrances Appropriated	28,497	28,497	28,497	-
<i>Fund Balance End of Year</i>	<u>\$ 1,337,027</u>	<u>\$ 1,257,979</u>	<u>\$ 1,693,654</u>	<u>\$ 435,675</u>

See accompanying notes to the basic financial statements

Village of Minerva, Stark County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Street Maintenance Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 158,307	\$ 158,307	\$ 168,039	\$ 9,732
Miscellaneous	2,807	2,807	2,980	173
<i>Total receipts</i>	<u>161,114</u>	<u>161,114</u>	<u>171,019</u>	<u>9,905</u>
Disbursements				
Current:				
Transportation	432,391	434,822	379,149	55,673
Capital Outlay	72,153	72,559	63,269	9,290
Debt Service:				
Principal Retirement	23,081	23,212	20,239	2,973
Interest and Fiscal Charges	5,874	5,907	5,151	756
<i>Total Disbursements</i>	<u>533,499</u>	<u>536,500</u>	<u>467,808</u>	<u>68,692</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(372,385)	(375,386)	(296,789)	78,597
Other Financing Sources (Uses)				
Transfers In	361,685	361,685	383,920	22,235
<i>Net Change in Fund Balance</i>	(10,700)	(13,701)	87,131	100,832
<i>Fund Balance Beginning of Year</i>	485,613	485,613	485,613	-
Prior Year Encumbrances Appropriated	16	16	16	-
<i>Fund Balance End of Year</i>	<u>\$ 474,929</u>	<u>\$ 471,928</u>	<u>\$ 572,760</u>	<u>\$ 100,832</u>

See accompanying notes to the basic financial statements

Village of Minerva, Stark County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Income Tax Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Municipal Income Taxes	\$ 1,850,000	\$ 2,008,642	\$ 2,078,098	\$ 69,456
<i>Total receipts</i>	<u>1,850,000</u>	<u>2,008,642</u>	<u>2,078,098</u>	<u>69,456</u>
Disbursements				
Current:				
General Government	68,791	79,583	78,406	1,177
<i>Total Disbursements</i>	<u>68,791</u>	<u>79,583</u>	<u>78,406</u>	<u>1,177</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	1,781,209	1,929,059	1,999,692	70,633
Other Financing Sources (Uses)				
Transfers Out	(1,684,208)	(1,948,416)	(1,919,600)	28,816
<i>Net Change in Fund Balance</i>	97,001	(19,357)	80,092	99,449
<i>Fund Balance Beginning of Year</i>	70,274	70,274	70,274	-
Prior Year Encumbrances Appropriated	1,357	1,357	1,357	-
<i>Fund Balance End of Year</i>	<u>\$ 168,632</u>	<u>\$ 52,274</u>	<u>\$ 151,723</u>	<u>\$ 99,449</u>

See accompanying notes to the basic financial statements

Village of Minerva, Stark County
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
December 31, 2009

	Business-Type Activities				Governmental
	Water	Sewer	Other	Total	Activity
			Enterprise Funds	Enterprise Funds	Internal Service
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 215,889	\$ 56,204	\$ 63,901	\$ 335,994	\$ 547,310
<i>Total Assets</i>	<u>\$ 215,889</u>	<u>\$ 56,204</u>	<u>\$ 63,901</u>	<u>\$ 335,994</u>	<u>\$ 547,310</u>
Net Assets					
Unrestricted	<u>\$ 215,889</u>	<u>\$ 56,204</u>	<u>\$ 63,901</u>	<u>\$ 335,994</u>	<u>\$ 547,310</u>

See accompanying notes to the basic financial statements

Village of Minerva, Stark County
*Statement of Cash Receipts,
Disbursements and Changes in Fund Net Assets - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2009*

	Business-Type Activities				Governmental Activity
	Water	Sewer	Other	Total	Internal Service
			Enterprise Funds	Enterprise Funds	
Operating Receipts					
Charges for Services	\$ 314,987	\$ 480,507	\$ 42,010	\$ 837,504	\$ 319,340
Other Operating Receipts	-	-	-	-	4,626
<i>Total Operating Receipts</i>	<u>314,987</u>	<u>480,507</u>	<u>42,010</u>	<u>837,504</u>	<u>323,966</u>
Operating Disbursements					
Personal Services	164,454	163,236	11,198	338,888	-
Fringe Benefits	98,649	95,849	1,887	196,385	-
Contractual Services	32,841	78,148	34,979	145,968	347,957
Materials and Supplies	19,540	19,355	210	39,105	-
Other	-	-	3,520	3,520	-
Capital Outlay	22,507	393,370	-	415,877	-
<i>Total Operating Disbursements</i>	<u>337,991</u>	<u>749,958</u>	<u>51,794</u>	<u>1,139,743</u>	<u>347,957</u>
<i>Operating Income (Loss)</i>	(23,004)	(269,451)	(9,784)	(302,239)	(23,991)
Non-Operating Receipts/ (Disbursements)					
Redemption of Principal	-	(13,951)	-	(13,951)	-
<i>Income (Loss) before Transfers</i>	(23,004)	(283,402)	(9,784)	(316,190)	(23,991)
Transfers In	688	616	100	1,404	30,268
<i>Change in Net Assets</i>	(22,316)	(282,786)	(9,684)	(314,786)	6,277
<i>Net Assets Beginning of Year</i>	<u>238,205</u>	<u>338,990</u>	<u>73,585</u>	<u>650,780</u>	<u>541,033</u>
<i>Net Assets End of Year</i>	<u>\$ 215,889</u>	<u>\$ 56,204</u>	<u>\$ 63,901</u>	<u>\$ 335,994</u>	<u>\$ 547,310</u>

