

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

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

**FOR THE YEARS ENDED
DECEMBER 31, 2009 AND 2008**





Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Accountants' Report* of the Village of Minerva Park, Franklin County, prepared by Kennedy Cottrell Richards LLC, for the audit period January 1, 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 Park is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 18, 2010

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VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT

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

To the Village Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Minerva Park, Franklin County, Ohio (the Village), as of and for the years ended December 31, 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Minerva Park, Franklin County, Ohio, as of December 31, 2009 and 2008, and the respective changes in cash financial position, and the respective budgetary comparisons for the General Fund, Street Construction Maintenance and Repair Fund, and State Highway Fund (presented for 2009 only), for the years then ended in conformity with the basis of accounting Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 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 and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is 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, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Kennedy Cottrell Richards LLC

Kennedy Cottrell Richards LLC
June 1, 2010

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

This discussion and analysis of the Village of Minerva Park's 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 modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

Highlights

Key highlights for 2009 and 2008 are as follows:

2009 net assets of governmental activities decreased \$173,798, or a 21 percent change from the 2008. The main reason for the decrease was due to the 2009 street project which cost the Village \$226,945. This was funded completely by the Village out of the Street and Maintenance Construction Fund because the Village in 2009 was not able to procure and grant or loan money through the Ohio Public Works street replacement program.

The Village's general receipts are primarily property and income tax receipts. These receipts represent \$805,135 or 58% and \$776,070 or 56% of the total general cash received for governmental activities during 2009 and 2008, respectively.

The Village's income tax receipts increased \$40,086, or 14% in 2009 from 2008. The Village resident's passed a 1% levy in 2004 with 50% credit for payments made to other entities. 2005 was the first full year of collections for the income tax.

During 2008 and 2009 the Village street projects which consisted of OPWC funding and Village funding repaired cracks and holes in streets throughout the Village, and funded some streets reconstruction.

Using the Basic Financial Statements

This report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's modified cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

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As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Reporting the Government as a Whole

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

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other nonfinancial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and real estate taxes.

In the statement of net assets and the statement of activities, the Village has one type of activity:

Governmental activities - Most of the Village's basic services are reported here, including police, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Village's Most Significant Funds

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into two categories: governmental and fiduciary.

Governmental Funds - Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The government's major governmental funds for 2009 and 2008 are the General Fund and Street Construction Maintenance and Repair Fund. The State Highway Fund was a major fund for 2009 only as it did not meet the criteria in 2008 for reporting as a major fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the

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entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the village. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Village's programs.

The Government as a Whole

Table 1 provides a summary of the Village's net assets for 2009 compared to 2008 and 2007 on a modified cash basis:

(Table 1)
Net Assets

	Governmental Activities		
	2009	2008	2007
Assets			
Cash and Cash Equivaler	\$ 646,724	\$ 820,522	\$ 646,905
Total Assets	646,724	820,522	646,905
Net Assets			
Restricted for:			
Debt Service	54,572	13,275	11,996
Capital Projects	115,823	115,995	104,826
Other Purposes	208,818	378,133	329,751
Unrestricted	267,511	313,119	200,331
Total Net Assets	\$ 646,724	\$ 820,522	\$ 646,905

As mentioned previously, net assets of governmental activities decreased \$173,798, or 21 percent during 2009. Some of the reasons follow:

- During 2008 the Village received \$89,942 in inheritance tax receipts, and in 2009 the Village received only \$98,133. These receipts are recorded in the General Fund specifically.
- During 2009 the Village received \$65,594 in State and County license tax receipts and gasoline excise taxes, while in 2008 the Village received \$67,060. Expenditures for 2009 in the Street and Maintenance Fund were \$226,945 which caused an excess in expenditures over receipts by \$165,584. The project paid for was a major street renovation project for which the Village did not receive any State Funding. The receipts are recorded in the Street Construction and Repair Fund.
- During 2009 the Village received \$288,384 of income tax receipts, while in 2008 the Village received \$248,298. The income tax levy was passed by voters in 2004 and 2005 was the first full year of collections. While income tax receipts did increase in 2009 expenditures in the General Fund were higher than Revenues for the General Fund by \$45,608.

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Table 2 reflects the changes in net assets for 2007 through 2009:

(Table 2)
Changes in Net Assets

	Governmental Activities 2009	Governmental Activities 2008	Governmental Activities 2007
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 217,628	\$ 204,454	\$ 196,659
Operating Grants and Contributions	65,577	64,218	64,927
Capital Grants and Contributions	3,870	4,330	86,585
Total Program Receipts	<u>287,075</u>	<u>273,002</u>	<u>348,171</u>
General Receipts:			
Property and Other Local Taxes	516,750	512,297	543,621
Income Taxes	288,384	263,773	241,254
Grants and Entitlements Not Restricted to Specific Programs	267,599	265,924	161,789
Interest	1,943	10,040	23,636
Cable Franchise Fees	9,880	16,269	8,457
Miscellaneous	22,625	39,955	25,852
Total General Receipts	<u>1,107,181</u>	<u>1,108,258</u>	<u>1,004,609</u>
Total Receipts	<u>1,394,256</u>	<u>1,381,260</u>	<u>1,352,780</u>
Disbursements:			
General Government	324,050	309,962	273,081
Security of Persons and Property	607,511	515,643	487,173
Public Health Services	-	-	-
Leisure Time Activities	166,442	86,883	74,964
Economic Development	-	-	-
Community Environment	4,637	5,302	5,709
Basic Utilities	134,962	136,850	131,670
Transportation	246,367	27,188	125,289
Capital Outlay	9,041	3,819	-
Principal Retirement	55,586	89,962	85,868
Interest and Fiscal Charges	19,458	32,239	35,669
Total Disbursements	<u>1,568,054</u>	<u>1,207,848</u>	<u>1,219,423</u>
Excess (Deficiency) Before Transfers	(173,798)	173,412	133,357
Transfers	-	-	-
Increase (Decrease) in Net Assets	<u>(173,798)</u>	<u>173,412</u>	<u>133,357</u>
Net Assets, Beginning of Year	<u>820,522</u>	<u>647,110</u>	<u>513,548</u>
Net Assets, End of Year	<u>\$ 646,724</u>	<u>\$ 820,522</u>	<u>\$ 646,905</u>

Program receipts represent approximately 21% percent of total receipts for both 2009 and 19% percent for 2008. The main reason for the \$14,073 increase in program receipts in 2009 from 2008 is due to increased collections in Mayor's Court and pool memberships

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General receipts represent approximately 79% percent of the Village's total receipts for 2009 and 81% percent in 2008. Tax receipts represent over 73% of all general receipts for the Village for 2009. During 2008 these receipts represent 71% of all revenues received by the Village. State and federal grants and entitlements make up most of the remaining balance of the Village's general receipts for both 2009 and 2008. Other receipts are very insignificant and somewhat unpredictable revenue sources.

From 2008 to 2009 expenditures increased \$360,208 from \$1,207,848 to \$1,568,054. The primary reason for the increase was increased capital work for streets (\$226,945) and pool renovations (71,383) during 2009, half of which the Village will be refunded in 2010 by the Ohio Department of Natural Resources. Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Government activities. These include the costs of the Mayor, Council and Clerk/Treasurer. Since these costs do not represent direct services to residents, we try to limit these costs.

Security of Persons and Property are the costs of police and EMS protection services, Leisure Time Activities are the costs of maintaining the parks and several fun events each year, and Transportation is the cost of maintaining streets.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general government, security of persons and property, basic utility costs, and transportation costs which account for 25%, 43%, 11% and 3% of total program expenditures for 2009, and 21% 39%, 9% and 16% of total program expenditures for 2008, respectively. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Government that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

	Governmental Activities					
	Total Cost Of Services 2007	Net Cost of Services 2007	Total Cost Of Services 2008	Net Cost of Services 2008	Total Cost Of Services 2009	Net Cost of Services 2009
Disbursements:						
General Government	\$ 273,081	\$ 272,644	\$ 309,962	\$ 309,736	\$ 324,050	\$ 322,287
Security of Persons & Property	487,173	447,953	515,643	468,218	607,511	551,818
Public Health Services	-	-	-	-	-	-
Leisure Time Activities	74,964	6,375	86,882	15,292	166,442	90,731
Economic Development	-	-	-	-	-	-
Community Environment	5,709	4,839	5,302	4,186	4,637	1,768
Basic Utilities	131,670	43,827	136,850	48,569	134,962	49,075
Transportation	125,289	(25,923)	27,188	(37,176)	246,367	181,215
Capital Outlay	-	-	3,819	3,819	9,041	9,041
Principal Retirement	85,868	85,868	89,962	89,962	55,586	55,586
Interest & Fiscal Charges	35,669	35,669	32,239	32,239	19,458	19,458
Total Disbursements	\$ 1,219,423	\$ 871,252	\$ 1,207,847	\$ 934,845	\$ 1,568,054	\$ 1,280,979

The dependence upon property and income tax receipts is apparent as a significant portion of governmental activities are supported through these general receipts.

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The Government's Funds

Total governmental funds had receipts of \$1,394,259 and \$1,381,258 for 2008 and 2009 and disbursements of \$1,207,846 and \$1,568,057 for 2008 and 2009 respectively. From 2008 to 2009 total governmental expenditures increased \$360,211 from increased construction projects (streets and pool) and an increase in costs for services in 2009. The greatest change within governmental funds occurred within the Street Construction Fund from 2008 to 2009 as the fund balance decreased \$165,584. The main reason for the decrease was the 2009 Street project that the Village paid for completely out of pocket due to decreased availability of State sponsored grant and loan programs for street construction.

