



**VILLAGE OF CLARKSVILLE  
CLINTON COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2020 - 2019**

313 Second St.  
Marietta, OH 45750  
740 373 0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304 422 2203

150 W. Main St., #A  
St. Clairsville, OH 43950  
740 695 1569

1310 Market St., #300  
Wheeling, WV 26003  
304 232 1358

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Cambridge, OH 43725  
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OHIO AUDITOR OF STATE  
KEITH FABER



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Village Council  
Village of Clarksville  
PO Box 167  
Clarksville, OH 45113

We have reviewed the *Independent Auditor's Report* of the Village of Clarksville, Clinton County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2019 through December 31, 2020. 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 Clarksville is responsible for compliance with these laws and regulations.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

September 08, 2021

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VILLAGE OF CLARKSVILLE  
CLINTON COUNTY

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## INDEPENDENT AUDITOR'S REPORT

July 30, 2021

Village of Clarksville  
Clinton County  
PO Box 167  
Clarksville, Ohio 45113

To the Village Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2020 and December 31, 2019, and related notes of the Village of Clarksville, Clinton County, Ohio (the Village).

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

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

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2020 and 2019, and the respective changes in financial position or cash flows thereof for the years then ended.

***Basis for Additional Opinion Qualification***

Charges for services receipts are reported at \$251,689 and \$259,068 for the years ended December 31, 2020 and 2019 respectively, which is 99.6 percent of total Enterprise Fund operating receipts for the year ended December 31, 2020, and 99.6 percent of total Enterprise Fund operating receipts for the year ended December 31, 2019. We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as charges for services receipts due to the Village billing a flat rate for water rather than their legislatively approved rate. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

***Additional Opinion Qualification***

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification* paragraph, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the proprietary fund type as of and for the years ended December 31, 2020 and December 31, 2019, and related notes of the Village of Clarksville, Clinton County in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and December 31, 2019, and the related notes of the Village, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.



***Emphasis of Matters***

As discussed in Note 15 to the financial statements, during 2020, the Village adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balance (Regulatory Cash Basis) – All Governmental Fund Types. In addition, as discussed in Note 16 to the 2020 financial statements and in Note 14 to the 2019 financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding these matters.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2021, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

VILLAGE OF CLARKSVILLE, OHIO  
CLINTON COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

|   | General           | Special<br>Revenue | Capital<br>Projects | Totals<br>(Memorandum<br>Only) |
|---|-------------------|--------------------|---------------------|--------------------------------|
| <b>Cash Receipts</b>                    |                   |                    |                     |                                |
| Property and Other Local Taxes          | \$ 6,536          | \$ 2,425           | \$ -                | \$ 8,961                       |
| Municipal Income Tax                    | 73,470            | -                  | -                   | 73,470                         |
| Intergovernmental                       | 16,097            | 108,178            | 402,064             | 526,339                        |
| Special Assessments                     | -                 | 10,565             | -                   | 10,565                         |
| Charges for Services                    | 3,525             | -                  | -                   | 3,525                          |
| Earnings on Investments                 | 109               | 75                 | -                   | 184                            |
| Miscellaneous                           | 21,450            | 15                 | -                   | 21,465                         |
| <i>Total Cash Receipts</i>              | <u>121,187</u>    | <u>121,258</u>     | <u>402,064</u>      | <u>644,509</u>                 |
| <b>Cash Disbursements</b>               |                   |                    |                     |                                |
| Current:                                |                   |                    |                     |                                |
| Security of Persons and Property        | 530               | 14,162             | -                   | 14,692                         |
| Public Health Services                  | 822               | -                  | -                   | 822                            |
| Basic Utility Services                  | 1,240             | -                  | -                   | 1,240                          |
| Transportation                          | -                 | 14,611             | -                   | 14,611                         |
| General Government                      | 35,622            | 6,319              | -                   | 41,941                         |
| Capital Outlay                          | 14,728            | -                  | 402,064             | 416,792                        |
| <i>Total Cash Disbursements</i>         | <u>52,942</u>     | <u>35,092</u>      | <u>402,064</u>      | <u>490,098</u>                 |
| <i>Net Change in Fund Cash Balances</i> | 68,245            | 86,166             | -                   | 154,411                        |
| <i>Fund Cash Balances, January 1</i>    | <u>96,029</u>     | <u>96,615</u>      | <u>-</u>            | <u>192,644</u>                 |
| <i>Fund Cash Balances, December 31</i>  | <u>\$ 164,274</u> | <u>\$ 182,781</u>  | <u>\$ -</u>         | <u>\$ 347,055</u>              |

