
ALGER & ASSOCIATES, Inc.



PROFESSIONAL FINANCIAL AND COMPLIANCE AUDIT SERVICES

VILLAGE OF MINERVA

STARK COUNTY

REGULAR AUDIT

A&A

For the Years Ended

December 31, 2018 -2017

6927 Burgundy Ave NW
North Canton, OH 44720
Phone (330) 353-5851
Fax (330) 768-7574

OHIO AUDITOR OF STATE KEITH FABER



Members of Council
Village of Minerva
209 N. Market Street
Minerva, OH 44657

We have reviewed the *Independent Auditor's Report* of the Village of Minerva, Stark County, prepared by Alger & Associates, Inc., for the audit period January 1, 2017 through December 31, 2018. 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.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

April 22, 2019

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**VILLAGE OF MINERVA
STARK COUNTY**

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ALGER & ASSOCIATES, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Minerva, Stark County, Ohio (the Village) as of and for the years ended December 31, 2018 and 2017.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

6927 Burgundy Ave NW
North Canton, OH 44720
Phone – 330-353-5851
Fax – 330-768-7574

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

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2018 and 2017, and the respective changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Minerva, Stark County, as of December 31, 2018 and 2017, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2019, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

**Alger and
Assoicates Inc**
Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio

Digitally signed by Alger and
Assoicates Inc
DN: cn=Alger and Assoicates Inc,
o=Alger and Assoicates Inc, ou,
email=ksalger46@att.net, c=US
Date: 2019.04.10 15:45:48 -04'00'

April 2, 2019

Village of Minerva, Ohio
Stark County
Combined Statement of Receipts, Disbursements and Changes in Fund
Balances - (Cash Basis) All Governmental Fund Types
For the Year Ended December 31, 2018

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts				
Property and Other Local Taxes	\$126,376	\$106,259	\$0	\$232,635
Municipal Income Taxes	2,904,700	0	0	2,904,700
Intergovernmental	108,389	214,474	30,075	352,938
Charges for Services	27,249	17,494	0	44,743
Fines, Licenses and Permits	80,265	5,090	0	85,355
Earnings on Investments	29,525	12,090	13,343	54,958
Miscellaneous	1,843	3,461	0	5,304
<i>Total Cash Receipts</i>	<u>3,278,347</u>	<u>358,868</u>	<u>43,418</u>	<u>3,680,633</u>
Cash Disbursements				
Current:				
Security of Persons and Property	1,372,152	1,353	0	1,373,505
Public Health Services	19,996	41,259	0	61,255
Leisure Time Activities	0	116,704	0	116,704
Community Environment	92,012	0	0	92,012
Basic Utility Services	46,191	0	0	46,191
Transportation	0	554,722	0	554,722
General Government	891,379	2,698	0	894,077
Capital Outlay	74,282	181,205	445,837	701,324
Debt Service:				
Redemption of Principal	0	0	8,806	8,806
<i>Total Cash Disbursements</i>	<u>2,496,012</u>	<u>897,941</u>	<u>454,643</u>	<u>3,848,596</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>782,335</u>	<u>(539,073)</u>	<u>(411,225)</u>	<u>(167,963)</u>
Other Financing Receipts (Disbursements)				
Transfers In	0	462,460	230,730	693,190
Transfers Out	(693,190)	0	0	(693,190)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(693,190)</u>	<u>462,460</u>	<u>230,730</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	89,145	(76,613)	(180,495)	(167,963)
<i>Fund Cash Balances , January 1</i>	<u>3,286,332</u>	<u>1,095,741</u>	<u>585,255</u>	<u>4,967,328</u>
Fund Cash Balances , December 31				
Restricted	0	1,019,128	404,760	1,423,888
Committed	135,646	0	0	135,646
Assigned	391,929	0	0	391,929
Unassigned	2,847,902	0	0	2,847,902
<i>Fund Cash Balances , December 31</i>	<u>\$3,375,477</u>	<u>\$1,019,128</u>	<u>\$404,760</u>	<u>\$4,799,365</u>

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

Village of Minerva, Ohio
Stark County
**Combined Statement of Receipts, Disbursements and Changes in
Fund Balance (Cash Basis) - All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2018**

