



**VILLAGE OF MINERVA PARK
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF MINERVA PARK
FRANKLIN COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Minerva Park
Franklin County
2829 Minerva Lake Road
Columbus, Ohio 43231-4820-29

To the Village Council:

We have audited the accompanying financial statements of the Village of Minerva Park, Franklin County, Ohio, (the Village) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 2000 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

August 4, 2000

**VILLAGE OF MINERVA PARK
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>				<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:						
Property Tax and Other Local Taxes	\$319,547	\$0	\$83,503	\$0	\$0	\$403,050
Special Assessments	0	1,506	0	0	0	1,506
Intergovernmental Receipts	170,376	57,594	0	582,506	0	810,476
Charges for Services	0	0	0	91,580	0	91,580
Fines, Licenses, and Permits	18,966	1,180	0	0	0	20,146
Earnings on Investments	14,633	649	0	6,846	355	22,483
Miscellaneous	9,386	0	0	6,000	27,141	42,527
	<u>532,908</u>	<u>60,929</u>	<u>83,503</u>	<u>686,932</u>	<u>27,496</u>	<u>1,391,768</u>
Cash Disbursements:						
Current:						
Security of Persons and Property	204,286	20,000	0	0	4,160	228,446
Public Health Services	116	0	0	0	0	116
Leisure Time Activities	10,323	0	0	0	0	10,323
Community Environment	2,173	779	0	0	0	2,952
Basic Utility Services	72,044	0	0	0	0	72,044
Transportation	34,413	1,580	0	0	0	35,993
General Government	124,744	12,293	0	28,741	0	165,778
Debt Service:	0	0	0	0	0	0
Principal Payments	0	0	55,959	0	0	55,959
Capital Outlay	18,214	0	0	1,031,053	0	1,049,267
	<u>466,313</u>	<u>34,652</u>	<u>55,959</u>	<u>1,059,794</u>	<u>4,160</u>	<u>1,620,878</u>
Total Receipts Over/(Under) Disbursements	<u>66,595</u>	<u>26,277</u>	<u>27,544</u>	<u>(372,862)</u>	<u>23,336</u>	<u>(229,110)</u>
Other Financing Receipts/(Disbursements):						
Sale of Bonds or Notes	0	0	0	365,000	0	365,000
Transfers-In	0	0	41,589	12,000	0	53,589
Transfers-Out	(25,863)	0	0	(27,726)	0	(53,589)
Total Other Financing Receipts/(Disbursements)	<u>(25,863)</u>	<u>0</u>	<u>41,589</u>	<u>349,274</u>	<u>0</u>	<u>365,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	40,732	26,277	69,133	(23,588)	23,336	135,890
Fund Cash Balances, January 1	213,193	98,011	(205)	119,530	15,217	445,746
Fund Cash Balances, December 31	<u>\$253,925</u>	<u>\$124,288</u>	<u>\$68,928</u>	<u>\$95,942</u>	<u>\$38,553</u>	<u>\$581,636</u>
Reserves for Encumbrances, December 31	<u>\$3,795</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,795</u>

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

**VILLAGE OF MINERVA PARK
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$4,270
Net Receipts Over/(Under) Disbursements	4,270
Fund Cash Balances, January 1	27,825
Fund Cash Balances, December 31	\$32,095
Reserve for Encumbrances, December 31	\$0

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

VILLAGE OF MINERVA PARK
FRANKLIN COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:						
Property Tax and Other Local Taxes	\$317,109	\$0	\$0	\$0	\$0	\$317,109
Special Assessments	0	1,528	0	0	0	1,528
Intergovernmental Receipts	166,819	138,678	0	155,699	2,550	463,746
Charges for Services	5	0	15,372	84,620	0	99,997
Fines, Licenses, and Permits	15,487	690	0	0	0	16,177
Earnings on Investments	5,884	0	0	3,273	0	9,157
Miscellaneous	21,368	48,557	0	6,000	38	75,963
Total Cash Receipts	526,672	189,453	15,372	249,592	2,588	983,677
Cash Disbursements:						
Current:						
Security of Persons and Property	161,107	35,669	0	0	2,658	199,434
Public Health Services	943	0	0	0	0	943
Leisure Time Activities	7,959	0	0	0	0	7,959
Community Environment	7,712	50,184	0	0	0	57,896
Basic Utility Services	65,192	0	0	0	0	65,192
Transportation	23,333	1,718	0	0	0	25,051
General Government	106,639	0	3,846	8,829	0	119,314
Debt Service:	0	0	0	0	0	0
Principal Payments	0	0	27,931	0	0	27,931
Capital Outlay	37,077	41,313	0	263,878	0	342,268
Total Disbursements	409,962	128,884	31,777	272,707	2,658	845,988
Total Receipts Over/(Under) Disbursements	116,710	60,569	(16,405)	(23,115)	(70)	137,689
Fund Cash Balances, January 1	96,483	37,442	16,200	142,645	15,287	308,057
Fund Cash Balances, December 31	\$213,193	\$98,011	(\$205)	\$119,530	\$15,217	\$445,746
Reserves for Encumbrances, December 31	\$0	\$0	\$0	\$0	\$0	\$0