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

VILLAGE OF CLARKSVILLE, OHIO  
CLINTON COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2020**

|  | Proprietary Fund Types |
|--|------------------------|
|  | Enterprise             |
| <b>Operating Cash Receipts</b>             |                        |
| Charges for Services                       | \$ 251,689             |
| Miscellaneous                              | 896                    |
|  | 252,585                |
| <i>Total Operating Cash Receipts</i>       | <i>252,585</i>         |
| <b>Operating Cash Disbursements</b>        |                        |
| Personal Services                          | 37,732                 |
| Employee Fringe Benefits                   | 5,906                  |
| Contractual Services                       | 104,148                |
| Supplies and Materials                     | 25,561                 |
| Other                                      | 164                    |
|  | 173,511                |
| <i>Total Operating Cash Disbursements</i>  | <i>173,511</i>         |
| <i>Operating Income</i>                    | <i>79,074</i>          |
| <b>Non-Operating (Disbursements)</b>       |                        |
| Capital Outlay                             | (26,888)               |
| Principal Retirement                       | (82,503)               |
| Interest and Other Fiscal Charges          | (1,409)                |
|  | (110,800)              |
| <i>Total Non-Operating (Disbursements)</i> | <i>(110,800)</i>       |
| <i>Net Change in Fund Cash Balances</i>    | <i>(31,726)</i>        |
| <i>Fund Cash Balances, January 1</i>       | <i>(3,850)</i>         |
| <i>Fund Cash Balances, December 31</i>     | <i>\$ (35,576)</i>     |

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

**Village of Clarksville, Ohio**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 1 – Reporting Entity**

The Village of Clarksville, Clinton County, Ohio (the Village) is a body politic and corporate established to exercise the right and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general government services, water and sewer utilities, maintenance of Village roads and bridges, and street lighting special assessments. The Village contracts with the Clinton County Sheriff's department to provide security of persons and property.

On September 15, 2015, the Ohio Auditor of State declared the Village of Clarksville in fiscal emergency, as defined by Ohio Revised Code Section 118.03. The declaration resulted in the establishment of a financial planning and supervision commission. The Commission is comprised of a representative of the Office of Budget and Management, a representative of the Treasurer of State, the President of the Council of the Village of Clarksville, the Clinton County Auditor, and three individuals appointed by the Governor who are residents of the Village of Clarksville and meet certain criteria. The Commission is responsible for approving a financial recovery plan that eliminates the fiscal emergency conditions, balances the budget, and avoids future deficits.

In accordance with the Ohio Revised Code Section 118.06, the Village of Clarksville is required to submit to the Commission a financial recovery plan which outlines the measures to be taken to eliminate the fiscal emergency condition. The Commission approved the initial recovery plan on October 27, 2015.

***Jointly Governed Organization and Public Entity Risk Pool***

The Village participates in one jointly governed organization, the Clinton-Warren Joint Fire and Rescue District. The Village also participates in a public entity risk pool, the Public Entities Pool of Ohio (PEP). Notes 7 and 13 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

***General Fund*** The general fund 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.

**Village of Clarksville, Ohio**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

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

***Street Construction, Maintenance, and Repair Fund*** This fund accounts for and reports all disbursements restricted to roads, including improvements, paving, snow removal, salt/sand, gravel, blacktop, payroll, supplies, purchases, fuel, vehicle equipment, and maintenance.

***Street Lighting Fund*** This fund accounts for and reports all disbursements restricted to maintain traffic lights and signals.

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

***Grant Construction-Spring Hill Fund*** This fund accounts for and reports a construction improvement project within the Village. The project was funded by a State grant from the Ohio Public Works Commission.