	Proprietary Fund Types		Fiduciary Fund	Totals
	Enterprise	Internal Service	Agency	(Memorandum Only)
Operating Cash Receipts				
Charges for Services	\$1,013,621	\$682,000	\$0	\$1,695,621
Fines, Licenses and Permits	7,110	0	0	7,110
Earnings on Investments (trust funds only)	0	3,049	0	3,049
Miscellaneous	552	0	0	552
<i>Total Operating Cash Receipts</i>	<u>1,021,283</u>	<u>685,049</u>	<u>0</u>	<u>1,706,332</u>
Operating Cash Disbursements				
Personal Services	563,160	0	0	563,160
Contractual Services	243,451	0	0	243,451
Supplies and Materials	147,019	0	0	147,019
Claims	0	677,890	0	677,890
<i>Total Operating Cash Disbursements</i>	<u>953,630</u>	<u>677,890</u>	<u>0</u>	<u>1,631,520</u>
<i>Operating Income (Loss)</i>	<u>67,653</u>	<u>7,159</u>	<u>0</u>	<u>74,812</u>
Non-Operating Receipts (Disbursements)				
Municipal Income Taxes	381,439	0	0	381,439
Intergovernmental	3,542	0	0	3,542
Mayor's Court Fines and Fees	0	0	64,451	64,451
Earnings on Investments	4,881	0	0	4,881
Distribution of Fines and Fees	0	0	(64,451)	(64,451)
Capital Outlay	(71,288)	0	0	(71,288)
Principal Retirement	(38,065)	0	0	(38,065)
Interest and Other Fiscal Charges	(3,866)	0	0	(3,866)
<i>Total Non-Operating Cash Receipts (Disbursements)</i>	<u>276,643</u>	<u>0</u>	<u>0</u>	<u>276,643</u>
<i>Net Change in Fund Cash Balances</i>	344,296	7,159	0	351,455
<i>Fund Cash Balances, January 1</i>	<u>602,451</u>	<u>326,261</u>	<u>2,991</u>	<u>931,703</u>
<i>Fund Cash Balances, December 31</i>	<u>\$946,747</u>	<u>\$333,420</u>	<u>\$2,991</u>	<u>\$1,283,158</u>

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

Village of Minerva, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 - Reporting Entity

The Village of Minerva (the Village), Stark County, is a body politic and corporate established to exercise 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, a publicly-elected four-member Council, plus the Mayor, directs the Village. The Charter concentrates actual administration in a Municipal Administrator who is appointed by, and at time is responsible to, the Council. The Village provides water and sewer utilities, street maintenance, a swimming pool, and police services. The Village contracts with Sandy Creek Fire District to receive fire protection and ambulance services.

The Village participates in several jointly governed organizations, including the Stark Council of Governments (SCOG), Stark Regional Planning Commission and the Carroll County Regional Planning Commission. Note 10 to the financial statements provides additional information for these entities.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses funds 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. The funds of the Village are presented below:

General Fund The general fund (which includes the Income Tax Fund for financial reporting purposes) accounts for and reports all financial resources not accounted for and reported 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.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Fund:

Street Construction Maintenance and Repair Fund The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repairing of streets within the Village.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project fund:

Village of Minerva, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies *(continued)*

Capital Improvement Fund – This fund receives local income taxes and state grants to provide for new equipment and capital improvements within the Village.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund This fund receives charges for services from residents to cover water service costs.

Sewer Fund This fund receives charges for services from residents to cover sewer service costs.

Internal Service Fund This fund accounts for services provided by one department to other departments of the government unit. The Village had the following Internal Service Fund:

Self-funded Insurance Medical Fund – The self-funded insurance medical fund accounts for insurance premium payments from other funds to pay medical claims of employees enrolled in the health insurance plan.

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds 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. The Village had no trust funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for fines, bonds and costs received that were assessed by the Village Mayor's Court and disburses these amounts to the State, Village or the payee.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

Village of Minerva, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies *(continued)*

Budgetary Process *(continued)*

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2018 budgetary activity appears in Note 3.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as ***nonspendable*** when legally or contractually required to maintain the amounts intact.