General Fund Budgeting Highlights

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

The difference between final budgeted receipts and actual receipts significant for 2008 and 2009 this was due to higher than budgeted estate tax receipts for both years. Actual receipts in 2009 were \$85,417 higher than expected and 2008 actual receipts were \$18,227 higher than expected.

Final disbursements for 2009 for the General Fund were budgeted at \$1,389,438 while actual disbursements were \$1,353,389. Final disbursements for 2008 for the General Fund were budgeted at \$1,156,709 while actual disbursements were \$1,098,746.

Capital Assets and Debt Administration

Capital Assets

The Village does not currently keep track of its capital assets and infrastructure.

Debt

The Village retired general obligation bonds in the amount of \$40,000 during the audit period by making principal payments in the amount of \$20,000 for both 2009 and 2008. The Village has six remaining debt issuances from Ohio Public Works Commission. For 2009 and 2008 the Village retired \$105,546 of the remaining principal balance for Ohio Public Works Commission debt. For further information regarding the Village's debt, refer to Note 10 to the basic financial statements.

The Village currently leases a copier under a non-cancelable lease. For further information regarding the Village's capital lease, refer to Note 11 to the basic financial statements.

Current Issues

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. The Village Government relies heavily on local taxes and intergovernmental support. Although, the Village expects a slight increase in receipts for 2010, expenses in the Security of Person and Properties area within the General Fund is increasing at a greater rate for 2010. This is due in part because of the Village's volunteer EMS Department's large increase in expenditures inflicted by sources outside of the Village and its control and higher health insurance expenses for all full time employees. The Village also expects higher expenses for 2010 for the maintenance of the park lands due to issues with the North Lake in the Village.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

*Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited*

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Suzanne R. Coulter, Clerk-Treasurer, Village of Minerva Park, 2829 Minerva Lake Road, Columbus, Ohio 43231.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Statement of Net Assets - Modified Cash Basis

December 31, 2009

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 646,724
<i>Total Assets</i>	<u>646,724</u>
Net Assets	
Restricted for:	
Capital Projects	115,823
Debt Service	54,572
Other Purposes	208,818
Unrestricted	267,511
<i>Total Net Assets</i>	<u>\$ 646,724</u>

See accompanying notes to the basic financial statements.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Statement of Activities - Modified 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	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities					
Security of Persons and Property	\$ 607,511	\$ 55,268	\$ 425	\$ -	\$ (551,818)
Leisure Time Activities	166,442	75,711	-	-	(90,731)
Community Environment	4,637	2,868	-	-	(1,769)
Basic Utility Services	134,962	82,018	-	3,870	(49,074)
Transportation	246,367	-	65,152	-	(181,215)
General Government	324,050	1,763	-	-	(322,287)
Capital Outlay	9,041	-	-	-	(9,041)
Debt Service:					-
Principal	55,586	-	-	-	(55,586)
Interest	19,458	-	-	-	(19,458)
<i>Total Governmental Activities</i>	<u>1,568,054</u>	<u>217,628</u>	<u>65,577</u>	<u>3,870</u>	<u>(1,280,979)</u>
General Receipts					
Property Taxes					509,581
Municipal Income Taxes					288,384
Other Taxes					7,170
Grants and Entitlements not Restricted to Specific Programs					267,599
Other Debt Proceeds					-
Cable Franchise Fees					9,879
Earnings on Investments					1,943
Miscellaneous					22,625
<i>Total General Receipts</i>					1,107,181
Change in Net Assets					(173,798)
<i>Net Assets Beginning of Year</i>					820,522
<i>Net Assets End of Year</i>					<u>\$ 646,724</u>

See accompanying notes to the basic financial statements.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY
Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	GENERAL	STREET CONST. MAINT. REP.	STATE HIGHWAY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 267,511	\$ 103,194	\$ 68,482	\$ 207,537	\$ 646,724
<i>Total Assets</i>	<u>\$ 267,511</u>	<u>\$ 103,194</u>	<u>\$ 68,482</u>	<u>\$ 207,537</u>	<u>\$ 646,724</u>
Fund Balances					
Reserved:					
Reserved for Encumbrances	52,705	22,867		-	75,572
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	214,806	-		-	214,806
Special Revenue Funds	-	80,327	68,482	37,142	185,951
Capital Projects Funds	-	-		115,823	115,823
Debt Service Funds	-	-		54,572	54,572
<i>Total Fund Balances</i>	<u>\$ 267,511</u>	<u>\$ 103,194</u>	<u>\$ 68,482</u>	<u>\$ 207,537</u>	<u>\$ 646,724</u>

