



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF CATAWBA
CLARK COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Catawba
Clark County
P.O. Box 25
Catawba, Ohio 43010

To the Village Council:

We have audited the accompanying financial statements of the Village of Catawba, Clark County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 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 audit.

We conducted our audit 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 audit provides 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 of the Village as of December 31, 1999 and 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 May 11, 2000 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

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

May 11, 2000

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**VILLAGE OF CATAWBA
CLARK COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$40,421	\$1,542	\$41,963
Intergovernmental Receipts	5,222	6,873	12,095
Fines, Licenses, and Permits	6,660	0	6,660
Earnings on Investments	580	305	885
Miscellaneous	2,154	0	2,154
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	55,037	8,720	63,757
Cash Disbursements:			
Current:			
Security of Persons and Property	14,619	0	14,619
Public Health Services	0	1,542	1,542
Leisure Time Activities	450	0	450
Community Environment	262	0	262
Transportation	0	3,343	3,343
General Government	22,750	0	22,750
	<hr/>	<hr/>	<hr/>
Total Disbursements	38,081	4,885	42,966
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	16,956	3,835	20,791
Other Financing (Disbursements):			
Other Uses	<u>(9,668)</u>	<u>(954)</u>	<u>(10,622)</u>
Total Other Financing Receipts/(Disbursements)	<hr/>	<hr/>	<hr/>
	(9,668)	(954)	(10,622)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	7,288	2,881	10,169
Fund Cash Balances January 1	<hr/>	<hr/>	<hr/>
	28,709	18,658	47,367
Fund Cash Balances, December 31	<hr/>	<hr/>	<hr/>
	<u>\$35,997</u>	<u>\$21,539</u>	<u>\$57,536</u>

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

**VILLAGE OF CATAWBA
CLARK COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$84,498	\$0	\$84,498
Interest	1,066	0	1,066
All Other Revenue	0	8,645	8,645
	<u>85,564</u>	<u>8,645</u>	<u>94,209</u>
Operating Cash Disbursements:			
Personal Services	8,329	0	8,329
Fringe Benefits	1,601	0	1,601
Contractual Services	9,463	0	9,463
Supplies and Materials	13,240	0	13,240
Court Disbursements:			
Village of Catawba	0	6,745	6,745
State Treasurer	0	1,900	1,900
	<u>32,633</u>	<u>8,645</u>	<u>41,278</u>
Operating Income/(Loss)	<u>52,931</u>	<u>0</u>	<u>52,931</u>
Non-Operating Cash Disbursements:			
Debt Service	<u>(46,898)</u>	<u>0</u>	<u>(46,898)</u>
Excess of Receipts Over/(Under) Disbursements	6,033	0	6,033
Fund Cash Balances, January 1	<u>54,248</u>	<u>0</u>	<u>54,248</u>
Fund Cash Balances, December 31	<u><u>\$60,281</u></u>	<u><u>\$0</u></u>	<u><u>\$60,281</u></u>

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

**VILLAGE OF CATAWBA
CLARK COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$39,668	\$1,676	\$41,344
Intergovernmental Receipts	4,980	7,247	12,227
Fines, Licenses, and Permits	3,735	0	3,735
Miscellaneous	3,234	162	3,396
	<u>51,617</u>	<u>9,085</u>	<u>60,702</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	13,599	0	13,599
Public Health Services	0	1,676	1,676
Leisure Time Activities	450	0	450
Transportation	0	10,695	10,695
General Government	28,659	0	28,659
	<u>42,708</u>	<u>12,371</u>	<u>55,079</u>
Total Receipts Over/(Under) Disbursements	<u>8,909</u>	<u>(3,286)</u>	<u>5,623</u>
Other Financing (Disbursements):			
Other Uses	(5,530)	(101)	(5,631)
	<u>(5,530)</u>	<u>(101)</u>	<u>(5,631)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	3,379	(3,387)	(8)
Fund Cash Balances January 1	<u>25,330</u>	<u>22,045</u>	<u>47,375</u>
Fund Cash Balances, December 31	<u>\$28,709</u>	<u>\$18,658</u>	<u>\$47,367</u>