Village of Minerva, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies *(continued)*

Fund Balance *(continued)*

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

Fund Type	2018 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$3,222,100	\$3,278,347	\$56,247
Special Revenue	834,610	821,328	(13,282)
Capital Projects	260,805	274,148	13,343
Enterprise	1,675,800	1,411,145	(264,655)
Internal Service	682,500	685,049	2,549
Fiduciary	80,000	64,451	(15,549)
Total	<u>\$6,755,815</u>	<u>\$6,534,468</u>	<u>(\$221,347)</u>

Village of Minerva, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 3 - Budgetary Activity *(continued)*

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,201,836	\$3,189,900	\$1,011,936
Special Revenue	1,071,044	897,942	173,102
Capital Projects	521,731	470,826	50,905
Enterprise	1,307,994	1,072,949	235,045
Internal Service	705,000	699,890	5,110
Total	\$7,807,605	\$6,331,507	\$1,476,098

Note 4 – Deposits and Investments

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The bank balances at December 31, 2018 was as follows:

	2018
Demand deposits	\$1,035,613
Certificates of deposit	908,740
Total deposits	1,944,353
STAR Ohio	400,345
STAR Ohio Plus	2,011,225
Money Markets	1,726,600
Total investments	4,138,170
Total deposits and investments	\$6,082,523

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments The Village's financial institution transfers securities to the Village's agent to collateralize repurchase agreements. The securities are not in the Village's name.

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

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Village of Minerva, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 5 – Taxes *(continued)*

Property Taxes *(continued)*

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

Income Taxes

The Village levies a municipal income tax of 1.75 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 of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 - Risk Management

Commercial Insurance

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; and
- Crime.

Self-Insurance

The Village was a member of the Jefferson Health Plan during the 2018 and 2017 years. The self-insurance plan is a risk-sharing, claims servicing, and insurance purchasing pool, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the Village's behalf. The plan offers medical and prescription drug coverage on a self-insured basis, as well as the opportunity to participate in the group purchasing of life insurance coverage. The Village's Self Insurance Fund recovers the costs of this plan by charging the other funds based on an actuarially determined cost per employee. The Self Insurance Fund's cash and investments at December 31, 2018 is as follows:

	<u>2018</u>
Cash and investments	\$333,420

Village of Minerva, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants’ gross salaries. The Village has paid all contributions required through December 31, 2018.

Ohio Police and Fire Retirement System

The Village’s full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages from for 2018. The Village contributed to OP&F an amount equal to 19.5% of full-time police members’ wages. The Village has paid all contributions required through December 31, 2018.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission (CS04K)	\$126,667	0%
Ohio Public Works Commission (CT78F)	37,773	0%
Ohio Public Works Commission (CT73K)	133,211	0%
Ohio Public Works Commission (CS09Q)	80,000	0%
Ohio Public Works Commission (CS110)	15,363	0%
Ohio Public Works Commission (CT83R)	23,760	0%
Ohio Water Development Authority Loan (6617) *	606,956	1%
Total	\$1,023,730	

* Ohio Water Development Authority adjusted the OWDA loan #6617 in 2018 down by \$5,135.

Village of Minerva, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 9 – Debt *(continued)*

The Ohio Public Works Commission (OPWC) Loan #CS04K is for the Market Street reconstruction project. The loan was approved in the amount of \$200,000 and the Village will repay the loan in semiannual installments of \$3,333 over a period of thirty years.

The Ohio Public Works Commission (OPWC) Loan #CT78F is for the water plant improvement project. The loan was approved in the amount of \$88,877 and the Village will repay the loan in semiannual installments of \$2,222 over a period of twenty years.

The Ohio Public Works Commission (OPWC) Loan #CT73K is for the water line replacement project. The loan was approved in the amount of \$210,333 and the Village will repay the loan in semiannual installments of \$3,505 over a period of thirty years.

The Ohio Public Works Commission (OPWC) Loan #CS09Q is for the waste water treatment plant headworks project. The loan was approved in the amount of \$100,000 and the Village will repay the loan in semiannual installments of \$2,500 over a period of twenty years.

The Ohio Public Works Commission (OPWC) Loan #CS110 is for the Jackson Street storm sewer and road construction project. The loan was approved in the amount of \$21,190.40 and the Village will repay the loan in semiannual installments of \$529.76 over a period of twenty years.

The Ohio Public Works Commission (OPWC) Loan #CT83R is for the Jackson Street storm sewer and road reconstruction project, Phase II. The loan was approved in the amount of \$27,000 and the Village will repay the loan in semiannual installments of \$540.00 over a period of 25 years.

