

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2015

Jeffrey Wilcheck, CPA, Fiscal Officer



Dave Yost • Auditor of State

Village Council
Village of Minerva Park
2829 Minerva Lake Rd
Columbus, OH 43231

We have reviewed the *Independent Auditor's Report* of the Village of Minerva Park, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Minerva Park is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 16, 2016

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

TABLE OF CONTENTS

Independent Auditor’s Report	1 - 2
Management’s Discussion and Analysis	3 - 9
Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Modified Cash Basis	10
Statement of Activities - Modified Cash Basis	11
Fund Financial Statements:	
Statement of Assets and Fund Balances - Modified Cash Basis - Governmental Funds	12
Statement of Receipts, Disbursements and Changes in Fund Balances - Modified Cash Basis - Governmental Funds.....	13
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis - General Fund.....	14
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis - Street Maintenance Fund	15
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis - State Highway Fund.....	16
Statement of Fiduciary Net Position - Modified Cash Basis - Fiduciary Funds	17
Notes to the Basic Financial Statements.....	18 - 37
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	38 - 39
Status of Prior Audit Findings	40

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Julian & Grube, Inc.
Serving Ohio Local Governments

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Independent Auditor's Report

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

To the Members of Council and Mayor:

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Minerva Park, Franklin County, Ohio, as of and for the year ended December 31, 2015, and the related notes to the basic financial statements, which collectively comprise the Village of Minerva Park's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the modified cash accounting basis Note 2 describes. This responsibility includes determining that the modified cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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 of Minerva Park'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 of Minerva Park's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of managements 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.

Opinion

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, 2015, and the respective changes in modified cash financial position and the respective budgetary comparisons for the General Fund and the Street Maintenance and State Highway major special revenue funds, thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements which describes the accounting basis. The financial statements are prepared on the modified cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during 2015, the Village of Minerva Park elected to change its financial presentation from cash basis to modified cash basis. We did not modify our opinion with respect to this matter.

Other Matter

Other Information

We applied no procedures to the Management's Discussion & Analysis, presented on pages 3-9 and accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2016 on our consideration of the Village of Minerva Park'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 of Minerva Park's internal control over financial reporting and compliance.



Julian & Grube, Inc.
April 26, 2016

**Village of Minerva Park, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015**

This discussion and analysis of the Village of Minerva Park's (the Village's) financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2015, within the limitations of the Village's 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 2015 are as follows:

Net position of governmental activities increased \$195,027 or 24 percent, a significant change from the prior year. This was due to a voted increase of one percent in the municipal income tax rate. Collections of the additional one percent began January 1, 2015.

General receipts represent 80.5 percent of the Village's total receipts. Of this 80.5 percent, 40.9 percent are income tax receipts and 25.2 percent are property tax receipts. Also of this percent are grants and entitlements not restricted to specific programs which amounted to 6.7 percent, and bond proceeds used to acquire a new EMS vehicle which amounted to 6.2 percent. The remaining 1.5 percent are earnings on investments, sale of capital assets, cable franchise fees, and miscellaneous receipts.

Using the Basic Financial Statements

This annual 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 cash basis of accounting.

Report Components

The statement of net position 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 or committed 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 Village-wide and fund financial statements and provide expanded explanations 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 cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets (accounts receivable) and their related revenues 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 cash basis of accounting.

**Village of Minerva Park, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015**

Reporting the Government as a Whole

This annual report includes all activities for which the Village is fiscally responsible. These activities, defined as the Village's reporting entity, are operated within separate legal entities that make up the primary government. The primary government consists of the Village.

The statement of net position and the statement of activities reflect how the Village did financially during 2015, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental type 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 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 non-financial 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 income taxes.

The Village's basic services are reported in the statement of net position and the statement of activities, including police, EMS, 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 how money that is restricted or committed may be used and that it is being spent for the intended purpose. All of the funds of the Village are classified as governmental fund types. 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 Village's major governmental funds are the General Fund, Street Maintenance, State Highway, and Waterline Debt funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**Village of Minerva Park, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015**

The Village as a Whole

Table 1 provides a summary of the Village's Statement of Net Position for 2015 compared to 2014 on a cash basis:

Table 1

	Governmental Activities	
	2015	2014
<u>Assets</u>		
Cash and Cash Equivalents	\$733,701	\$745,308
Investments	200,000	0
Restricted Assets:		
Cash and Cash Equivalents with Fiscal Agent	67,685	61,051
Total Assets	<u>\$1,001,386</u>	<u>\$806,359</u>
<u>Net Position</u>		
Restricted for:		
Capital Projects	17,866	60,746
Debt Service	107,416	88,481
Other Purposes	309,221	343,327
Unrestricted	566,883	313,805
Total Fund Balances	<u>\$1,001,386</u>	<u>\$806,359</u>

The increase in cash and investment balances are a result of the voters approving an increase in the income tax rate from one percent to two percent beginning January 1, 2015.