See accompanying notes to the basic financial statements

Village of Minerva, Stark County

Statement of Net Assets - Cash Basis

December 31, 2008

	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 4,197,152	\$ 650,780	\$ 4,847,932
<i>Total Assets</i>	<u>\$ 4,197,152</u>	<u>\$ 650,780</u>	<u>\$ 4,847,932</u>
Net Assets			
Restricted for:			
Capital Projects	\$ 1,406,146	-	\$ 1,406,146
Other Purposes	843,001	-	843,001
Unrestricted	<u>1,948,005</u>	<u>\$ 650,780</u>	<u>2,598,785</u>
<i>Total Net Assets</i>	<u>\$ 4,197,152</u>	<u>\$ 650,780</u>	<u>\$ 4,847,932</u>

See accompanying notes to the basic financial statements

Village of Minerva, Stark County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2008

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
General Government	\$ 586,119	\$ 126,482	-	\$ (459,637)	-	\$ (459,637)
Security of Persons and Property	1,092,718	-	-	(1,092,718)	-	(1,092,718)
Public Health Services	154,034	23,241	\$ 9,132	(121,661)	-	(121,661)
Leisure Time Activities	113,415	4,270	3,346	(105,799)	-	(105,799)
Community Environment	3,587	-	-	(3,587)	-	(3,587)
Basic Utility Services	14,772	-	-	(14,772)	-	(14,772)
Transportation	768,775	-	187,889	(580,886)	-	(580,886)
Capital Outlay	592,188	-	-	(592,188)	-	(592,188)
Miscellaneous	178,801	-	-	(178,801)	-	(178,801)
Debt Service:						
Principal Retirement	29,226	-	-	(29,226)	-	(29,226)
Interest and Fiscal Charges	7,039	-	-	(7,039)	-	(7,039)
<i>Total Governmental Activities</i>	<u>3,540,674</u>	<u>153,993</u>	<u>200,367</u>	<u>(3,186,314)</u>	<u>-</u>	<u>(3,186,314)</u>
Business Type Activities						
Water	344,995	356,630	-	-	\$ 11,635	11,635
Sewer	427,751	481,345	-	-	53,594	53,594
Parking Meter	14,259	12,233	-	-	(2,026)	(2,026)
Swimming Pool	17,396	25,004	-	-	7,608	7,608
Water Deposit	3,208	4,499	-	-	1,291	1,291
<i>Total Business Type Activities</i>	<u>807,609</u>	<u>879,711</u>	<u>-</u>	<u>-</u>	<u>72,102</u>	<u>72,102</u>
Total	<u>\$ 4,348,283</u>	<u>\$ 1,033,704</u>	<u>\$ 200,367</u>	<u>(3,186,314)</u>	<u>72,102</u>	<u>(3,114,212)</u>
General Receipts						
Property Taxes Levied for:						
General Purposes				\$ 173,180	-	\$ 173,180
Special Purposes				186,677	-	186,677
Municipal Income Taxes				2,343,260	-	2,343,260
Grants and Entitlements not Restricted to						
Specific Programs				171,530	-	171,530
OPWC Proceeds				210,333	-	210,333
Interest				137,506	-	137,506
Miscellaneous				38,065	-	38,065
<i>Total General Receipts</i>				<u>3,260,551</u>	<u>-</u>	<u>3,260,551</u>
Transfers				(14,284)	14,284	-
Change in Net Assets				59,953	86,386	146,339
<i>Net Assets Beginning of Year</i>				<u>4,137,199</u>	<u>564,394</u>	<u>4,701,593</u>
<i>Net Assets End of Year</i>				<u>\$ 4,197,152</u>	<u>\$ 650,780</u>	<u>\$ 4,847,932</u>

See accompanying notes to the basic financial statements

Village of Minerva, Stark County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2008

	General	Street Maintenance Fund	Income Tax Fund	Capital Improvement Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 1,406,972	\$ 485,629	\$ 71,631	\$ 495,393	\$ 820,244	\$ 376,250	\$ 3,656,119
<i>Total Assets</i>	<u>\$ 1,406,972</u>	<u>\$ 485,629</u>	<u>\$ 71,631</u>	<u>\$ 495,393</u>	<u>\$ 820,244</u>	<u>\$ 376,250</u>	<u>\$ 3,656,119</u>
Fund Balances							
Reserved:							
Reserved for Encumbrances	\$ 28,497	\$ 16	\$ 1,357	\$ 31,304	-	\$ 774	\$ 61,948
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	1,378,475	-	-	-	-	-	1,378,475
Special Revenue Funds	-	485,613	70,274	-	-	285,667	841,554
Capital Projects Funds	-	-	-	464,089	\$ 820,244	89,809	1,374,142
<i>Total Fund Balances</i>	<u>\$ 1,406,972</u>	<u>\$ 485,629</u>	<u>\$ 71,631</u>	<u>\$ 495,393</u>	<u>\$ 820,244</u>	<u>\$ 376,250</u>	<u>\$ 3,656,119</u>
Total Governmental Fund Balances				\$ 3,656,119			
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>							
Governmental activities' net assets include the internal service funds' cash and cash equivalents. The proprietary funds' statements include these assets.							
				<u>541,033</u>			
<i>Net Assets of Governmental Activities</i>				<u>\$ 4,197,152</u>			