The Ohio Water Development Authority (OWDA) Loan #6617 relates to WWTP influent upgrade. The OWDA approved a loan in the amount of 631,860.60 to the Village for this project. The amortization schedule is not available. OWDA will release the schedule when the loan is finalized. The loan is collateralized by sewer receipts. The village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Amortization of the above debt is scheduled as follows:

Year ending	OPWC	OPWC	OPWC	OPWC	OPWC	OPWC	OWDA
December 31:	CS04K	CT78F	CT73K	CS09Q	CS110	CT83R	6617
2019	\$6,667	\$4,444	\$7,011	\$5,000	\$1,060	\$1,080	\$50,953
2020	6,667	4,444	7,011	5,000	1,060	1,080	50,953
2021	6,667	4,444	7,011	5,000	1,060	1,080	50,953
2022	6,667	4,444	7,011	5,000	1,060	1,080	50,953
2023	6,667	4,444	7,011	5,000	1,060	1,080	50,953
2024-2028	33,335	15,553	35,055	25,000	5,300	5,400	254,765
2029-2033	33,335	0	35,055	25,000	4,763	5,400	205,686
2034-2038	26,662	0	28,046	5,000	0	5,400	0
2039-2043	0	0	0	0	0	2,160	0
Total	<u>\$126,667</u>	<u>\$37,773</u>	<u>\$133,211</u>	<u>\$80,000</u>	<u>\$15,363</u>	<u>\$23,760</u>	<u>\$715,216</u>

Village of Minerva, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 10 – Jointly Governed Organizations

The Stark Council of Governments (SCOG) is a jointly governed organization. The SCOG is a regional council of governments formed under chapter 167 of the Ohio Revised Code. The SCOG's functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and Canton Crime Lab. The 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 its 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 nor is it experiencing fiscal stress, which would cause additional financial benefit or burden to the Village. Complete financial statements may be obtained from the SCOG at P.O. Box 21451, Canton, Ohio 44701-1451.

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 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 shares in the financial responsibility for any of the Commission's liabilities. Complete financial statements may be obtained from the Stark County Regional Planning Commission, Canton, Ohio.

The Village also 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 physical environment of Carroll 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 shares in the 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.

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Village of Minerva, Ohio
Stark County
Combined Statement of Receipts, Disbursements and Changes in Fund
Balances - (Cash Basis) All Governmental Fund Types
For the Year Ended December 31, 2017

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts				
Property and Other Local Taxes	\$137,432	\$184,526	\$0	\$321,958
Municipal Income Taxes	2,711,835	0	0	2,711,835
Intergovernmental	117,985	206,864	0	324,849
Charges for Services	24,337	37,378	0	61,715
Fines, Licenses and Permits	89,029	5,696	0	94,725
Earnings on Investments	8,465	2,330	1,588	12,383
Miscellaneous	26,497	107,408	40,572	174,477
<i>Total Cash Receipts</i>	<u>3,115,580</u>	<u>544,202</u>	<u>42,160</u>	<u>3,701,942</u>
Cash Disbursements				
Current:				
Security of Persons and Property	1,396,250	73,820	0	1,470,070
Public Health Services	19,195	32,924	0	52,119
Leisure Time Activities	0	150,033	0	150,033
Community Environment	25,253	0	0	25,253
Basic Utility Services	45,923	0	0	45,923
Transportation	0	519,003	0	519,003
General Government	460,889	2,728	0	463,617
Capital Outlay	20,872	159,896	561,006	741,774
Debt Service:				
Redemption of Principal	46,885	0	8,806	55,691
Interest and Other Fiscal Charges	4,081	0	0	4,081
<i>Total Cash Disbursements</i>	<u>2,019,348</u>	<u>938,404</u>	<u>569,812</u>	<u>3,527,564</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,096,232</u>	<u>(394,202)</u>	<u>(527,652)</u>	<u>174,378</u>
Other Financing Receipts (Disbursements)				
Sale of Fixed Assets	3,886	0	0	3,886
Transfers In	0	695,771	468,828	1,164,599
Transfers Out	(1,164,599)	0	0	(1,164,599)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,160,713)</u>	<u>695,771</u>	<u>468,828</u>	<u>3,886</u>
<i>Net Change in Fund Cash Balances</i>	<u>(64,481)</u>	<u>301,569</u>	<u>(58,824)</u>	<u>178,264</u>
<i>Fund Cash Balances , January 1</i>	<u>3,350,813</u>	<u>794,172</u>	<u>644,079</u>	<u>4,789,064</u>
Fund Cash Balances , December 31				
Restricted	0	1,095,741	585,255	1,680,996
Committed	90,736	0	0	90,736
Assigned	818,326	0	0	818,326
Unassigned	2,377,270	0	0	2,377,270
<i>Fund Cash Balances , December 31</i>	<u>\$3,286,332</u>	<u>\$1,095,741</u>	<u>\$585,255</u>	<u>\$4,967,328</u>