Table 2 provides a summary of the Village's Statement of Activities for 2015 compared to 2014 on a cash basis:

Table 2

	Governmental Activities	
	2015	2014
<u>Receipts</u>		
<u>Program Receipts</u>		
Charges for Services	\$271,908	\$218,371
Operating Grants and Contributions	72,796	73,177
Total Program Receipts	<u>344,704</u>	<u>291,548</u>

(Continued)

**Village of Minerva Park, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015**

<u>General Receipts</u>	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
Property Taxes Levied for:		
General Purposes	429,619	448,303
Debt Service	17,079	22,090
Income Taxes	724,360	393,730
Grants and Entitlements not Restricted to Specific Programs	119,904	122,372
Sale of Bonds	110,000	0
Sale of Capital Assets	2,500	0
Cable Franchise Fees	13,379	12,442
Earnings on Investments	243	137
Miscellaneous	10,022	26,145
Total General Receipts	<u>1,427,106</u>	<u>1,025,219</u>
Total Receipts	<u>1,771,810</u>	<u>1,316,767</u>
<u>Disbursements</u>		
Security of Persons and Property	679,952	480,694
Public Health Services	10,674	9,298
Leisure Time Activities	83,939	67,339
Community Environment	58,632	5,376
Basic Utility Services	32,500	83,081
Transportation	30,375	24,950
General Government	396,818	310,805
Capital Outlay	167,285	9,404
Debt Service		
Principal Retirement	101,325	99,430
Interest and Fiscal Charges	15,283	17,225
Total Disbursements	<u>1,576,783</u>	<u>1,107,602</u>
Increase in Net Position	195,027	209,165
Net Position, Beginning of Year	806,359	597,194
Net Position, End of Year	<u>\$1,001,386</u>	<u>\$806,359</u>

Program receipts represent 19.5 percent of total receipts and are comprised of fees for EMS runs, water and sewer surcharges, pool memberships, and court fines and fees. Operating grants and contributions were 21.1 percent of program receipts, which include State gas taxes and motor vehicle registration fees restricted for maintaining and improving streets.

General receipts represent 80.5 percent of the Village's total receipts. Of this amount, 40.9 percent of general receipts are income tax receipts and 25.2 percent are property taxes. Both sources of revenue are used to finance General Fund operations, primarily the Police Department. Grants and entitlements not restricted to specific programs, representing 6.7 percent of general receipts, consist of State Local Government distributions and homestead and rollback property tax reductions funded by the State.

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 council, mayor, solicitor, fiscal officer, and the maintenance of the Community building and grounds.

**Village of Minerva Park, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015**

Security of Persons and Property are the costs of police and EMS services. Leisure Time Activities are the costs of operating the pool and maintaining the parks; community environment includes Planning and Zoning and code enforcement. Basic Utility Services are costs associated with maintaining the storm sewer system; and Transportation is the cost of maintaining the roads.

Governmental Activities

If you look at the Statement of Activities, you will see 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 security of persons and property which accounts for 43 percent of all governmental disbursements. General Government, Capital Outlay and Debt Service also represent significant costs, 25 percent, 11 percent and 7 percent, respectively. The next two columns of the Statement titled "Program Cash Receipts", identify amounts paid for those who are directly charged for the service and grants received by the Village that must be used to provide a specific service, respectively. 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 general receipts. These net costs are paid from the general receipts, which are presented at the bottom of the Statement of Activities.

A comparison between the total cost of services and the net cost is presented in Table 3.

Table 3

	<u>Cost of Services</u>	
	<u>Governmental Activities</u>	
	Total Cost of Services 2015	Total Cost of Services 2014
Security of Persons and Property	638,281	441,317
Public Health Services	10,674	9,298
Leisure Time Activities	35,838	12,399
Community Environment	56,482	3,470
Basic Utility Services	(71,832)	1,406
Transportation	(42,061)	(47,727)
General Government	320,804	269,832
Capital Outlay	167,285	9,404
Debt Service		
Principal Retirement	101,325	99,430
Interest and Fiscal Charges	15,283	17,225
Total Disbursements	<u>1,232,079</u>	<u>816,054</u>

**Village of Minerva Park, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015**

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. Final disbursements and other financing uses in the General Fund were budgeted at \$1,546,348, while actual disbursements (budget basis) were \$1,292,139. In budgeting, the Fiscal Officer controls and is responsible for estimating receipts; estimates are fairly conservative. Appropriations for wages and benefits are calculated based on existing and authorized staff levels. All other categories of expenditures are based on anticipated expenditures with input from the department heads. Council may increase or decrease the appropriations as they are presented for passage. Capital Outlay representing replacement and/or the acquisition of additional assets used in the department's operations are included in the department's appropriations. Capital Outlay representing major projects or large acquisitions not directly relating to one department are reported under Capital Outlay.

The Village periodically throughout the year updates a five-year forecast/plan of the general fund and certain other funds. The primary purpose is to determine the affordability of wages increases, employee benefits, operations and capital needs.

Capital Assets and Debt Administration

Capital Assets

The Village periodically updates its inventory of capital assets for insurance purposes; however, no inventory of infrastructure assets is maintained.