See accompanying notes to the basic financial statements

Village of Minerva, Stark County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
 Governmental Funds
 For the Year Ended December 31, 2008

	General	Street Maintenance Fund	Income Tax Fund	Capital Improvement Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
Receipts							
Municipal Income Taxes	-	-	\$ 2,343,260	-	-	-	\$ 2,343,260
Property and Other Local Taxes	\$ 173,180	-	-	-	-	\$ 186,677	359,857
Charges for Services	82,866	-	-	-	-	27,511	110,377
Fines, Licenses and Permits	40,046	-	-	-	-	3,570	43,616
Intergovernmental	171,530	\$ 160,557	-	-	-	39,810	371,897
Interest	128,199	9,200	-	-	-	107	137,506
Miscellaneous	29,117	562	-	-	-	529	30,208
<i>Total Receipts</i>	<u>624,938</u>	<u>170,319</u>	<u>2,343,260</u>	<u>-</u>	<u>-</u>	<u>258,204</u>	<u>3,396,721</u>
Disbursements							
Current:							
General Government	593,709	-	69,314	-	-	4,400	667,423
Security of Persons and Property	1,092,706	-	-	-	-	12	1,092,718
Public Health Services	13,784	-	-	-	-	140,250	154,034
Leisure Time Activities	-	-	-	\$ 39,383	-	74,032	113,415
Community Environment	3,587	-	-	-	-	-	3,587
Basic Utility Services	14,772	-	-	-	-	-	14,772
Transportation	-	403,834	-	350,863	-	14,078	768,775
Capital Outlay	209,957	100,341	-	174,305	-	107,585	592,188
Debt Service:							
Principal Retirement	-	19,337	-	9,889	-	-	29,226
Interest and Fiscal Charges	-	6,054	-	985	-	-	7,039
<i>Total Disbursements</i>	<u>1,928,515</u>	<u>529,566</u>	<u>69,314</u>	<u>575,425</u>	<u>-</u>	<u>340,357</u>	<u>3,443,177</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(1,303,577)	(359,247)	2,273,946	(575,425)	-	(82,153)	(46,456)
Other Financing Sources (Uses)							
OPWC Proceeds	-	-	-	210,333	-	-	210,333
Transfers In	1,476,605	454,340	-	351,687	-	7,514	2,290,146
Transfers Out	(42,614)	-	(2,271,700)	-	-	-	(2,314,314)
Other Financing Uses	(178,801)	-	-	-	-	-	(178,801)
<i>Total Other Financing Sources (Uses)</i>	<u>1,255,190</u>	<u>454,340</u>	<u>(2,271,700)</u>	<u>562,020</u>	<u>-</u>	<u>7,514</u>	<u>7,364</u>
<i>Net Change in Fund Balances</i>	(48,387)	95,093	2,246	(13,405)	-	(74,639)	(39,092)
<i>Fund Balances Beginning of Year</i>	<u>1,455,359</u>	<u>390,536</u>	<u>69,385</u>	<u>508,798</u>	<u>\$ 820,244</u>	<u>450,889</u>	<u>3,695,211</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,406,972</u>	<u>\$ 485,629</u>	<u>\$ 71,631</u>	<u>\$ 495,393</u>	<u>\$ 820,244</u>	<u>\$ 376,250</u>	<u>\$ 3,656,119</u>
Net Change in Fund Balances - Total Governmental Funds				\$ (39,092)			
Amounts reported for governmental activities in the statement of activities are different because:							
Internal service funds charge insurance costs to other funds. The entity-wide statements eliminate governmental fund expenditures and related internal service fund charges. Governmental activities report allocated net internal service fund receipts (disbursements).							
				<u>99,045</u>			
<i>Change in Net Assets of Governmental Activities</i>				<u>\$ 59,953</u>			

See accompanying notes to the basic financial statements

Village of Minerva, Stark County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 137,762	\$ 137,611	\$ 173,180	\$ 35,569
Charges for Services	65,919	65,847	82,866	17,019
Fines, Licenses and Permits	31,856	31,821	40,046	8,225
Intergovernmental	136,450	136,300	171,530	35,230
Interest	101,981	101,869	128,199	26,330
Miscellaneous	23,162	23,137	29,117	5,980
<i>Total receipts</i>	497,130	496,585	624,938	128,353
Disbursements				
Current:				
General Government	575,158	735,597	622,206	113,391
Security of Persons and Property	1,010,081	1,291,841	1,092,706	199,135
Public Health Services	12,742	16,296	13,784	2,512
Community Environment	3,316	4,241	3,587	654
Basic Utility Services	13,655	17,464	14,772	2,692
Capital Outlay	194,081	248,220	209,957	38,263
<i>Total Disbursements</i>	1,809,033	2,313,659	1,957,012	356,647
<i>Excess of Receipts Over (Under) Disbursements</i>	(1,311,903)	(1,817,074)	(1,332,074)	485,000
Other Financing Sources (Uses)				
Transfers In	1,174,620	1,173,332	1,476,605	303,273
Transfers Out	(39,392)	(50,380)	(42,614)	7,766
Other Financing Uses	(165,281)	(211,386)	(178,801)	32,585
<i>Total Other Financing Sources (Uses)</i>	969,947	911,566	1,255,190	343,624
<i>Net Change in Fund Balance</i>	(341,956)	(905,508)	(76,884)	828,624
<i>Fund Balance Beginning of Year</i>	1,453,526	1,453,526	1,453,526	-
Prior Year Encumbrances Appropriated	1,833	1,833	1,833	-
<i>Fund Balance End of Year</i>	\$ 1,113,403	\$ 549,851	\$ 1,378,475	\$ 828,624