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

Village of Minerva, Ohio
Stark County
Combined Statement of Receipts, Disbursements and Changes in
Fund Balance (Cash Basis) - All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2017

	Proprietary Fund Types		Fiduciary Fund	Totals
	Enterprise	Internal Service	Agency	(Memorandum Only)
Operating Cash Receipts				
Charges for Services	\$916,306	\$607,500	\$0	\$1,523,806
Fines, Licenses and Permits	3,959	0	0	3,959
Miscellaneous	25,949	106	0	26,055
<i>Total Operating Cash Receipts</i>	<u>946,214</u>	<u>607,606</u>	<u>0</u>	<u>1,553,820</u>
Operating Cash Disbursements				
Personal Services	477,440	0	0	477,440
Contractual Services	444,386	0	0	444,386
Supplies and Materials	118,500	0	0	118,500
Claims	0	656,893	0	656,893
<i>Total Operating Cash Disbursements</i>	<u>1,040,326</u>	<u>656,893</u>	<u>0</u>	<u>1,697,219</u>
<i>Operating Income (Loss)</i>	<u>(94,112)</u>	<u>(49,287)</u>	<u>0</u>	<u>(143,399)</u>
Non-Operating Receipts (Disbursements)				
Municipal Income Taxes	280,753	0	0	280,753
Intergovernmental	2,774	0	0	2,774
Mayor's Court Fines and Fees	0	0	72,439	72,439
Earnings on Investments	585	309	0	894
Distribution of Fines and Fees	0	0	(72,439)	(72,439)
Capital Outlay	(116,331)	0	0	(116,331)
Principal Retirement	(12,469)	0	0	(12,469)
Interest and Other Fiscal Charges	(3,974)	0	0	(3,974)
<i>Total Non-Operating Cash Receipts (Disbursements)</i>	<u>151,338</u>	<u>309</u>	<u>0</u>	<u>151,647</u>
<i>Net Change in Fund Cash Balances</i>	<u>57,226</u>	<u>(48,978)</u>	<u>0</u>	<u>8,248</u>
<i>Fund Cash Balances, January 1</i>	<u>545,225</u>	<u>375,239</u>	<u>2,991</u>	<u>923,455</u>
<i>Fund Cash Balances, December 31</i>	<u>\$602,451</u>	<u>\$326,261</u>	<u>\$2,991</u>	<u>\$931,703</u>

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

Village of Minerva, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 - Reporting Entity

The Village of Minerva (the Village), Stark County, is a body politic and corporate established to exercise 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, a publicly-elected four-member Council, plus the Mayor, directs the Village. The Charter concentrates actual administration in a Municipal Administrator who is appointed by, and at time is responsible to, the Council. The Village provides water and sewer utilities, street maintenance, a swimming pool, and police services. The Village contracts with Sandy Creek Fire District to receive fire protection and ambulance services.

The Village participates in several jointly governed organizations, including the Stark Council of Governments (SCOG), Stark Regional Planning Commission and the Carroll County Regional Planning Commission. Note 10 to the financial statements provides additional information for these entities.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses funds 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. The funds of the Village are presented below:

General Fund The general fund (which includes the Income Tax Fund for financial reporting purposes) accounts for and reports all financial resources not accounted for and reported 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.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Fund:

Street Construction Maintenance and Repair Fund The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repairing of streets within the Village.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project fund:

Village of Minerva, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies *(continued)*

Capital Improvement Fund – This fund receives local income taxes and state grants to provide for new equipment and capital improvements within the Village.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund This fund receives charges for services from residents to cover water service costs.