Long-Term Debt

At December 31, 2015, the Village's outstanding debt included \$110,000 in general obligation bonds and \$498,022 in Ohio Public Works Loans. During 2015, the Village issued \$110,000 in general obligation bonds for the acquisition of a new EMS vehicle and related equipment and fully retired the 1999 Lake Restoration bonds. For more detail information regarding the Village's debt, 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. Minerva Park relies heavily on income and voted property taxes. The Village operates with a very small full-time staff and utilizes part-time and seasonal workers to control personal costs.

In obtaining voter approval of a one percent increase in the income tax rate, from one to two percent, Village officials promised to provide police protection for 24 hours a day, seven days a week. The Police Chief is closing in on this goal, but the current environment surrounding law enforcement has hampered the recruiting process and interested candidates.

In the fall of 2015, the Village was approached by a central Ohio developer regarding the annexing and development of approximately 100 acres known as the Minerva Lake Golf Club. The annexation and development of this land will have a significant impact on the Village and promises to provide needed resources to improve and enhance certain infrastructure assets and safety services provided by the Village. This is the third time a developer has made an attempt to purchase, annex, and develop the land. This time the prospects look much more favorable.

**Village of Minerva Park, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015**

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 Jeffrey G. Wilcheck, CPA, Fiscal Officer, Village of Minerva Park, 2829 Minerva Lake Road, Columbus, Ohio 43231.

Village of Minerva Park, Ohio
Statement of Net Position - Modified Cash Basis
As of December 31, 2015

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$733,701
Investments	200,000
Restricted Assets:	
Cash and Cash Equivalents with Fiscal/Escrow Agents	<u>67,685</u>
<i>Total Assets</i>	<u><u>\$1,001,386</u></u>
Net Position	
Restricted for:	
Capital Projects	\$17,866
Debt Service	107,416
Other Purposes	309,221
Unrestricted	<u>566,883</u>
<i>Total Net Position</i>	<u><u>\$1,001,386</u></u>

See accompanying notes to the basic financial statements

Village of Minerva Park, Ohio
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2015

	<u>Program Cash Receipts</u>			<u>Total</u>
	<u>Cash</u> <u>Disbursements</u>	<u>Charges</u> <u>for Services</u> <u>and Sales</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	
Governmental Activities				
Current:				
Security of Persons and Property	\$679,952	\$41,671	\$0	(\$638,281)
Public Health Services	10,674	0	0	(10,674)
Leisure Time Activities	83,939	48,101	0	(35,838)
Community Environment	58,632	1,790	360	(56,482)
Basic Utility Services	32,500	104,332	0	71,832
Transportation	30,375	0	72,436	42,061
General Government	396,818	76,014	0	(320,804)
Capital Outlay	167,285	0	0	(167,285)
Debt Service:				
Principal Retirement	101,325	0	0	(101,325)
Interest and Fiscal Charges	15,283	0	0	(15,283)
<i>Total Primary Government</i>	<u>\$1,576,783</u>	<u>\$271,908</u>	<u>\$72,796</u>	<u>(1,232,079)</u>
General Receipts:				
Property Taxes Levied for:				
General Purposes				429,619
Debt Service				17,079
Income Taxes				724,360
Grants and Entitlements not Restricted to Specific Programs				119,904
Sale of Bonds				110,000
Sale of Capital Assets				2,500
Cable Franchise Fees				13,379
Earnings on Investments				243
Miscellaneous				10,022
Total General Receipts				<u>1,427,106</u>
Change in Net Position				195,027
<i>Net Position Beginning of Year</i>				<u>806,359</u>
<i>Net Position End of Year</i>				<u>\$1,001,386</u>

See accompanying notes to the basic financial statements

Village of Minerva Park, Ohio
Statement of Assets and Fund Balances - Modified Cash Basis
Governmental Funds
As of December 31, 2015

	General	Street Maintenance	State Highway	Waterline Debt	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$357,513	\$57,459	\$92,959	\$96,145	\$129,625	\$733,701
Investments	150,000	50,000	0	0	0	200,000
Restricted Assets:						
Cash and Cash Equivalents with Fiscal/Escrow Agents	0	0	0	0	67,685	67,685
<i>Total Assets</i>	<u>\$507,513</u>	<u>\$107,459</u>	<u>\$92,959</u>	<u>\$96,145</u>	<u>\$197,310</u>	<u>\$1,001,386</u>
Fund Balances						
Restricted	0	107,459	92,959	0	93,033	293,451
Committed	0	0	0	96,145	104,277	200,422
Assigned	41,819	0	0	0	0	41,819
Unassigned (Deficit)	465,694	0	0	0	0	465,694
<i>Total Fund Balances</i>	<u>\$507,513</u>	<u>\$107,459</u>	<u>\$92,959</u>	<u>\$96,145</u>	<u>\$197,310</u>	<u>\$1,001,386</u>

See accompanying notes to the basic financial statements

Village of Minerva Park, Ohio
Statement of Receipts, Disbursements and Changes in Fund Balances - Modified Cash Basis
Governmental Funds
For the Year Ended December 31, 2015