See accompanying notes to the basic financial statements

Village of Minerva, Stark County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Street Maintenance Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 128,002	\$ 122,553	\$ 160,557	\$ 38,004
Interest	7,334	7,022	9,200	2,178
Miscellaneous	448	428	562	134
<i>Total receipts</i>	<u>135,784</u>	<u>130,003</u>	<u>170,319</u>	<u>40,316</u>
Disbursements				
Current:				
Transportation	454,499	476,843	403,850	72,993
Capital Outlay	112,925	118,477	100,341	18,136
Debt Service:				
Principal Retirement	21,762	22,832	19,337	3,495
Interest and Fiscal Charges	6,813	7,148	6,054	1,094
<i>Total Disbursements</i>	<u>595,999</u>	<u>625,300</u>	<u>529,582</u>	<u>95,718</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(460,215)	(495,297)	(359,263)	136,034
Other Financing Sources (Uses)				
Transfers In	<u>362,216</u>	<u>346,796</u>	<u>454,340</u>	<u>107,544</u>
<i>Net Change in Fund Balance</i>	(97,999)	(148,501)	95,077	243,578
<i>Fund Balance Beginning of Year</i>	<u>390,536</u>	<u>390,536</u>	<u>390,536</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 292,537</u>	<u>\$ 242,035</u>	<u>\$ 485,613</u>	<u>\$ 243,578</u>

See accompanying notes to the basic financial statements

Village of Minerva, Stark County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Income Tax Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Municipal Income Taxes	\$ 1,800,000	\$ 2,275,647	\$ 2,343,260	\$ 67,613
<i>Total receipts</i>	<u>1,800,000</u>	<u>2,275,647</u>	<u>2,343,260</u>	<u>67,613</u>
Disbursements				
Current:				
General Government	53,221	70,712	70,671	41
<i>Total Disbursements</i>	<u>53,221</u>	<u>70,712</u>	<u>70,671</u>	<u>41</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	1,746,779	2,204,935	2,272,589	67,654
Other Financing Sources (Uses)				
Transfers Out	(1,710,778)	(2,273,019)	(2,271,700)	1,319
<i>Net Change in Fund Balance</i>	36,001	(68,084)	889	68,973
<i>Fund Balance Beginning of Year</i>	<u>69,385</u>	<u>69,385</u>	<u>69,385</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 105,386</u>	<u>\$ 1,301</u>	<u>\$ 70,274</u>	<u>\$ 68,973</u>

See accompanying notes to the basic financial statements

Village of Minerva, Stark County
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
December 31, 2008

	Business-Type Activities			Governmental
	Other		Total	Activity
	Sewer	Enterprise Funds	Enterprise Funds	Internal Service
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 338,990	\$ 311,790	\$ 650,780	\$ 541,033
<i>Total Assets</i>	<u>\$ 338,990</u>	<u>\$ 311,790</u>	<u>\$ 650,780</u>	<u>\$ 541,033</u>
Net Assets				
Unrestricted	<u>\$ 338,990</u>	<u>\$ 311,790</u>	<u>\$ 650,780</u>	<u>\$ 541,033</u>

See accompanying notes to the basic financial statements

Village of Minerva, Stark County
*Statement of Cash Receipts,
Disbursements and Changes in Fund Net Assets - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2008*

	Business-Type Activities			Governmental Activity
	Sewer	Other Enterprise Funds	Total Enterprise Funds	Internal Service
	Sewer	Other Enterprise Funds	Total Enterprise Funds	Internal Service
Operating Receipts				
Charges for Services	\$ 481,345	\$ 398,366	\$ 879,711	\$ 376,399
Other Operating Receipts	-	-	-	7,857
<i>Total Operating Receipts</i>	<u>481,345</u>	<u>398,366</u>	<u>879,711</u>	<u>384,256</u>
Operating Disbursements				
Personal Services	153,729	167,497	321,226	-
Fringe Benefits	94,093	96,430	190,523	-
Contractual Services	101,230	67,288	168,518	295,095
Materials and Supplies	18,589	23,836	42,425	-
Other	-	3,208	3,208	-
Capital Outlay	46,159	21,599	67,758	-
<i>Total Operating Disbursements</i>	<u>413,800</u>	<u>379,858</u>	<u>793,658</u>	<u>295,095</u>
<i>Operating Income (Loss)</i>	67,545	18,508	86,053	89,161
Non-Operating Receipts/ (Disbursements)				
Redemption of Principal	(13,951)	-	(13,951)	-
<i>Income (Loss) before Transfers</i>	53,594	18,508	72,102	89,161
Transfers In	7,014	7,270	14,284	9,884
<i>Change in Net Assets</i>	60,608	25,778	86,386	99,045
<i>Net Assets Beginning of Year</i>	<u>278,382</u>	<u>286,012</u>	<u>564,394</u>	<u>441,988</u>
<i>Net Assets End of Year</i>	<u>\$ 338,990</u>	<u>\$ 311,790</u>	<u>\$ 650,780</u>	<u>\$ 541,033</u>