See accompanying notes to the basic financial statements.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY
Statement of Cash Receipts, Disbursements and Changes in Modified- Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	GENERAL	STREET CONST. MAINT. REP.	STATE HIGHWAY	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts					
Property and Other Local Taxes	\$ 488,504	\$ -	\$ -	\$ 28,247	\$ 516,751
Municipal Income Taxes	288,384	-	-	-	288,384
Intergovernmental	257,711	61,039	4,114	10,313	333,177
Special Assessments	-	-	-	85,888	85,888
Charges for Services	77,474	-	-	-	77,474
Fines, Licenses and Permits	66,218	-	-	1,798	68,016
Earnings on Investments	1,502	322	120	-	1,944
Miscellaneous	22,625	-	-	-	22,625
Total Receipts	1,202,418	61,361	4,234	126,246	1,394,259
Disbursements					
Current:					
Security of Persons and Property	607,511	-	-	-	607,511
Leisure Time Activities	165,809	-	-	634	166,443
Community Environment	4,637	-	-	-	4,637
Basic Utility Services	134,962	-	-	-	134,962
Transportation	25,500	220,869	-	-	246,369
General Government	314,495	-	-	9,555	324,050
Capital Outlay	-	-	-	9,041	9,041
Debt Service:					
Principal Retirement	-	4,922	-	50,664	55,586
Interest and Fiscal Charges	-	1,154	-	18,304	19,458
Total Disbursements	1,252,914	226,945	-	88,198	1,568,057
Excess of Receipts Over (Under) Disbursements	(50,496)	(165,584)	4,234	38,048	(173,798)
Other Financing Sources (Uses)					
Transfers In	9,888	-	-	5,000	14,888
Transfers Out	(5,000)	-	-	(9,888)	(14,888)
Total Other Financing Sources (Uses)	4,888	-	-	(4,888)	-
Net Change in Fund Balances	(45,608)	(165,584)	4,234	33,160	(173,798)
Fund Balances Beginning of Year (as restated)	313,119	268,778	64,248	174,377	820,522
Fund Balances End of Year	\$ 267,511	\$ 103,194	\$ 68,482	\$ 207,537	\$ 646,724

See accompanying notes to the basic financial statements.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budget Basis
 General Fund
 For the Year Ended December 31, 2009*

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 540,000	\$ 493,226	\$ 488,504	\$ (4,722)
Municipal Income Taxes	255,000	270,000	288,384	18,384
Intergovernmental	143,000	186,774	257,711	70,937
Charges for Services	75,000	77,000	77,474	474
Fines, Licenses and Permits	68,000	63,000	66,218	3,218
Earnings on Investments	5,000	2,000	1,501	(499)
Miscellaneous	25,000	25,000	22,626	(2,374)
<i>Total receipts</i>	<u>1,111,000</u>	<u>1,117,000</u>	<u>1,202,418</u>	<u>85,418</u>
Disbursements				
Current:				
Security of Persons and Property	632,022	669,481	643,252	26,229
Leisure Time Activities	121,185	171,685	169,590	2,095
Community Environment	6,000	5,755	4,753	1,002
Basic Utility Services	142,460	143,460	136,116	7,344
Transportation	35,000	28,000	25,500	2,500
General Government	386,458	366,058	326,408	39,650
<i>Total Disbursements</i>	<u>1,323,125</u>	<u>1,384,439</u>	<u>1,305,619</u>	<u>78,820</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(212,125)</u>	<u>(267,439)</u>	<u>(103,201)</u>	<u>164,238</u>
Other Financing Sources (Uses)				
Transfers In	-	9,888	9,888	-
Transfers Out	-	(5,000)	(5,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>4,888</u>	<u>4,888</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>(212,125)</u>	<u>(262,551)</u>	<u>(98,313)</u>	<u>164,238</u>
<i>Fund Balance Balance Beginning of Year</i>	299,440	299,440	299,440	-
Prior Year Encumbrances Appropriated	13,679	13,679	13,679	-
<i>Fund Balance End of Year</i>	<u>\$ 100,994</u>	<u>\$ 50,568</u>	<u>\$ 214,806</u>	<u>\$ 164,238</u>

See accompanying notes to the basic financial statements.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Statement of Receipts, Disbursements and Changes

In Fund Balance - Budget and Actual -Budget Basis

Street Construction Maintenance and Repair Fund

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 63,716	\$ 63,716	\$ 61,039	\$ (2,677)
Earnings on Investments	515	515	322	(193)
<i>Total receipts</i>	<u>64,231</u>	<u>64,231</u>	<u>61,361</u>	<u>(2,870)</u>
Disbursements				
Current:				
Transportation	15,000	243,924	243,736	188
Debt Service:				
Principal Retirement	-	4,922	4,922	-
Interest and Fiscal Charges	-	1,154	1,154	-
<i>Total Disbursements</i>	<u>15,000</u>	<u>250,000</u>	<u>249,812</u>	<u>188</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>49,231</u>	<u>(185,769)</u>	<u>(188,451)</u>	<u>(2,682)</u>
<i>Net Change in Fund Balance</i>	49,231	(185,769)	(188,451)	(2,682)
<i>Fund Balance Beginning of Year</i>	268,778	268,778	268,778	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 318,009</u>	<u>\$ 83,009</u>	<u>\$ 80,327</u>	<u>\$ (2,682)</u>