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

**VILLAGE OF MINERVA PARK
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$5,040
Net Receipts Over/(Under) Disbursements	5,040
Fund Cash Balances, January 1	22,785
Fund Cash Balances, December 31	\$27,825
Reserve for Encumbrances, December 31	\$0

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

**VILLAGE OF MINERVA PARK
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Minerva Park, Franklin County, Ohio, (the Village) is a body corporate and politic 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 publicly-elected six-member Council. The Village provides general governmental services, including refuse pickup, emergency medical services and police protection.

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

B. Basis of Accounting

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

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

C. Cash and Investments

Certificates of deposit are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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 disbursements, respectively.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Fund

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

COPS Fast Fund- This fund is used to account for a federal grant the Village received to supplement the police department's efforts in preventing crime.

**VILLAGE OF MINERVA PARK
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Accounting (continued)

2. Special Revenue Fund (continued)

Natureworks Fund- This fund is used to account for a state grant the Village received to update the community swimming pool.

3. Debt Service Fund

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant debt service funds:

Waterline Funds- This fund is used to service the debt on the Village's waterlines.

Lake Restoration Project- This fund was used to account for money received for debt related to the dredging beautification of the Village's lakes.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

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

5. Enterprise Fund

This fund accounts for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Fund:

Sewer Improvement- This fund receives money from surcharges on City of Columbus sewer billings for the maintenance of the Village's sewer lines.

6. Fiduciary Funds (Trust Fund)

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

EMS Medic Fund- This fund receives contributions and donations that are used exclusively for the purchase and maintenance of the Village's emergency medic services vehicle.

**VILLAGE OF MINERVA PARK
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Village did not encumber all commitments required by Ohio law. A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

**VILLAGE OF MINERVA PARK
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 197,246	\$ 365,590
Certificates of deposit	<u>110,776</u>	<u>107,981</u>
Total deposits	<u>308,022</u>	<u>473,571</u>
STAR Ohio	<u>305,709</u>	<u>0</u>
Total investments	<u>305,709</u>	<u>0</u>
Total deposits and investments	<u><u>\$ 613,731</u></u>	<u><u>\$ 473,571</u></u>

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

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 542,996	\$ 532,908	\$ (10,088)
Special Revenue	32,845	60,929	28,084
Debt Service	64,706	125,092	60,386
Capital Projects	100,200	1,063,932	963,732
Enterprise	3,600	4,270	670
Fiduciary	<u>3,000</u>	<u>27,496</u>	<u>24,496</u>
Total	<u><u>\$ 747,347</u></u>	<u><u>\$ 1,814,627</u></u>	<u><u>\$ 1,067,280</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 571,300	\$ 495,971	\$ 75,329
Special Revenue	100,513	34,652	65,861
Debt Service	76,931	55,959	20,972
Capital Projects	569,727	1,087,520	(517,793)
Enterprise	31,000	0	31,000
Fiduciary	<u>15,722</u>	<u>4,160</u>	<u>11,562</u>
Total	<u><u>\$ 1,365,193</u></u>	<u><u>\$ 1,678,262</u></u>	<u><u>\$ (313,069)</u></u>

**VILLAGE OF MINERVA PARK
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (continued)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 536,286	\$ 526,672	\$ (9,614)
Special Revenue	43,130	189,453	146,323
Debt Service	12,091	15,372	3,281
Capital Projects	35,000	249,592	214,592
Enterprise	47,305	5,040	(42,265)
Fiduciary	5,763	2,588	(3,175)
Total	\$ 679,575	\$ 988,717	\$ 309,142

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 546,668	\$ 409,962	\$ 136,706
Special Revenue	147,297	128,884	18,413
Debt Service	27,931	31,777	(3,846)
Capital Projects	177,187	272,707	(95,520)
Enterprise	29,970	0	29,970
Fiduciary	21,050	2,658	18,392
Total	\$ 950,103	\$ 845,988	\$ 104,115

The Waterline Phase I and Waterline Phase II funds within the Debt Service Fund Type had negative fund balances at December 31, 1998. Negative fund balances are not allowable by the Ohio Revised Code.

4. PROPERTY TAX

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

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

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

**VILLAGE OF MINERVA PARK
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Waterline Replacement Phase I- Ohio Public Works	\$ 136,780	0%
Waterline Replacement Phase II- Ohio Public Works	206,273	3%
Waterline Replacement Phase IV- Ohio Public Works	432,960	3%
Lake Restoration Bond	345,000	4.8%
Total	\$ 1,121,013	

The Ohio Public Works Commission (OPWC) loans relate to construction waterlines within the Village. The OPWC initially approved \$1,125,360 in loans to the Village for this project. The loans are being repaid in annual and semi-annual installments, including interest for Phase II and Phase IV, over 20 years.