	General	Street Maintenance	State Highway	Waterline Debt	Other Governmental Funds	Total Governmental Funds
<u>Receipts</u>						
Municipal Income Taxes	\$720,761	\$0	\$0	\$0	\$3,600	\$724,361
Property Taxes	429,620	0	0	0	17,079	446,699
Intergovernmental	112,582	65,416	4,935	0	9,407	192,340
Charges for Services	89,772	0	0	93,577	4,752	188,101
Fines, Licenses and Permits	88,276	0	0	0	2,908	91,184
Earnings on Investments	186	19	28	0	10	243
Miscellaneous	10,022	0	0	0	6,360	16,382
<i>Total Receipts</i>	<u>1,451,219</u>	<u>65,435</u>	<u>4,963</u>	<u>93,577</u>	<u>44,116</u>	<u>1,659,310</u>
<u>Disbursements</u>						
Current:						
Security of Persons and Property	676,452	0	0	0	3,500	679,952
Public Health Services	10,674	0	0	0	0	10,674
Leisure Time Activities	83,635	0	0	0	304	83,939
Community Environment	58,632	0	0	0	0	58,632
Basic Utility Services	19,380	0	0	0	13,120	32,500
Transportation	0	30,375	0	0	0	30,375
General Government	395,252	0	0	0	1,566	396,818
Capital Outlay	0	0	0	0	167,285	167,285
Debt Service:						
Principal Retirement	0	17,071	0	59,254	25,000	101,325
Interest and Fiscal Charges	0	1,435	0	11,506	2,342	15,283
<i>Total Disbursements</i>	<u>1,244,025</u>	<u>48,881</u>	<u>0</u>	<u>70,760</u>	<u>213,117</u>	<u>1,576,783</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>207,194</u>	<u>16,554</u>	<u>4,963</u>	<u>22,817</u>	<u>(169,001)</u>	<u>82,527</u>
<u>Other Financing Sources (Uses)</u>						
Sale of Bonds	0	0	0	0	110,000	110,000
Sale of Capital Assets	2,500	0	0	0	0	2,500
Transfers In	6,295	0	0	0	6,295	12,590
Transfers Out	(6,295)	0	0	0	(6,295)	(12,590)
<i>Total Other Financing Sources (Uses)</i>	<u>2,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>110,000</u>	<u>112,500</u>
<i>Net Change in Fund Balances</i>	<u>209,694</u>	<u>16,554</u>	<u>4,963</u>	<u>22,817</u>	<u>(59,001)</u>	<u>195,027</u>
<i>Fund Balances Beginning of Year</i>	<u>297,819</u>	<u>90,905</u>	<u>87,996</u>	<u>73,328</u>	<u>256,311</u>	<u>806,359</u>
<i>Fund Balances End of Year</i>	<u>\$507,513</u>	<u>\$107,459</u>	<u>\$92,959</u>	<u>\$96,145</u>	<u>\$197,310</u>	<u>\$1,001,386</u>

See accompanying notes to the basic financial statements

Village of Minerva Park, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts</u>				
Municipal Income Taxes	\$697,000	\$689,000	\$720,761	\$31,761
Property Taxes	438,386	429,600	429,620	20
Intergovernmental	111,800	113,900	112,582	(1,318)
Charges for Services	100,500	88,700	89,772	1,072
Fines, Licenses and Permits	74,000	74,000	88,276	14,276
Earnings on Investments	200	200	186	(14)
Miscellaneous	8,039	0	10,022	10,022
<i>Total Receipts</i>	1,429,925	1,395,400	1,451,219	55,819
<u>Disbursements</u>				
Current:				
Security of Persons and Property	770,679	783,979	693,279	90,700
Public Health Services	10,000	12,000	10,674	1,326
Leisure Time Activities	93,200	92,300	84,661	7,639
Community Environment	92,051	116,051	75,190	40,861
Basic Utility Services	62,000	62,000	19,380	42,620
General Government	472,718	473,718	402,660	71,058
<i>Total Disbursements</i>	1,500,648	1,540,048	1,285,844	254,204
<i>Excess of Receipts Over (Under) Disbursements</i>	(70,723)	(144,648)	165,375	310,023
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	2,500	2,500	0
Transfers In	0	6,300	6,295	(5)
Transfers Out	(5,400)	(6,300)	(6,295)	5
<i>Total Other Financing Sources (Uses)</i>	(5,400)	2,500	2,500	0
<i>Net Change in Fund Balance</i>	(76,123)	(142,148)	167,875	310,023
<i>Unencumbered Fund Balance Beginning of Year</i>	263,713	263,713	263,713	0
<i>Prior Year Encumbrances Appropriated</i>	34,106	34,106	34,106	0
<i>Unencumbered Fund Balance End of Year</i>	\$221,696	\$155,671	\$465,694	\$310,023