See accompanying notes to the basic financial statements.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Statement of Receipts, Disbursements and Changes

In Fund Balance - Budget and Actual -Budget Basis

State Highway Fund

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 4,200	\$ 4,635	\$ 4,114	\$ (521)
Earnings on Investments	206	206	120	(86)
<i>Total receipts</i>	<u>4,406</u>	<u>4,841</u>	<u>4,234</u>	<u>(607)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>4,406</u>	<u>4,841</u>	<u>4,234</u>	<u>(607)</u>
<i>Net Change in Fund Balance</i>	4,406	4,841	4,234	(607)
<i>Fund Balance Beginning of Year</i>	64,248	64,248	64,248	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 68,654</u>	<u>\$ 69,089</u>	<u>\$ 68,482</u>	<u>\$ (607)</u>

See accompanying notes to the basic financial statements.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Statement of Net Assets - Modified Cash Basis

Fiduciary Funds

December 31, 2009

	<u>AGENCY</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 5,276
<i>Total Assets</i>	<u>5,276</u>
Net Assets	
Deposits Held and Due to Other Governments	<u>5,276</u>
<i>Total Net Assets</i>	<u>\$ 5,276</u>

See accompanying notes to the basic financial statements.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Statement of Net Assets - Modified Cash Basis

December 31, 2008

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 820,522
<i>Total Assets</i>	<u>820,522</u>
Net Assets	
Restricted for:	
Capital Projects	115,995
Debt Service	13,275
Other Purposes	378,133
Unrestricted	313,119
<i>Total Net Assets</i>	<u>\$ 820,522</u>

See accompanying notes to the basic financial statements.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Statement of Activities - Modified 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	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities					
Security of Persons and Property	\$ 515,643	\$ 47,250	\$ 175	\$ -	\$ (468,218)
Leisure Time Activities	86,882	71,590	-	-	(15,292)
Community Environment	5,302	1,116	-	-	(4,186)
Basic Utility Services	136,850	84,272	-	4,009	(48,569)
Transportation	27,188	-	64,043	321	37,176
General Government	309,962	226	-	-	(309,736)
Capital Outlay	3,819	-	-	-	(3,819)
Debt Service:					
Principal	89,962	-	-	-	(89,962)
Interest	32,239	-	-	-	(32,239)
<i>Total Governmental Activities</i>	<u>\$ 1,207,847</u>	<u>\$ 204,454</u>	<u>\$ 64,218</u>	<u>\$ 4,330</u>	<u>\$ (934,845)</u>
		General Receipts			
		Property Taxes			493,162
		Municipal Income Taxes			263,773
		Other Taxes			19,135
		Grants and Entitlements not Restricted to Specific Programs			265,924
		Cable Franchise Fees			16,268
		Earnings on Investments			10,040
		Miscellaneous			39,955
		<i>Total General Receipts</i>			<u>1,108,257</u>
		Change in Net Assets			173,412
		<i>Net Assets Beginning of Year</i>			<u>647,110</u>
		<i>Net Assets End of Year</i>			<u>\$ 820,522</u>

See accompanying notes to the basic financial statements.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY
Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2008

	GENERAL	STREET CONST. MAINT. REP.	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 313,119	\$ 268,778	\$ 238,625	\$ 820,522
<i>Total Assets</i>	<u>313,119</u>	<u>268,778</u>	<u>238,625</u>	<u>820,522</u>
Fund Balances				
Reserved:				
Reserved for Encumbrances	13,679	-	-	13,679
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	299,440	-	-	299,440
Special Revenue Funds	-	268,778	109,355	378,133
Capital Projects Fund	-	-	115,995	115,995
Debt Service Funds	-	-	13,275	13,275
<i>Total Fund Balances</i>	<u>\$ 313,119</u>	<u>\$ 268,778</u>	<u>\$ 238,625</u>	<u>\$ 820,522</u>