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

***Water Fund*** To account for and report the provision of water services to residents and businesses of the Village.

***Sewer Fund*** To account for and report the provision of sanitary sewer services to residents and businesses of the Village.

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

**Village of Clarksville, Ohio**  
Clinton County  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Budgetary Process (Continued)***

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

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

A summary of 2020 budgetary activity appears in Note 4.

***Deposits and Investments***

The Village maintains only an interest-bearing checking account.

***Capital Assets***

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

***Fund Balance***

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

***Nonspendable*** The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes *nonspendable* fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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

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

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

**Village of Clarksville, Ohio**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Balance (Continued)***

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

**Note 3 – Compliance**

Contrary to Ohio law, appropriations exceeded estimated resources in the Water Fund by \$75,086 for the year ended December 31, 2020. Also contrary to Ohio law, at December 31, 2020, the Water Fund had a cash deficit balance of \$75,086.

**Note 4 - Budgetary Activity**

Budgetary activity for the years ending December 31, 2020 follows:

| 2020 Budgeted vs. Actual Receipts                     |                            |                           |          |
|---|----------------------------|---------------------------|----------|
| Fund Type   | Budgeted<br>Receipts       | Actual<br>Receipts        | Variance |
| General   | \$ 121,187                 | \$ 121,187                | \$ -     |
| Special Revenue                                       | 121,257                    | 121,258                   | 1        |
| Capital Projects                                      | 402,064                    | 402,064                   | -        |
| Enterprise  | 252,584                    | 252,585                   | 1        |
| Total   | \$ 897,092                 | \$ 897,094                | \$ 2     |
| 2020 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |          |
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance |
| General   | \$ 54,979                  | \$ 52,942                 | \$ 2,037 |
| Special Revenue                                       | 74,779                     | 74,779                    | -        |
| Special Revenue                                       | 402,064                    | 402,064                   | -        |
| Enterprise  | 285,586                    | 285,586                   | -        |
| Total   | \$ 817,408                 | \$ 815,371                | \$ 2,037 |

**Note 5 – Deposits**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits. A summary of the Village's deposit accounts are as follows:

|                 |            |
|-----------------|------------|
|                 | 2020       |
| Demand deposits | \$ 311,479 |
| Total deposits  | \$ 311,479 |

**Village of Clarksville, Ohio**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 5 – Deposits (Continued)**

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2020, the village is holding \$0 in unremitted employee payroll withholdings.

**Deposits**

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

**Note 6 – Taxes**

**Property Taxes**

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

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

**Income Taxes**

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

**Note 7 - Risk Management**

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate of \$100 of salaries. This rate is calculated based on accident history and administrative costs.



**Village of Clarksville, Ohio**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 7 - Risk Management (Continued)**

**Risk Pool Membership**

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

|                       | <u>2020</u>   |
|-----------------------|---------------|
| Cash and investments  | \$ 40,318,971 |
| Actuarial liabilities | \$14,111,510  |

The Village's contributions to The Pool for the year ended December 31, 2020 totaled \$5,652.

**Note 8 – Defined Benefit Pension Plans**

**Ohio Public Employees Retirement System**

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

**Note 9 – Postemployment Benefits**

OPERS offers cost-sharing, multi-employer defined benefit postemployment plans, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during the calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4 percent during calendar year 2020.

**Village of Clarksville, Ohio**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 10 - Debt**

Debt outstanding at December 31, 2020 was as follows:

|                 | Principal  | Interest |
|-----------------|------------|----------|
| OWDA Loan 6127  | 40,236     | 1.50%    |
| OPWC Loan CJ04C | 63,022     | 0.00%    |
| OPWC Loan CJ21P | 602,993    | 0.00%    |
|                 | \$ 706,251 |          |

**2001 Ohio Public Works Commission Wastewater Treatment and Collection Loan #CJ04C**

In 2001, the Village entered into a \$840,307 loan agreement with the Ohio Public Works Commission for the Wastewater Treatment and Collection System Improvements. The loan matures in 2022 and payments will be paid from the Sewer Fund.

**2012 Ohio Public Works Commission Water Main Replacement Project Loan #CJ21P**

In 2012, the Village entered into a \$738,358 loan agreement with the Ohio Public Works Commission for the Water Main Replacement Project. The loan matures in 2045 and payments will be paid from the Water Fund.