See accompanying notes to the basic financial statements

Village of Minerva Park, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Street Maintenance Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Receipts</u>				
Intergovernmental	\$45,700	\$50,200	\$65,416	\$15,216
Earnings on Investments	0	0	19	19
Total Receipts	<u>45,700</u>	<u>50,200</u>	<u>65,435</u>	<u>15,235</u>
<u>Disbursements</u>				
Current:				
Transportation	35,000	35,000	30,375	4,625
Debt Service:				
Principal Retirement	17,100	17,100	17,071	29
Interest and Fiscal Charges	1,500	1,500	1,435	65
Total Disbursements	<u>53,600</u>	<u>53,600</u>	<u>48,881</u>	<u>4,719</u>
Net Change in Fund Balance	(7,900)	(3,400)	16,554	19,954
Unencumbered Fund Balance Beginning of Year	<u>90,905</u>	<u>90,905</u>	<u>90,905</u>	<u>0</u>
Unencumbered Fund Balance End of Year	<u><u>\$83,005</u></u>	<u><u>\$87,505</u></u>	<u><u>\$107,459</u></u>	<u><u>\$19,954</u></u>

See accompanying notes to the basic financial statements

Village of Minerva Park, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
State Highway Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts</u>				
Intergovernmental	\$2,000	\$2,000	\$4,935	\$2,935
Earnings on Investments	0	0	28	28
<i>Total Receipts</i>	2,000	2,000	4,963	2,963
<u>Disbursements</u>				
<i>Total Disbursements</i>	0	0	0	0
<i>Net Change in Fund Balance</i>	2,000	2,000	4,963	2,963
<i>Unencumbered Fund Balance Beginning of Year</i>	87,996	87,996	87,996	0
<i>Unencumbered Fund Balance End of Year</i>	\$89,996	\$89,996	\$92,959	\$2,963

See accompanying notes to the basic financial statements

Village of Minerva Park, Ohio
Statement of Fiduciary Net Position - Modified Cash Basis
Fiduciary Funds
As of December 31, 2015

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$7,416</u>
<i>Total Assets</i>	<u><u>\$7,416</u></u>
Net Position	
Held on Behalf of Others	<u>7,416</u>
<i>Total Net Position</i>	<u><u>\$7,416</u></u>

See accompanying notes to the basic financial statements

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 1 - Reporting Entity

The Village of Minerva Park (the Village) 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 is directed by a six-member council elected at large for four year terms. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements of the Village are not misleading.

Primary Government

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Village. The primary government of the Village of Minerva Park provides the following services to its citizens: police and fire and EMS protection, parks and recreation, street maintenance and repairs and planning and zoning. Council has direct responsibility for these services.

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. Component units may also include organizations for which the Village authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific benefits to, or impose specific financial burdens on the Village. 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. Based on these criteria, the Village has no component units.

Related Organization

The Village participates in a public entity risk pools as presented in Notes 7 and 13.

The Minerva Park Community Association (MPCA) performs activities, maintains a website, and publishes a newspaper within the Village's boundaries for the benefit of its residents. The financial statements of this entity are excluded from the Village's financial statements because the Village is not financially accountable for MPCA nor are they fiscally dependent on the Village.

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

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 2 - Summary of Significant Accounting Policies

As discussed further in the “Basis of Accounting” section of this note, these financial statements are presented on a modified cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. The following are the more significant of the Village’s accounting policies.

Basis of Presentation

The Village’s basic financial statements consist of government-wide financial statements, including a statement of net position 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 position 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 present those activities of the Village that are governmental in nature. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net position presents the cash balances of the governmental activities of the Village at year end. The statement of activities compares disbursements with program receipts for each program or function of the Village’s governmental 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, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants required to be used to support 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 program is self-financing on a cash basis or draws from the general receipts of the Village.

Fund Financial Statements - During the year, the Village segregates transactions related to certain Village functions or activities in separate funds in order 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. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

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 in two categories: governmental and fiduciary.

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Governmental Funds - Governmental funds are those through which most governmental functions of the Village are financed. The following are the Village's major governmental funds:

General - The general fund 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.

Street Maintenance - The street maintenance fund accounts for and reports that portion of the State gasoline tax, motor vehicle license fees, and locally enacted motor vehicle license fees restricted for maintenance, repair, and reconstruction of streets within the Village.

State Highway - The state highway fund accounts for and reports that portion of the State gasoline tax and motor vehicle license fees restricted for maintenance and repair of any state highways within the Village limits.

Waterline Debt - The waterline debt fund accounts for and reports user charges (surcharges) committed for the retirement of debt issued to finance waterline replacements throughout the Village.

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

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Village under a trust agreement for individuals, private organizations, or other governments and are not available to support the Village's own programs. The Village does not have any trust funds. Agency funds are purely custodial in nature and are used to account for assets held by the Village for individuals, other governments, or other organizations. The Village's agency funds account for development fee deposits and confiscated cash pending court order distribution.

Basis of Accounting

The Village's financial statements are prepared using the modified cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this 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 expenses and liabilities) are not recorded in these financial statements.

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the fiscal officer. 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 year-end.

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 annual appropriations plus all supplemental appropriations and reallocations passed by Village Council during the year.

Cash and Investments

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."

Cash and cash equivalents that are held separately in accounts with Franklin County for permissive tax collection are reported as "Cash and Cash Equivalents with Fiscal/Escrow Agents."