See accompanying notes to the basic financial statements.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY
Statement of Cash Receipts, Disbursements and Changes in Modified-Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	GENERAL	STREET CONST. MAINT. REP.	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts				
Property and Other Local Taxes	\$ 484,263	\$ -	\$ 28,034	\$ 512,297
Municipal Income Taxes	263,773	-	-	263,773
Intergovernmental	265,925	60,307	4,232	330,464
Special Assessments	-	-	88,281	88,281
Charges for Services	71,816	-	-	71,816
Fines, Licenses and Permits	63,274	-	1,360	64,634
Earnings on Investments	8,641	1,042	355	10,038
Miscellaneous	39,955	-	-	39,955
Total Receipts	<u>1,197,647</u>	<u>61,349</u>	<u>122,262</u>	<u>1,381,258</u>
Disbursements				
Current:				
Security of Persons and Property	515,643	-	-	515,643
Leisure Time Activities	86,882	-	-	86,882
Community Environment	5,302	-	-	5,302
Basic Utility Services	136,849	-	-	136,849
Transportation	20,426	6,762	-	27,188
General Government	309,962	-	-	309,962
Capital Outlay	-	-	3,819	3,819
Debt Service:				
Principal Retirement	-	9,736	80,226	89,962
Interest and Fiscal Charges	-	2,417	29,822	32,239
Total Disbursements	<u>1,075,064</u>	<u>18,915</u>	<u>113,867</u>	<u>1,207,846</u>
Excess of Receipts Over (Under) Disbursements	<u>122,583</u>	<u>42,434</u>	<u>8,395</u>	<u>173,412</u>
Other Financing Sources (Uses)				
Transfers In	-	-	10,000	10,000
Transfers Out	(10,000)	-	-	(10,000)
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Net Change in Fund Balances	112,583	42,434	18,395	173,412
Fund Balances Beginning of Year	<u>200,536</u>	<u>226,344</u>	<u>220,230</u>	<u>647,110</u>
Fund Balances End of Year	<u>\$ 313,119</u>	<u>\$ 268,778</u>	<u>\$ 238,625</u>	<u>\$ 820,522</u>

See accompanying notes to the basic financial statements.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 490,000	\$ 482,329	\$ 484,263	\$ 1,934
Municipal Income Taxes	260,000	260,796	263,773	2,977
Intergovernmental	137,000	265,796	265,925	129
Charges for Services	53,000	74,000	71,816	(2,184)
Fines, Licenses and Permits	54,000	60,500	63,274	2,774
Earnings on Investments	22,000	8,000	8,641	641
Miscellaneous	25,000	28,000	39,955	11,955
<i>Total receipts</i>	<u>1,041,000</u>	<u>1,179,421</u>	<u>1,197,647</u>	<u>18,226</u>
Disbursements				
Current:				
Security of Persons and Property	503,721	543,433	517,619	25,814
Public Health Services	150	-	-	-
Leisure Time Activities	101,800	96,800	94,567	2,233
Community Environment	7,000	5,500	5,302	198
Basic Utility Services	142,820	142,000	136,849	5,151
Transportation	32,000	26,000	20,429	5,571
General Government	327,938	332,476	313,772	18,704
<i>Total Disbursements</i>	<u>1,115,429</u>	<u>1,146,209</u>	<u>1,088,538</u>	<u>57,671</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(74,429)</u>	<u>33,212</u>	<u>109,109</u>	<u>75,897</u>
Other Financing Sources (Uses)				
Transfers Out	-	(10,000)	(10,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(74,429)	23,212	99,109	75,897
<i>Fund Balance Beginning of Year</i>	198,172	198,172	198,172	-
Prior Year Encumbrances Appropriated	<u>2,159</u>	<u>2,159</u>	<u>2,159</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 125,902</u>	<u>\$ 223,543</u>	<u>\$ 299,440</u>	<u>\$ 75,897</u>

See accompanying notes to the basic financial statements.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Street Construction Maintenance and Repair Fund
For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>(Optional) Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 61,860	\$ 61,860	\$ 60,307	\$ (1,553)
Earnings on Investments	500	500	1,042	542
<i>Total receipts</i>	<u>62,360</u>	<u>62,360</u>	<u>61,349</u>	<u>(1,011)</u>
Disbursements				
Current:				
Transportation	110,000	2,847	6,762	(3,915)
Debt Service:				
Principal Retirement	-	9,736	9,736	-
Interest and Fiscal Charges	-	2,417	2,417	-
<i>Total Disbursements</i>	<u>110,000</u>	<u>15,000</u>	<u>18,915</u>	<u>(3,915)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(47,640)</u>	<u>47,360</u>	<u>42,434</u>	<u>(4,926)</u>
 <i>Net Change in Fund Balance</i>	 (47,640)	 47,360	 42,434	 (4,926)
<i>Fund Balance Beginning of Year</i>	226,344	226,344	226,344	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 178,704</u>	<u>\$ 273,704</u>	<u>\$ 268,778</u>	<u>\$ (4,926)</u>

See accompanying notes to the basic financial statements.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Statement of Net Assets - Modified Cash Basis

Fiduciary Funds

December 31, 2008

	<u>AGENCY</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 2,385
<i>Total Assets</i>	<u>\$ 2,385</u>
Net Assets	
Deposits held and Due to Other Governments	\$ 2,385
<i>Total Net Assets</i>	<u>\$ 2,385</u>

See accompanying notes to the basic financial statements.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 1 – Reporting Entity

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

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

A. Primary Government

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

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

B. Component Units

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

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

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

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control.

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

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a *modified* cash basis of accounting. This *modified* 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 *modified* 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 *modified* cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The following are the more significant of the Village's accounting policies.

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Fund Accounting

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

Governmental Funds

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

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

Street Construction and Maintenance Fund: This fund receives gasoline tax and motor vehicle tax money for consulting, maintaining and repairing Village Streets.