See accompanying notes to the basic financial statements

VILLAGE OF MINERVA
Stark County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2009 and 2008

Note 1 – Reporting Entity

The Village of Minerva, Stark County (the Village) is a body corporate and politic established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village operates under a Home Rule Charter, which provides for a Council-Administrator form of government. Under this plan, an elected mayor performs the judicial functions and presides at Council Meetings. All powers of the municipality are concentrated in a Council of 4 elected representatives plus the mayor. Council has full responsibility for determination of policies. The Charter concentrates actual administration in a Municipal Administrator who is appointed by, and at times is responsible to, the Council.

The Village's management believes these financial statements included in this report represent all of the funds of the Village over which the Village has the ability to exercise direct operating control.

The Village is associated with certain organizations, which are defined as Jointly Governed Organizations under Governmental Accounting Standards Board (GASB) Statement No. 14, Reporting Entity. These organizations are presented in Note 14. These organizations include:

Stark Council of Governments
Stark County Regional Planning Commission
Carroll County Regional Planning Commission

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general governmental services, including water and sewer utilities; park operations (leisure time activities); and fire and police services.

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. The Village does not have any component units.

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

VILLAGE OF MINERVA
Stark County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2009 and 2008

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 and the fund financial statements for the proprietary funds, 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 Village does not apply FASB statements issued after November 30, 1989, to its governmental activities, business-type activities or to its enterprise funds. 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. 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 statement of net assets presents the cash balance 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 and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

VILLAGE OF MINERVA
Stark County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2009 and 2008

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

A. Basis of Presentation- (Continued)

Fund Financial Statements- (Continued)

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

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 three categories, governmental, proprietary and fiduciary.

Governmental Funds

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Village's major governmental funds are the General Fund, Street Maintenance Fund, Income Tax Fund, Capital Improvement Fund, and the Permanent Improvement 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. The Street Maintenance Fund is used for maintaining the Village's roads and storm sewers. The Income Tax Fund receives revenues from local income tax collections to provide funds for the general fund, maintenance, new equipment and capital improvements of the Village. The Capital Improvement Fund receives revenues from local income tax collections to provide for new equipment and capital improvements of the Village. The Permanent Improvement Fund when earns interest then interest is transferred out to pay for electric streetlights. The other governmental funds of the Village account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds

The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as enterprise.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Village's major enterprise funds are as follows:

Water Fund - The water fund accounts for the provision of water to the residents and commercial users located within the Village.

Sewer Fund - The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

VILLAGE OF MINERVA
Stark County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2009 and 2008

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

Fiduciary Funds

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village's agency fund receives fines and forfeitures from the Mayor's Court to be distributed to the Village, State of Ohio, and other governments.

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. Any such modifications made by the Village are described in the appropriate section in this note.

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 expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation 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 appropriation 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 fund 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 appropriation were passed by the Village Council.

The appropriation 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.

VILLAGE OF MINERVA
Stark County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2009 and 2008

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

E. Cash and Investments- (Continued)

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 (contra revenue), respectively.

During 2009 and 2008, the Village invested in nonnegotiable certificates of deposit and repurchase agreements. The nonnegotiable certificates of deposit are reported at cost.

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 2009 and 2008 were \$61,016 and \$128,199.

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 had 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.

VILLAGE OF MINERVA
Stark County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2009 and 2008

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

J. Accumulated Leave

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

K. 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 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. 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 an other financing source nor a capital outlay expenditure are reported at inception. The Village had no such transactions in 2009 or 2008. Lease payments are reported when paid.

M. 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.

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.

N. Fund Balance Reserves

The Village reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

O. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

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 nonoperating 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.

VILLAGE OF MINERVA
Stark County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2009 and 2008

Note 3 – Change in Basis of Accounting and Restatement of Fund Equity

Last year the Village reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor’s Office. This year the Village has implemented the cash basis of accounting described in Note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

Note 4 – 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 Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Street Maintenance Fund and Income Tax Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is that outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). In 2009, the Village had outstanding encumbrances of \$3,765, \$1,368, \$2,176 in the General Fund, Street Maintenance Fund, and Income Tax Fund, respectively. In 2008, the Village had outstanding encumbrances of \$28,497, \$16, \$1,357 in the General Fund, Street Maintenance Fund, and Income Tax Fund, respectively.

Note 5 – Deposits and Investments

State statutes classify monies held by the Village into three categories.

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

Inactive deposits are public deposits that the Village has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by 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 may 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
Stark County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2009 and 2008

Note 5 – 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;
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 (STAR Ohio).

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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Custodial credit risk for deposits 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, 2008, \$4,358,873 of the Village's bank balance of \$4,858,873 which includes \$4,408,740 of non-negotiable certificates of deposit 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. At December 31, 2009, \$1,302,633 of the Village's bank balance of \$1,552,633 which includes \$908,740 of non-negotiable certificates of deposit 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.

VILLAGE OF MINERVA
Stark County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2009 and 2008

Note 5 – Deposits and Investments- (Continued)

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.