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 for the pool are reported as investments.

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

During 2015, the Village invested in nonnegotiable certificates of deposit and STAR Ohio. Investments are reported at cost, except STAR Ohio. 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, 2015.

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 2015 was \$186, which includes \$8 assigned from other Village funds.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Permissive tax monies that are held by the Franklin County Auditor for repairs, maintenance and improvements for road specified by the levy are reported as restricted.

Inventory and Prepaid Items

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

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.

Accumulated Vacation and Sick Leave

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

Vacation leave accrues on a pro-rated basis each pay period at varying rates depending on years in public service. New employees receive 40 hours of his or her vacation leave when hired and earn the remaining eligible hours prorated over 26 pays. Employees with less than one year of service with the Village are not entitled to payment of any accrued unused vacation leave upon termination or separation. Sick leave is accrued at a rate of 4.6 hours per 80 hours of service without limit.

Full-time employees may convert vacation and sick leave accumulated hours to a cash payment in January each year. The vacation and sick leave hours subject to conversion are the hours earned for the pay periods ended from January through December of the prior calendar year. Sick leave is paid at the rate of pay in effect for the last pay period of the prior calendar year. Sick leave hours converted to cash are reduced at varying rates depending on usage and a minimum amount of hours are required to be maintained. Vacation hours converted to cash are limited to 50 percent of the amount accrued during the prior calendar year not to exceed any remaining balance. Sick leave and vacation hours converted to cash are not pensionable compensation subject to pension contributions.

Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for 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 postemployment health care benefits.

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Long-Term Obligations

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

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for street maintenance, police operations, and Mayor's Court information technology.

The Village's policy is to first apply restricted resources when a disbursement is incurred for purposes for which both restricted and unrestricted resources are available.

Fund Balance

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

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

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

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

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

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

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

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. 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 of accounting 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, the Street Maintenance Fund, and the State Highway Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year-end (budgetary basis) amounted to \$41,819 for the General Fund and \$0 in the Street Maintenance and State Highway special revenue funds.

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 4 – Deposits and Investments

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

Active deposits are public deposits 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 withdrawable 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;
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 two 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 (STAR Ohio).

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$205,851 of the Village's bank balance of \$923,022 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name.

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

Investments

As of December 31, 2015, the Village had \$97,454 invested in STAR Ohio.

Credit Risk - STAR Ohio carries a rating of AAAM by Standard and Poor's. The Village has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The repurchase agreement, federal national mortgage association notes, federal home loan mortgage corporation notes, and the federal home loan bank notes are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Village's name.

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

The Village has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.

Note 5 – Income Taxes

The Village levies a two percent income tax on substantially all income earned in the Village. In addition, Village residents employed in other municipalities must pay two percent as no credit is given for municipal income tax paid to other cities or villages. Additional increases in the income tax rate require voter approval. Employers within the Village withhold income tax on employee compensation and remit at least quarterly and file an annual declaration.

By ordinance, the Village allocates a portion of the income tax to debt. The remaining income tax receipts are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by Council. In 2015, the receipts were allocated to the general fund and the EMS vehicle debt service fund.

Note 6 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property taxes are levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2015 public utility property taxes which became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 with real property taxes.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

The assessed values of real property and public utility tangible property upon which 2015 property tax receipts were based are as follows:

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Property Type	Assessed Values
Residential	\$28,182,010
Commercial	4,681,700
Public Utility Personal	367,420
Total Valuation	\$33,231,130

The various levies and full tax rates for all Village operations for the year ended December 31, 2015 per \$1,000 of assessed value are:

Levies	Year Voted	Year Expires	Full Tax Rate	Effective Rates	
				Res/Ag Effective Rate	Commerical Effective Rate
<u>Unvoted Millage</u>					
Inside Millage	---	---	1.00	1.00	1.00
<u>Voted Operating Millage</u>					
1.9 Mill Operating	2010	2015	1.90	1.90	1.89
4.0 Mill Operating	2010	2015	4.00	4.00	3.98
3.2 Mill Operating	2011	2016	3.20	3.20	3.19
5.0 Mill Operating	2012	2017	5.00	5.00	4.98
Total Voted Operating Levies			14.10	14.10	14.04
<u>Voted Bonds Millage</u>					
Bond Retirement	1999	2015	0.60	0.60	0.60
Total Tax Levies Millage			15.70	15.70	15.64

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 2015, the Village contracted with the Public Entities Pool of Ohio for the various types of insurance as follows:

Type of Coverage	Coverage	Deductible
Public Entities Pool of Ohio		
Blanket Property and Contents, Replacement	\$1,770,100	\$1,000
General Liability	5,000,000	2,500
Automobile Liability	5,000,000	0
Public Officials Liability	5,000,000	2,500
Police Professional Liability	5,000,000	2,500
Employment Practice Liability	5,000,000	2,500
Computer - Hardware	71,000	250
Computer - Software	50,000	250
Public Employee Dishonesty	200,000	500

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

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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.