Sewer Fund This fund receives charges for services from residents to cover sewer service costs.

Internal Service Fund This fund accounts for services provided by one department to other departments of the government unit. The Village had the following Internal Service Fund:

Self-funded Insurance Medical Fund – The self-funded insurance medical fund accounts for insurance premium payments from other funds to pay medical claims of employees enrolled in the health insurance plan.

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds 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. The Village had no trust funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for fines, bonds and costs received that were assessed by the Village Mayor's Court and disburses these amounts to the State, Village or the payee.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

Village of Minerva, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies *(continued)*

Budgetary Process *(continued)*

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2017 budgetary activity appears in Note 3.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as ***nonspendable*** when legally or contractually required to maintain the amounts intact.

Village of Minerva, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies *(continued)*

Fund Balance *(continued)*

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,972,350	\$3,119,466	\$147,116
Special Revenue	929,060	1,239,973	310,913
Capital Projects	316,920	510,988	194,068
Enterprise	1,916,800	1,230,326	(686,474)
Internal Service	608,000	607,915	(85)
Fiduciary	85,000	72,349	(12,651)
Total	\$6,828,130	\$6,781,017	(\$47,113)

Village of Minerva, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 3 - Budgetary Activity *(continued)*

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,790,007	\$3,597,776	\$1,192,231
Special Revenue	1,203,500	1,032,198	171,302
Capital Projects	781,398	604,542	176,856
Enterprise	1,270,138	1,192,894	77,244
Internal Service	718,148	679,393	38,755
Total	\$8,763,191	\$7,106,803	\$1,656,388

Note 4 – Deposits and Investments

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The bank balances at December 31, 2017 was as follows:

	2017
Demand deposits	\$1,279,641
Certificates of deposit	908,740
Total deposits	2,188,381
STAR Ohio	286
Money Markets	3,710,364
Total investments	3,710,650
Total deposits and investments	\$5,899,031

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments The Village's financial institution transfers securities to the Village's agent to collateralize repurchase agreements. The securities are not in the Village's name.

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

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Village of Minerva, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 5 – Taxes *(continued)*

Property Taxes *(continued)*

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

Income Taxes

The Village levies a municipal income tax of 1.75 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 of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 - Risk Management

Commercial Insurance

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; and
- Crime.

Self-Insurance

The Village was a member of the Jefferson Health Plan during the 2017 and 2016 years. The self-insurance plan is a risk-sharing, claims servicing, and insurance purchasing pool, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the Village's behalf. The plan offers medical and prescription drug coverage on a self-insured basis, as well as the opportunity to participate in the group purchasing of life insurance coverage. The Village's Self Insurance Fund recovers the costs of this plan by charging the other funds based on an actuarially determined cost per employee. The Self Insurance Fund's cash and investments at December 31, 2017 is as follows:

	<u>2017</u>
Cash and investments	\$326,261

Village of Minerva, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants’ gross salaries. The Village has paid all contributions required through December 31, 2017.

Ohio Police and Fire Retirement System

The Village’s full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages from for 2017. The Village contributed to OP&F an amount equal to 19.5% of full-time police members’ wages. The Village has paid all contributions required through December 31, 2017.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2017 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission (CS04K)	\$133,333	0%
Ohio Public Works Commission (CT78F)	42,217	0%
Ohio Public Works Commission (CT73K)	140,222	0%
Ohio Public Works Commission (CS09Q)	85,000	0%
Ohio Public Works Commission (CS110)	16,423	0%
Ohio Public Works Commission (CT83R)	24,840	0%
Ohio Water Development Authority Loan (6617)	633,701	1%
Total	<u>\$1,075,736</u>	

Village of Minerva, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 9 – Debt *(continued)*

The Ohio Public Works Commission (OPWC) Loan #CS04K is for the Market Street reconstruction project. The loan was approved in the amount of \$200,000 and the Village will repay the loan in semiannual installments of \$3,333 over a period of thirty years.

The Ohio Public Works Commission (OPWC) Loan #CT78F is for the water plant improvement project. The loan was approved in the amount of \$88,877 and the Village will repay the loan in semiannual installments of \$2,222 over a period of twenty years.