State Highway Fund: This fund receives gasoline tax money for maintaining and repairing highways located within the Village (not a major fund in 2008).

Fiduciary Funds:

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

C. Basis of Accounting

The Village's financial statements are prepared using the *modified* 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. The only modification to the cash basis of accounting is that the Village reports investments at fair value.

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

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies (Continued)

D. Budgetary Process

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

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

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

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

E. Cash and Investments

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

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

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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2009 and 2008.

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 2008 was \$8,641, and during 2009 was \$1,502.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies (Continued)

F. Restricted Assets

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

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Interfund Receivables/Payables

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

J. Employer Contributions to Cost-Sharing Pension Plans

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

K. Long-Term Obligations

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

L. Net Assets

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

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

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies (Continued)

M. Interfund Transactions

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

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is (*and any major special revenue fund are*) prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the *modified* cash basis is (are) outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (*modified* cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (*modified* cash basis)). The encumbrances outstanding at year end (budgetary basis) amounted to 2008, \$13,678.98 for the general fund, and \$0 for all other funds. For 2009, encumbrances were \$52,704.86 (Police Car and Legal Services made up most of the encumbrances total) for the General Fund, and \$22,866.56 for the Street Construction and Maintenance Fund (for street repair) and \$0 for all other funds.

Note 4 – Deposits and Investments

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

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

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

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

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

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

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 4 - Deposits and Investments (Continued)

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

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2009 and December 31, 2008, \$323,970 and \$566,302 of the Village's bank balance of \$573,970 and \$816,302, respectively, was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name. At December 31, 2009 and December 31, 2008, the Village had a book balance of \$554,954 and \$726,128, respectively.

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.

Investments

As of December 31, 2009 and 2008, the Village had \$97,046 and \$96,779, respectively, invested in STAROhio, which had a maturity of less than three months.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 4 - Deposits and Investments (Continued)

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the Village's investment policy limits investment portfolio maturities to one year or less.

Credit Risk: STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service.

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

Note 5 – Income Taxes

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

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

Note 6 – Property Taxes.

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2009 represent the collection of 2008 taxes. Real property taxes received in 2009 were levied after October 1, 2008, on the assessed values as of January 1, 2008, 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 tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. Public utility property taxes, attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes.

Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes.

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

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 7 – Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2008 and 2009, the Village's insurance coverage was as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>
Selective Insurance	Commercial Property	\$1,276,030
	General Liability	1,000,000
	Commercial Crime	
	Vehicle	1,000,000
	Errors and Omissions	
	Public Officials	1,000,000
	Umbrella	54,000,000

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

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

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

Note 8 – Defined Benefit Pension Plans

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

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

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2009, member and employer contribution rates were consistent across all three plans (TP, MD and CO).

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 8 – Defined Benefit Pension Plans (Continued)

Separate divisions for law enforcement and public safety exist only within the Traditional Plan. The 2008 member contribution rate for Village employees was 10.00% of covered payroll. The 2009 employer contribution rate for the Village was 14.00% of covered payroll. The Village's required contributions to OPERS for the years ended December 31, 2009, 2008, and 2007 were \$45,093, \$38,255, and \$18,703 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 by Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.00 percent of their annual covered salary, while employers are required to contribute 19.50% and 24% respectively for police officers and firefighters. The Village's contributions to OP&F for the years ending December 31, 2009, 2008, and 2007 were \$66,668, \$70,980, and \$44,668, respectively. The full amount has been contributed for 2009, 2008, and 2007.

Note 9 - Post employment 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 Post employment 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 local government employer contribution rate was 14% of covered payroll. The portion of employer contributions allocated to health care was 7% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009.

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 8.00 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 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between .5 and 6.00 percent annually for the next nine years and 4.00 percent annually after eight years.

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.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 9 - Post employment Benefits (Continued)

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

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

In order to qualify for post-retirement health care coverage, age and service retirees must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the Retirement System is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 45.

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

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

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care was 7.00% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The Village's contributions to OPERS for post-employment benefits for the years ending December 31, 2009, 2008, and 2007 were \$18,939 \$16,067, and \$7,427, respectively. The full amount has been contributed for 2009, 2008, and 2007.

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

B. Ohio Police and Fire Pension Fund

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

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

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

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

B. Ohio Police and Fire Pension Fund (Continued)

amend benefits are codified in Chapter 742 of the Ohio Revised Code.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The Village's contributions to OP&F for the years ending December 31, 2009, 2008, and 2007 were \$629,638, \$595,985 and \$574,073, respectively, of which \$23,067, \$24,559 and \$17,733, respectively, was allocated to the healthcare plan.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 10 - Debt

A summary of long-term debt follows:

	Interest Rate	Balance December 31, 2007	Additions	Reductions	Balance December 31, 2009	Due Within One Year
Waterline Replacement Phase I-OPWC	0.0%	\$ 45,593	\$ -	\$ 17,098	\$ 28,496	\$11,399
Waterline Replacement Phase II-OPWC	3.0%	115,363		19,591	95,772	13,555
Waterline Replacement Phase III-OPWC	3.0%	292,631		25,843	266,788	17,882
Waterline Replacement Phase IV-OPWC	3.0%	335,230	-	28,357	306,873	19,331
Lake Restoration Bond - General Obligation Bond	4.8%	185,000	-	40,000	145,000	20,000
Street Paving Project Loan - OPWC	1.0%	91,071	-	7,673	83,398	5,180
Minerva Lake Road Reconstruction- OPWC	2.0%	77,096	-	6,984	70,112	4,733
Total		\$1,141,984	\$ -	\$145,546	\$996,439	\$92,080

The Waterline Replacement loans from the Ohio Public Works Commission (OPWC) relate to construction of waterlines within the Village. The OPWC initially approved \$1,506,614.92 in loans to the Village for these projects. The loans are being repaid in semi annual installments, including interest over 20 years.

The Village's Lake Restoration Bond was a voter approved \$365,000.00 general obligation bond to be used for the dredging and beautification of the Village's South Lake. The loans will be repaid in annual installments, including interest, over a 17 year period.

The Minerva Lake Road loan from OPWC relates to road restoration for Minerva Lake Road. The OPWC loan was originally approved at \$83,874 in loans to the Village for this project. The loan is being repaid in semi-annual installments, including interest, over a 16 year period.

The 2006 Street Paving Project loan from OPWC relates to several areas of reconstruction of roads in Minerva Park, mainly on Wildwood Road, and Woodley. The OPWC loan was originally approved at \$93,604.34 for this project during 2007. The loan is being repaid in semi-annual installments, including interest, over a 17 year period.

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 10 – Debt (Continued)

The following is a summary of the Village's future annual debt service requirements as of December 31, 2009:

OPWC		General Obligation Bonds	
Year	Payment	Year	Payment
2010	\$ 94,312	2010	\$ 26,960
2011	94,312	2011	31,000
2012	88,613	2012	29,800
2013	82,914	2013	28,600
2014	82,914	2014	27,400
2015-2019	358,424	2015-2019	26,200
2020-2024	198,883	2020-2024	-
Total Payments	1,000,372	Total Payments	169,960
Less: Interest	148,933	Less: Interest	24,960
Present Value	<u>\$ 851,439</u>	Present Value	<u>\$ 145,000</u>

Note 11 –Leases

The Village leases a copier under non-cancelable leases. The Village disbursed \$3,168 to pay lease costs for the year ended December 31, 2009. Future lease payments are as follows:

2010	3,168
2011	3,168
2012	3,168
2013	3,168
2014	3,168

Note 12 – Interfund Transfers

During 2008 the following transfers were made:

Transfers from the General Fund to:	
EMS Vehicle Fund	\$10,000
Total Transfers from the General Fund	<u>\$10,000</u>

During 2009 the following transfers were made:

Transfers from the General Fund to:	
EMS Vehicle Fund	\$5,000.
Total Transfers from the General Fund	<u>\$5,000.</u>
Transfers from the FEMA Fund to:	
General Fund	\$9,888
Total Transfers from the FEMA Fund	<u>\$9,888</u>

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 12 – Interfund Transfers (Continued)

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

The 2009 transfer to the General Fund was used to reimburse that fund for costs incurred during the September 2008 wind storm.

The 2008 and 2009 transfers to the EMS Vehicle were unused capital from the EMS area of the General Fund set aside for the future purchase of a new EMS vehicle.

Note 13 – Joint Ventures

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

Note 14 – Change in Major Funds

As of January 1, 2009, the Village reclassified a previously non-major fund, State Highway, as a major fund. The effect on fund balance was as follows:

	State Highway Fund		Other Governmental Funds
Fund Balance, December 31, 2008	\$	-	\$ 238,625
Adjustment: Fund Reclassification		64,248	(64,248)
Fund Balance, January 1, 2009	<u>\$</u>	<u>64,248</u>	<u>\$ 174,377</u>

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

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

To the Village Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Minerva Park, Franklin County, Ohio (the "Village") as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 1, 2010, in which we describe that the financial statements and notes follow the modified cash accounting basis, which is a comprehensive basis other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies, resulting in more than a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Village of Minerva Park
Independent Accountants' Report on Internal Control
Over Financial Reporting and on Compliance and
Other Matters Required by *Government Auditing Standards*
Page 2

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 1, 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.

A handwritten signature in black ink that reads "Kennedy Cottrell Richards LLC". The signature is written in a cursive, flowing style.

Kennedy Cottrell Richards LLC
June 1, 2010

VILLAGE OF MINERVA PARK, FRANKLIN COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008

<u>Finding Number</u>	<u>Fully Corrected?</u>	<u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</u>
2007-01	Yes	N/A
2007-02	Yes	N/A



Mary Taylor, CPA
Auditor of State

VILLAGE OF MINERVA PARK

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 1, 2010