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement system

Plan Description - Village employees, other than full-time police, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional pension plan; therefore the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional pension plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional pension plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

State and Local Employees

<u>Group A</u>	<u>Group B</u>	<u>Group C</u>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<u>Age and Service Requirements:</u> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<u>Age and Service Requirements:</u> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<u>Age and Service Requirements:</u> Age 57 with 25 months of service credit or Age 62 with 5 years of service credit
<u>Formula:</u> 2.2% of FAS multiplied by years of service for 30 years and 2.5% for service years in excess of 30	<u>Formula:</u> 2.2% of FAS multiplied by years of service for 30 years and 2.5% for service years in excess of 30	<u>Formula:</u> 2.2% of FAS multiplied by years of service for 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earning over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefit receive a percentage reduction in the benefit amount.

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2015 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2015 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was \$31,252 for year 2015.

Ohio Police and Fire Pension Fund

Plan Description - Village full-time police participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police
2015 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee:	
January 1, 2015 through July 1, 2015	11.50 %
July 2, 2015 through December 31, 2015	12.25 %
2015 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	0.50
Total Employer	19.50 %
Employee:	
January 1, 2015 through July 1, 2015	11.50 %
July 2, 2015 through December 31, 2015	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Village's contractually required contribution to OPF was \$50,151 for 2015.

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age and service retirees under the traditional pension and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report, which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, state and local employers contributed 14 percent of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code.

Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The portion of the employer contribution allocated to health care for members in both the traditional pension and combined plans was 2 percent for fiscal year 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 2 percent for both plans as recommended by the OPERS actuary.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not contribute to the post-employment health care plan.

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

The Village's contribution allocated to fund post-employment health care benefits for the year ended December 31, 2015, 2014 and 2013 were \$4,999, \$3,486 and \$2,171, respectively. The full amount has been contributed for each year.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 9, 2012, with a transition plan commencing on January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contribution toward the health care fund after the end of the transition period.

Ohio Police and Fire Pension Fund

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

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – 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 by Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent of covered payroll for police. 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, 2015, the employer contribution allocated to the health care plan was 0.5 percent 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).

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 which were allocated to fund post-employment health care benefits for police were \$1,320, \$975 and \$9,852 for the years ended December 31, 2015, 2014 and 2013, respectively.

Note 10 - Interfund Transfers

During 2015 the following transfers were made:

	Transfers from		
<u>Transfers to</u>	<u>General</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
General fund	\$ -	\$ 6,295	\$ 6,295
<u>Other Governmental Funds</u>			
EMS Vehicle	6,295	-	6,295
Totals	\$ 6,295	\$ 6,295	\$ 12,590

The transfer to the General Fund represents unrestricted FEMA receipts. Subsequently, the General Fund transferred funds to the EMS Vehicle Fund to finance the purchase of a vehicle in accordance with budgetary authorizations.

Note 11 – Outstanding Debt

The Village's long-term debt consists of the following:

<u>Debt Type/Description of Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Year of Issuance</u>	<u>Final Maturity</u>
<u>General Obligation Bonds</u>				
1999 Lake Restoration	4.80%	\$ 365,000	1999	2015
EMS Vehicle Acquisition	2.50%	110,000	2015	2020
 <u>OPWC Loans</u>				
Waterline Replacement - Phase II	3.00%	244,223	1996	2016
Waterline Replacement - Phase III	3.00%	385,199	2002	2022
Waterline Replacement - Phase IV	3.00%	429,016	2002	2022
Minerva Lake Road Reconstruction	2.00%	83,874	2005	2022
2006 Street Paving	1.00%	93,604	2006	2024
2009 Street Paving	0.00%	64,675	2009	2026
2010 Street Paving	0.00%	30,635	2010	2026

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

The changes in the Village's long-term debt during 2015 were as follows:

Debt Type/Description of Issue	Balance 12/31/2014	Issued	Retired	Balance 12/31/2015
<u>General Obligation Bonds</u>				
1999 Lake Restoration	\$25,000	\$0	\$25,000	\$0
EMS Vehicle Acquisition	0	110,000	0	110,000
Total General Obligation Bonds	<u>25,000</u>	<u>110,000</u>	<u>25,000</u>	<u>110,000</u>
<u>OPWC Loans</u>				
Waterline Replacement - Phase II	24,574	0	15,731	8,843
Waterline Replacement - Phase III	171,808	0	20,752	151,056
Waterline Replacement - Phase IV	202,653	0	22,771	179,882
Minerva Lake Road Reconstruction	45,268	0	5,272	39,996
2006 Street Paving	56,973	0	5,445	51,528
2009 Street Paving	49,584	0	4,312	45,272
2010 Street Paving	23,487	0	2,042	21,445
Total OPWC Loans	<u>574,347</u>	<u>0</u>	<u>76,325</u>	<u>498,022</u>
Total Outstanding Debt	<u>\$599,347</u>	<u>\$110,000</u>	<u>\$101,325</u>	<u>\$608,022</u>

The general obligation bonds are supported by the full faith and credit of The Village of Minerva Park and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments. The Lake Restoration Bonds were a voted general obligation issue used for the dredging and beautification of the Village's South Lake. The bonds were paid off during the year from the Lake Restoration Debt Fund, a nonmajor governmental fund.