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

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

Year ending December 31:	Waterline Replacement Phase I- Ohio Public Works	Waterline Replacement Phase II- Ohio Public Works	Waterline Replacement Phase IV- Ohio Public Works	Lake Restoration Bond
2000	\$ 5,699	\$ 8,164	\$ 15,591	\$ 36,560
2001	11,398	16,327	28,945	35,600
2002	11,398	16,327	28,945	34,640
2003	11,398	16,327	28,945	33,680
2004	11,398	16,327	28,945	32,720
Subsequent	85,489	187,764	448,651	319,160
Total	\$ 136,780	\$ 261,236	\$ 580,022	\$ 492,360

6. RETIREMENT SYSTEMS

The Village's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS are cost-sharing, multiple-employer plans. This plan provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

**VILLAGE OF MINERVA PARK
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

7. RISK MANAGEMENT

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

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

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

8. MAYOR'S COURT SYSTEM

The Mayor's Court processes cash in a fiduciary capacity outside the fiscal control of the Clerk-Treasurer. The financial activity of the Court is not reflected in the accompanying financial statements. The following information outlines the Mayor's Court cash receipts and disbursements activity at December 31:

	Total Cash Receipts	Total Cash Disbursements
1999	\$23,120	\$22,965
1998	22,064	21,230

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STATE OF OHIO
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Minerva Park
Franklin County
2829 Minerva Lake Road
Columbus, Ohio 43231-4820-29

To the Village Council:

We have audited the accompanying financial statements of the Village of Minerva Park, Franklin County, Ohio (the Village), as of and for the years ended December 31 1999 and December 31, 1998, and have issued our report thereon dated August 4, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 1999-30625-001, 1999-30625-002, and 1999-30625-003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 1999-30625-004 and 1999-30625-005.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated August 4, 2000.

This report is intended for the information and use of management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

JIM PETRO
Auditor of State

August 4, 2000

**VILLAGE OF MINERVA PARK
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 1999-30625-001

Ohio Rev. Code 715.18 states that no such purchase, construction, alteration, or repair shall be made except upon requisition by the legislative authority of the municipal corporation, nor shall any purchase, construction, alteration, or repair for any of such departments be made or done except on authority of the legislative authority if the cost thereof exceeds fifteen thousand dollars.

The minutes of the November 8, 1999 meeting of the Village Council document that splitting a pothole repair project would be made to avoid the bidding requirements of the Ohio Revised Code. This was further evidenced by the expenditure ledgers in that payments to the pothole repair vendor were over \$15,000 for the same project. Payments were made to Latrax Asphalt Systems for \$14,500 in 1999 and for \$14,500 in 2000 for the same project.

FINDING NUMBER 1999-30625-002

Ohio Rev. Code 5705.10 states that money that is paid into a fund must be used only for the purposes for which such fund has been established.

The Waterline Phase I and Waterline Phase II funds within the Debt Service Fund Type had negative fund balances at December 31, 1998. A negative fund balance is indicative of the use of another fund's balance to cover the deficit. Therefore, the other funds making up the deficits were not being used for the purposes for which such fund were established.

We recommend that fund balances be closely monitored on a continuing basis. Advances or transfers may be made from the General Fund to other funds when the Village Council deems it necessary.

FINDING NUMBER 1999-30625-003

Ohio Rev. Code 5705.41(D), states no subdivision or taxing unit shall make any contract or order any expenditure of money unless it has been appropriated. Also no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund, free from any previous encumbrance.

Seventy-seven percent of the tested vouchers for prior certification requirements were not dated prior to the invoice date. This section also provides two "exceptions" to the above requirements:

Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was appropriated and free of any previous encumbrances, the Village Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from receipt of such certificate, if such expenditure is otherwise valid.

If the amount involved is less than one hundred dollars, the fiscal officer may authorize it to be paid without the affirmation of the Village Council.

We recommend that no expenditures be made without the proper prior certification on a purchase order.

**VILLAGE OF MINERVA PARK
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998
(Continued)**

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p>

FINDING NUMBER 1999-30625-004

During verification of the December 31, 1999 bank reconciliation, a deposit in transit was listed for \$15,621.81. This was actually a November 19, 1999 deposit not taken to the bank until January 2000. This deposit was held for over a month and was not secured in a locked safe or file cabinet. This could result in loss or theft of Village funds.

We recommend all collections be deposited in the properly designated depository within twenty-four hours of receipt.

FINDING NUMBER 1999-30625-005

Village checks are signed only by the Clerk-Treasurer. A control procedure to accomplish checks and balances would be to have another official (Mayor or Council Member) review and sign checks.

It is recommended that dual signatures be affixed to all checks.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF MINERVA PARK

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 12, 2000**