As of December 31, 2009, the Village had \$3,700,000 invested in STAROhio.

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. The Village's investment policy addresses interest rate risk by requiring that the Village's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

STAR Ohio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Note 6 – Income Taxes

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village's Income Tax Department. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 7 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Real property tax receipts received in 2009 and 2008 represent the collection of 2008 and 2007 taxes. Real property taxes received in 2009 and 2008 were levied after October 1, 2008 and 2007, on the assessed values as of January 1, 2007 and 2006, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2009 and 2008 represent the collection of 2008 and 2007 taxes, respectively. Public utility real and tangible personal property taxes received in 2009 and 2008 became a lien on December 31, 2008 and 2007, were levied after October 1, 2008 and 2007, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

VILLAGE OF MINERVA
 Stark County, Ohio
 Notes to the Financial Statements
 For the Year Ended December 31, 2009 and 2008

Note 7 – Property Taxes- (Continued)

Tangible personal property tax receipts received in 2009 and 2008 (other than public utility property) represent the collection of 2008 and 2007 taxes, respectively. Tangible personal property taxes received in 2008 and 2007 were levied after October 1, 2007 and 2006, on the true value as of December 31, 2008 and 2007, respectively. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible property taxes are being phased out over a three year period.

The full tax rate for all Village operations for the year ended December 31, 2009 and 2008, was \$7.50 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 and 2008 property tax receipts were based are as follows:

2009	
Real Property	
Residential and Agricultural	\$ 36,478,800
Other	20,057,090
Tangible Personal Property	
General	100,055
Public Utility	1,589,270
Total Assessed Value	\$ 58,225,215

2008	
Real Property	
Residential and Agricultural	\$ 36,478,800
Other	20,057,090
Tangible Personal Property	
General	3,739,745
Public Utility	1,715,300
Total Assessed Value	\$ 61,990,935

Note 8 – Risk Management

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Public officials' liability
- Vehicles
- Errors and omissions
- Commercial inland marine
- Employer's liability
- Employee benefits liability
- Crime

VILLAGE OF MINERVA
Stark County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2009 and 2008

Note 8 – Risk Management- (Continued)

Settlement amounts did not exceed insurance coverage for the past three fiscal years. Also, there was no reduction of benefits during the years ending December 31, 2009 and 2008.

The Village is also self insured for health insurance. The Self Insurance Fund pays covered claims to service providers, and recovers the costs from charges to other funds based on an actuarially determined cost per employee. A comparison of Self Insurance Fund cash and investments to the actuarially-measured liability as of December 31 follows:

	<u>2009</u>	<u>2008</u>
Cash and investments	\$ 574,310	\$ 541,033
Actuarial liabilities	\$ 140,029	\$ 163,023

The Village pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

Settled claims have not exceeded this commercial coverage in any of the last three years. There have been no significant reductions in insurance coverage from last year.

Note 9 – Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

The Village participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, 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 and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2009 and 2008, the members of all three plans were required to contribute 10.0 percent of their annual covered salaries. The Village's contribution rate for pension benefits for 2009 and 2008 was 14.00 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

VILLAGE OF MINERVA
Stark County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2009 and 2008

Note 9 – Defined Benefit Pension Plans- (Continued)

A. Ohio Public Employees Retirement System- (Continued)

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$123,491, \$121,489, and \$142,246, respectively. The full amount has been contributed for 2009, 2008 and 2007.

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 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 the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Village is required to contribute 19.5 percent for police officers. Contributions are authorized by State statute. The Village's required contributions to the Fund for the years ended December 31, 2009, 2008, and 2007 were \$85,286, \$83,790, and \$80,225. The full amount has been contributed for 2009, 2008 and 2007.

Note 10 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2009 and 2008 local government employer contribution rate was 14.00 percent of covered payroll; 7 percent from January 1 through March 31, 2009 and 5.5 percent from April 1 through December 31, 2009, and 7 percent for 2008 of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2008, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between .50 and 5.00 percent annually for the next eight years and 4.00 percent annually after eight years.

VILLAGE OF MINERVA
Stark County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2009 and 2008

Note 10 - Postemployment Benefits- (Continued)

A. Ohio Public Employees Retirement System- (Continued)

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 357,584 in 2009 and 363,503 in 2008. Actual employer contributions for 2009 and 2008 which were used to fund postemployment benefits were \$61,745 and \$60,744, respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2008, (the latest information available) were \$10.7 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.6 billion and \$18.9 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to 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. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis.

The total police employer contribution rate is 19.5 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2009 and 2008. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The Village's actual contributions that were used to fund postemployment benefits were \$29,508 in 2009 and \$28,991 in 2008 for police. The OP&F's total health care expense for the year ended December 31, 2008 (the latest information available) was \$96,472,398, which was net of member contributions of \$56,948,977. The number of OP&F participants eligible to receive health care benefits as of December 31, 2008, was 14,567 for police and 10,750 for firefighters.