The EMS vehicle acquisition bonds legislation pledges income tax revenues for the payment of principal and interest. The general obligation bonds were originally issued in the amount of \$110,000 to be paid from the EMS Vehicle Acquisition Fund, a nonmajor governmental fund.

The Waterline Replacement loans from the Ohio Public Works Commission (OPWC) relate to construction of waterlines within the Village. The OPWC initially approved \$1,125,360 in loans to the Village for four projects. The loans are being repaid from consumption surcharges in semi-annual installments over 20 years from the Waterline Debt Fund.

The Minerva Lake Road Reconstruction loan financed the restoration for Minerva Lake Road. The 2006 Street Paving Project financed the reconstruction of mainly Wildwood and Woodley roads. The 2009 and 2010 street paving loans financed various paving projects within the Village. The loans are repaid over 15 to 17 years from the Street Maintenance Fund.

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Principal and interest requirements to retire general obligation bonds and OPWC loans outstanding at December 31, 2015, are as follows:

Year	General Obligation Bonds		OPWC Loans	
	Principal	Interest	Principal	Interest
2016	\$22,000	\$3,965	\$70,914	\$10,990
2017	22,000	2,231	63,590	9,351
2018	22,000	1,673	65,152	7,788
2019	22,000	1,115	66,759	6,181
2020	22,000	559	68,413	4,527
2021-2025	0	0	160,017	4,051
2026	0	0	3,177	0
Totals	<u>\$110,000</u>	<u>\$9,543</u>	<u>\$498,022</u>	<u>\$42,888</u>

The Ohio Revised Code provides that net general obligation debt of the Village, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Village. The Revised Code further provides that total voted and unvoted net debt of the Village less the same exempt debt shall never exceed an amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2015, were an overall debt margin of \$3,489,268 and an unvoted debt margin of \$1,827,712.

Note 12 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Village of Minerva Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Fund Balance Classifications	General	Street Maintenance	State Highway	Waterline Debt	Other Governmental Funds	Total Governmental Funds
Restricted for:						
Street Maintenance and Improvements	\$0	\$107,459	\$92,959	\$0	\$67,677	\$268,095
Police Operations	0	0	0	0	3,829	3,829
Mayor's Court Information						
Technology	0	0	0	0	8,316	8,316
Veterans Memorial	0	0	0	0	4,373	4,373
Debt Service	0	0	0	0	8,838	8,838
Total Restricted	0	107,459	92,959	0	93,033	293,451
Committed to:						
EMS Vehicle Acquisition	0	0	0	0	17,139	17,139
Land Improvements	0	0	0	0	24,589	24,589
Waterline Maintenance	0	0	0	0	9,515	9,515
Sewer Line Maintenance	0	0	0	0	49,865	49,865
Debt Service	0	0	0	96,145	2,431	98,576
Building Improvement	0	0	0	0	738	738
Total Committed	0	0	0	96,145	104,277	200,422
Assigned to:						
Encumbrances for						
Supplies and Services	41,819	0	0	0	0	41,819
Total Assigned	41,819	0	0	0	0	41,819
Unassigned	465,694	0	0	0	0	465,694
<i>Total Fund Cash Balances December 31, 2015</i>	<u><u>\$507,513</u></u>	<u><u>\$107,459</u></u>	<u><u>\$92,959</u></u>	<u><u>\$96,145</u></u>	<u><u>\$197,310</u></u>	<u><u>\$1,001,386</u></u>

Note 13 – Public Entities Pool of Ohio

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.



Julian & Grube, Inc.
Serving Ohio Local Governments

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Independent Auditor's 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, OH 43231

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the Comptroller General of the United States' *Government Auditing Standards*, 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, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Village of Minerva Park's basic financial statements and have issued our report thereon dated April 26, 2016, wherein we noted the Village of Minerva Park elected to change its financial presentation from the cash basis to the modified cash basis, a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village of Minerva Park'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 of Minerva Park'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 a 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 of Minerva Park'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 deficiencies in internal control 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 or significant deficiencies may exist.

Members of Council and Mayor
Village of Minerva Park

Compliance and Other Matters

As part of reasonably assuring whether the Village of Minerva Park'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 of Minerva Park's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village of Minerva Park's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
April 26, 2016

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

**STATUS OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2015**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</u>
2014-001	<u>Material Weakness</u> - Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Fund balances for the general fund, other governmental funds, and governmental activities were restated as of December 31, 2013, to properly state financial statement amounts.	Yes	N/A
2014-002	<u>Noncompliance/Material Weakness</u> - Ohio Revised Code Section 5705.38(C) requires the following minimum level of budgetary control for Villages: "Appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and within each, the amount appropriated for personal services." The Village's appropriations for the year ended December 31, 2014 were passed at the fund and department level for the General Fund and the fund level for all other funds but did not appropriately state the amount appropriated for each department and for personal services within each department.	Yes	N/A



Dave Yost • Auditor of State

VILLAGE OF MINERVA PARK

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 30, 2016**