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

**VILLAGE OF CATAWBA
CLARK COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$79,958	\$0	\$79,958
All Other Revenue	0	4,303	4,303
	<u>79,958</u>	<u>4,303</u>	<u>84,261</u>
Operating Cash Disbursements:			
Personal Services	9,264	0	9,264
Fringe Benefits	1,732	0	1,732
Contractual Services	9,249	0	9,249
Supplies and Materials	8,987	0	8,987
Court Disbursements:			
Village of Catawba	0	3,323	3,323
State Treasurer	0	980	980
	<u>29,232</u>	<u>4,303</u>	<u>33,535</u>
Operating Income/(Loss)	<u>50,726</u>	<u>0</u>	<u>50,726</u>
Non-Operating Cash Disbursements:			
Debt Service	<u>(46,898)</u>	<u>0</u>	<u>(46,898)</u>
Excess of Receipts Over/(Under) Disbursements	3,828	0	3,828
Fund Cash Balances, January 1	<u>50,420</u>	<u>0</u>	<u>50,420</u>
Fund Cash Balances, December 31	<u><u>\$54,248</u></u>	<u><u>\$0</u></u>	<u><u>\$54,248</u></u>

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

**VILLAGE OF CATAWBA
CLARK 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 Catawba, Clark County, (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 water and sewer utilities, park operations (leisure time activities), and police services.

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. 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 Fund:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

3. Enterprise Funds

These funds account 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 Funds:

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

**VILLAGE OF CATAWBA
CLARK COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

3. Enterprise Funds (Continued)

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

4. Fiduciary Funds (Trust and Agency Funds)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary fund:

Mayor's Court Fund - This fund records the activity of the Village Mayor's Court receipts and disbursements.

D. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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.

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.

**VILLAGE OF CATAWBA
CLARK COUNTY**

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

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:

	<u>1999</u>	<u>1998</u>
Demand Deposits	\$ 117,817	\$ 101,615

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 42,678	\$ 55,037	\$ 12,359
Special Revenue	9,190	8,720	(470)
Enterprise	79,395	85,564	6,169
Total	<u>\$ 131,263</u>	<u>\$ 149,321</u>	<u>\$ 18,058</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 71,365	\$ 47,749	\$ 23,616
Special Revenue	27,838	5,839	21,999
Enterprise	133,634	79,531	54,103
Total	<u>\$ 232,837</u>	<u>\$ 133,119</u>	<u>\$ 99,718</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 37,304	\$ 51,617	\$ 14,313
Special Revenue	9,416	9,085	(331)
Enterprise	79,005	79,958	953
Total	<u>\$ 125,725</u>	<u>\$ 140,660</u>	<u>\$ 14,935</u>

**VILLAGE OF CATAWBA
CLARK COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 62,526	\$ 48,238	\$ 14,288
Special Revenue	31,029	12,472	18,557
Enterprise	129,311	76,130	53,181
Total	\$ 222,866	\$ 136,840	\$ 86,026

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.

Public utilities are also taxed on personal and real property located within the Village.

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.

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan #785	\$ 5,856	7%
Ohio Water Development Authority Loan #216	320,045	2%
Ohio Water Development Authority Loan #759	87,532	9%
Ohio Water Development Authority Loan #785-c	13,085	7%
Total	\$ 426,518	

**VILLAGE OF CATAWBA
CLARK COUNTY**

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

5. DEBT (Continued)

The Ohio Water Development Authority (OWDA) loans relates to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

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

Year ending <u>December 31:</u>	OWDA <u>Loans</u>
2000	\$ 46,898
2001	40,477
2002	40,487
2003	40,487
2004	40,487
Subsequent	<u>283,411</u>
Total	<u>\$ 492,247</u>

6. RETIREMENT SYSTEMS

Full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides 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, 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.

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

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE
AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Catawba
Clark County
P.O. Box 25
Catawba, Ohio 43010

To the Village Council:

We have audited the accompanying financial statements of the Village of Catawba, Clark County, Ohio (the Village), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 11, 2000. We conducted our audit 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 and regulations, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Village in a separate letter dated May 11, 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". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

May 11, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF CATAWBA

CLARK 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 20, 2000**