VILLAGE OF MINERVA
Stark County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2009 and 2008

Note 11 – Debt

The Village's long-term debt activity for the years ended December 31, 2009 and 2008 were as follows:

	Interest Rates	Balance at 1/1/2008	Increase	Decrease	Balance at 12/31/2008	Due in one year
Governmental Activities:						
O.P.W.C. Loan # CS04K	0%	\$ -	\$ -	\$ 6,666	\$ (6,666)	\$ 6,666
Capital Lease- Phone Systems	4.10%	12,635	-	3,223	9,412	3,519
Capital Lease- Street Sweeper	4.67%	129,653	-	19,337	110,316	20,239
Total Governmental Activities		\$ 142,288	\$ -	\$ 29,226	\$ 113,062	\$ 30,424

	Interest Rates	Balance at 1/1/2009	Increase	Decrease	Balance at 12/31/2009	Due in one year
Governmental Activities:						
O.P.W.C. Loan # CS04K	0%	\$ (6,666)	\$ 200,000	\$ 6,666	\$ 186,668	\$ 6,666
Capital Lease- Phone Systems	4.10%	9,412	-	3,519	5,893	3,835
Capital Lease- Street Sweeper	4.67%	110,316	-	20,239	90,077	21,184
Total Governmental Activities		\$ 113,062	\$ 200,000	\$ 30,424	\$ 282,638	\$ 31,685

	Interest Rates	Balance at 1/1/2008	Increase	Decrease	Balance at 12/31/2008	Due in one year
Business-Type Activities:						
O.W.D.A. Loan # 4322	0%	\$ 19,976	\$ -	\$ 2,497	\$ 17,479	\$ 2,497
O.P.W.C Loan # CT78F	0%	86,655	-	4,444	82,211	4,444
O.P.W.C Loan # CT73K	0%	-	210,333	7,010	203,323	7,010
Total Business-Type Activities		\$ 106,631	\$ 210,333	\$ 13,951	\$ 303,013	\$ 13,951

	Interest Rates	Balance at 1/1/2009	Increase	Decrease	Balance at 12/31/2009	Due in one year
Business-Type Activities:						
O.W.D.A. Loan # 4322	0%	\$ 17,479	\$ -	\$ 2,497	\$ 14,982	\$ 2,497
O.P.W.C Loan # CT78F	0%	82,211	-	4,444	77,767	4,444
O.P.W.C Loan # CT73K	0%	203,323	-	7,010	196,313	7,010
Total Business-Type Activities		\$ 303,013	\$ -	\$ 13,951	\$ 289,062	\$ 13,951

VILLAGE OF MINERVA
Stark County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2009 and 2008

Note 11 – Debt- (Continued)

Principal and interest requirements to amortize all debt outstanding at December 31, 2009 and 2008 are as follows:

	O.P.W.C. Loan #CS04K Principal	O.P.W.C. Loan #CT73K Principal	O.P.W.C. Loan #CT78F Principal	O.W.D.A. Loans #4322 Principal
Year Ending December 31:				
2010	\$ 6,666	\$ 7,010	\$ 4,444	\$ 2,497
2011	6,666	7,010	4,444	2,497
2012	6,666	7,010	4,444	2,497
2013	6,666	7,010	4,444	2,497
2014	6,666	7,010	4,444	2,497
2015-2019	33,330	35,050	22,220	2,497
2020-2024	33,330	35,050	22,220	-
2025-2029	33,330	35,050	11,107	-
2030-2034	33,330	35,050	-	-
2035-2039	20,018	21,063	-	-
Total	<u>\$ 186,668</u>	<u>\$ 196,313</u>	<u>\$ 77,767</u>	<u>\$ 14,982</u>
	Key Government Finance Principal	Key Government Finance Interest	Dollar Bank Phone System Principal	Dollar Bank Phone System Interest
Year Ending December 31:				
2010	\$ 21,184	\$ 4,206	\$ 3,835	\$ 361
2011	22,173	3,217	2,058	51
2012	46,720	2,181	-	-
Total	<u>\$ 90,077</u>	<u>\$ 9,604</u>	<u>\$ 5,893</u>	<u>\$ 412</u>

The Ohio Water Development Authority (OWDA) loan # 4322 related to a wastewater plant expansion project that was mandated by the Ohio Environment Protection Agency. The OWDA approved a loan of \$24,970 in 2005. The loan will be repaid in semiannual installments of \$1,249, over 10 years. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) loan #CT78F related to a water plant improvement project. The OPWC approved a loan of \$88,877. The loan will be repaid in semiannual installments of \$2,222 over a twenty year period, with the first payment due January 1, 2008.

The Ohio Public Works Commission (OPWC) loan #CT73K related to a water line replacement project. The OPWC approved a loan of \$210,333. The loan will be repaid in semiannual installments of \$3,506 over a thirty year period, with the first payment due July 1, 2008.

The Ohio Public Works Commission (OPWC) loan #CS04K related to the Market Street reconstruction project. The OPWC approved a loan of \$200,000. The loan will be repaid in semiannual installments of \$3,333 over a thirty year period, with the first payment due July 1, 2008.

VILLAGE OF MINERVA
 Stark County, Ohio
 Notes to the Financial Statements
 For the Year Ended December 31, 2009 and 2008

Note 11 – Debt- (Continued)

The Key Government Finance lease relates to a 2007 Elgin Whirlwind Street Sweeper leased through the State of Ohio cooperative purchasing and procurement program as per the State of Ohio Department of Administrative Services Contract #7723500206 for a price of \$155,044. The lease will be paid in annual installments over a six year period and will be bought out at the end of the lease.