The Ohio Public Works Commission (OPWC) Loan #CT73K is for the water line replacement project. The loan was approved in the amount of \$210,333 and the Village will repay the loan in semiannual installments of \$3,505 over a period of thirty years.

The Ohio Public Works Commission (OPWC) Loan #CS09Q is for the waste water treatment plant headworks project. The loan was approved in the amount of \$100,000 and the Village will repay the loan in semiannual installments of \$2,500 over a period of twenty years.

The Ohio Public Works Commission (OPWC) Loan #CS110 is for the Jackson Street storm sewer and road construction project. The loan was approved in the amount of \$21,190.40 and the Village will repay the loan in semiannual installments of \$529.76 over a period of twenty years.

The Ohio Public Works Commission (OPWC) Loan #CT83R is for the Jackson Street storm sewer and road reconstruction project, Phase II. The loan was approved in the amount of \$27,000 and the Village will repay the loan in semiannual installments of \$540.00 over a period of 25 years.

The Ohio Water Development Authority (OWDA) Loan #6617 relates to WWTP influent upgrade. The OWDA approved a loan in the amount of 631,860.60 to the Village for this project. The amortization schedule is not available. OWDA will release the schedule when the loan is finalized. The loan is collateralized by sewer receipts. The village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Amortization of the above debt is scheduled as follows:

Year ending	OPWC	OPWC	OPWC	OPWC	OPWC	OPWC	OWDA
December 31:	CS04K	CT78F	CT73K	CS09Q	CS110	CT83R	6617
2018	6,667	4,444	7,011	5,000	1,060	1,080	51,000
2019	6,667	4,444	7,011	5,000	1,060	1,080	51,000
2020	6,667	4,444	7,011	5,000	1,060	1,080	51,000
2021	6,667	4,444	7,011	5,000	1,060	1,080	51,000
2022	6,667	4,444	7,011	5,000	1,060	1,080	51,000
2023-2027	33,335	19,997	35,055	25,000	5,300	5,400	255,000
2028-2032	33,335	0	35,055	25,000	5,300	5,400	123,701
2033-2037	33,328	0	35,057	10,000	523	5,400	0
2038-2048	0	0	0	0	0	3,240	0
Total	\$133,333	\$42,217	\$140,222	\$85,000	\$16,423	\$24,840	\$633,701

Village of Minerva, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 10 – Jointly Governed Organizations

The Stark Council of Governments (SCOG) is a jointly governed organization. The SCOG is a regional council of governments formed under chapter 167 of the Ohio Revised Code. The SCOG's functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and Canton Crime Lab. The 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 its 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 nor is it experiencing fiscal stress, which would cause additional financial benefit or burden to the Village. Complete financial statements may be obtained from the SCOG at P.O. Box 21451, Canton, Ohio 44701-1451.

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 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 shares in the financial responsibility for any of the Commission's liabilities. Complete financial statements may be obtained from the Stark County Regional Planning Commission, Canton, Ohio.

The Village also 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 physical environment of Carroll 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 shares in the 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.

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ALGER & ASSOCIATES, Inc.

Certified Public Accountants

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

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

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' Government Auditing Standards, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Minerva, Stark County, (the Village) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated April 2, 2019 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

**Alger and
Assoicates Inc**

Digitally signed by Alger and
Assoicates Inc
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email=ksalger46@att.net, c=US
Date: 2019.04.10 15:46:14 -04'00'

Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio

April 2, 2019

**VILLAGE OF MINERVA
STARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2018 - 2017**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2016-001	Noncompliance: 5705.41(B) Expenditures plus encumbrances in excess of appropriations.	Yes	Finding No Longer Valid
2016-002	Noncompliance & Material Weakness: Unresolved differences on the year-end bank to book reconciliation.	Yes	Finding No Longer Valid
2016-003	Noncompliance & Material Weakness Village Charter: Financial Department is decentralized and financial reports submitted to Council	Yes	Finding No Longer Valid
2016-004	Material Weakness: Accurate budgetary information within the Village's accounting system.	Yes	Finding No Longer Valid
2016-005	Significant Deficiency: No formal accounting policy manual including narratives for all receipt/disbursement cycle, or cross-training of employees (for other jobs other than their own).	Yes	Finding No Longer Valid

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OHIO AUDITOR OF STATE KEITH FABER



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
MAY 9, 2019**