The Village is also leasing their telephone equipment through Dollar Bank. The lease amount is \$351 per month for 60 months beginning July 2006 through June 2011.

Note 12 - Interfund Transactions

The following is a reconciliation of the Village’s transfers for 2009 and 2008:

	2009	
Fund	Transfers In	Transfers Out
General	\$ 1,247,740	\$ 34,640
Street Department	383,920	-
Cemetery	180	-
Park	45	-
Shade Tree	1,006	-
Income Tax	-	1,919,600
Capital Improvement Fire	414	-
Capital Improvement	289,263	-
Water	688	-
Sewer	616	-
Parking Meter	54	-
Swimming Pool	46	-
Self Insurance	30,268	-
Total	\$ 1,954,240	\$ 1,954,240

VILLAGE OF MINERVA
 Stark County, Ohio
 Notes to the Financial Statements
 For the Year Ended December 31, 2009 and 2008

Note 12 - Interfund Transactions- (Continued)

2008		
Fund	Transfers In	Transfers Out
General	\$ 1,476,605	\$ 42,614
Street Department	454,340	-
Cemetery	1,733	-
Park	399	-
Shade Tree	51	-
Income Tax	-	2,271,700
Capital Improvement Fire	5,331	-
Capital Improvement	351,687	-
Water	6,425	-
Sewer	7,014	-
Parking Meter	529	-
Swimming Pool	316	-
Self Insurance	9,884	-
Total	\$ 2,314,314	\$ 2,314,314

The Village transferred monies from its Special Revenue Income Tax fund to various other funds, and from General Fund to various funds to distribute interest received in the General Fund and to subsidize operations. All transfers were in accordance with Village ordinances and the Ohio Revised Code.

Note 13 – Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed, by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

The Village may be a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village Solicitor, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

Note 14 – Joint Ventures

The Stark Council of Governments (SCOG) is jointly governed organization. SCOG is a regional council of governments formed under chapter 167 of the Ohio Revised Code. Currently, SOG's functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and Canton Crime lab. SCOG is governed by the membership, including Stark County, and other villages, cities, and townships. The membership elects a nine member executive committee. Based on recommendations of the executive committee, the membership approves it's own budget, appoints personnel and performs accounting and finance related activities. Continued existence of the agency is dependent on the Village's continued participation; however, the Village does not have an equity interest in the agency. The agency is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit or burden to the Village. Complete financial statements may be obtained from the Stark County Council of Governments, P.O. Box 21451, Canton, Ohio 44701-1451.

VILLAGE OF MINERVA
Stark County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2009 and 2008

Note 14 – Joint Ventures- (Continued)

The Village participates in the Stark County Regional Planning Commission (Commission), which is a statutorily created political subdivision of the state. The Commission is jointly governed among Stark County, and other villages, cities, and townships. The principal aim of the Commission is to provide comprehensive planning, both long and short term range, dealing with the economic and physical environment of Stark County. The board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designing management. The Village has financial responsibility for any of the Commission's liabilities. Complete financial statements may be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

The Village participates in the Carroll County Regional Planning Commission (Commission), which is a statutorily created political subdivision of the state. The Commission is jointly governed among Carroll County, and other villages, cities, and townships. The principal aim of the Commission is to provide comprehensive planning, both long and short term range, dealing with the economic and physical environment of Stark County. The board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designing management. The Village has financial responsibility for any of the Commission's liabilities. Complete financial statements may be obtained from the Carroll County Regional Planning Commission, Carroll County, Ohio.

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

Village of Minerva
Stark County
209 North Market Street
Minerva, Ohio 44657

To Village Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Minerva, Stark County, Ohio (Village) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated July 19, 2010, wherein we noted the Village uses the cash basis of accounting rather than accounting principles generally accepted in the United States of America and changed its financial statement presentation. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls 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 opinions 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a deficiency in internal control over financial reporting, that we consider to be a material weakness.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

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 grants 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Village's response and, accordingly, we express no opinion on it.

We noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated July 19, 2010.

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.

Charles E. Harris and Associates, Inc.

July 19, 2010

**VILLAGE OF MINERVA
STARK COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

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

Finding Number: 2009-01 Material Weakness

The Village of Minerva prepares its financial statements in the cash format of Governmental Accounting Standards Board Statement (GASB) Number 34. During the year, the Village maintains its records in a traditional format and once a year, they have a software company perform this conversion to GASB 34 look-alike statements. Although the Village's records during the year are materially correct, we noted that the software company posted many line items incorrectly, which required significant audit adjustments, including, but not limited to Principal Retirement, Interest Payments and Transfers.

We recommend the Village ensure that the software company perform the conversion to the GASB 34 look-alike statements more accurately to avoid such audit adjustments and to present more accurate financial information.

Management's response:

Management believes the day-to-day operations of the Fiscal Officer's office is run efficiently and accurately. The above mentioned issues are a result of the conversion company and we feel that it is not a problem with the operations of the Village.

VILLAGE OF MINERVA
STARK COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid: Explain:
2007-01	Noncompliance-Expenditures and Encumbrances Exceed Appropriations.	Yes	Finding No Longer Valid
2007-02	Noncompliance-Appropriations Exceeded Estimated Resources.	Yes	Finding No Longer Valid

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Mary Taylor, CPA
Auditor of State

VILLAGE OF MINERVA

STARK COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 4, 2010**