**2012 Ohio Water Development Authority Clarksville – Water Distribution System Replacement Loan #6127**

In 2012, the Village entered into a loan agreement with the Ohio Water Development Authority for the Water Distribution System Replacement Project. The final payment on the loan is due in 2042 and payments will be made from the Sewer Fund.

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

| Year ending<br>December 31: | OWDA<br>Loans | OPWC<br>Loans |
|-----------------------------|---------------|---------------|
| 2021                        | 2,154         | 66,627        |
| 2022                        | 2,154         | 45,620        |
| 2023                        | 2,154         | 24,612        |
| 2024                        | 2,154         | 24,612        |
| 2025                        | 2,154         | 24,612        |
| 2026-2030                   | 10,770        | 123,059       |
| 2031-2035                   | 10,770        | 123,060       |
| 2036-2040                   | 10,770        | 123,060       |
| 2041-2045                   | 4,308         | 110,753       |
| Total                       | \$ 47,388     | \$ 666,015    |

**Note 11 - Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Village of Clarksville, Ohio**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 12 – Significant Contractual Commitments**

As of December 31, 2020, the Village had the following outstanding balances:

| Vendor        | Amount Outstanding |
|---------------|--------------------|
| Western Water | \$ 525,000         |

The Village entered into a modified repayment schedule with Western Water Company in October 2019 for prior water purchases and will make monthly payments until the balance is paid off in 2044.

**Note 13 - Jointly Governed Organization**

The constitution and laws of the State of Ohio establish the right and privileges of the Clinton-Warren Joint Fire and Rescue District, Clinton County, (the District) as a body corporate and politic. A five-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Each year, a member-at-large is appointed by the political subdivisions within the District. Those subdivisions are the Village of Clarksville, Vernon Township, and Adams Township of Clinton County, and Washington Township of Warren County. The District provides fire protection and rescue services within the District and by contract to areas outside the District. The Board exercises total control over the operations of the District including budgeting, appropriating, contracting, and designating management. Each subdivision's degree of control is limited to its representation on the Board. The Village made no contributions during 2020.

**Note 14 – Fund Balances**

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

| Fund Balances            | General          | Special<br>Revenue | Total            |
|--------------------------|------------------|--------------------|------------------|
| Nonspendable:            |                  |                    |                  |
| Unclaimed Monies         | \$ 18,961        | \$ -               | \$ 18,961        |
| Outstanding Encumbrances | -                | 39,689             | 39,689           |
| <i>Total</i>             | <u>\$ 18,961</u> | <u>\$ 39,689</u>   | <u>\$ 58,650</u> |

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects fund is restricted committed or assigned. These restricted, committed and assigned amounts in the special revenue and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Village of Clarksville, Ohio**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 15 – Change in Accounting Principles**

For 2020, the Village has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds and removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

**Note 16 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

VILLAGE OF CLARKSVILLE, OHIO  
CLINTON COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

|   | General          | Special<br>Revenue | Capital<br>Projects | Totals<br>(Memorandum<br>Only) |
|---|------------------|--------------------|---------------------|--------------------------------|
| <b>Cash Receipts</b>                                  |                  |                    |                     |                                |
| Property and Other Local Taxes                        | \$ 6,525         | \$ 2,717           | \$ -                | \$ 9,242                       |
| Municipal Income Tax                                  | 82,621           | -                  | -                   | 82,621                         |
| Intergovernmental                                     | 15,384           | 29,758             | 198,658             | 243,800                        |
| Special Assessments                                   | -                | 6,246              | -                   | 6,246                          |
| Charges for Services                                  | 3,449            | -                  | -                   | 3,449                          |
| Earnings on Investments                               | 606              | 355                | -                   | 961                            |
| Miscellaneous   | 5,612            | 61                 | -                   | 5,673                          |
| <i>Total Cash Receipts</i>                            | <u>114,197</u>   | <u>39,137</u>      | <u>198,658</u>      | <u>351,992</u>                 |
| <b>Cash Disbursements</b>                             |                  |                    |                     |                                |
| Current:  |                  |                    |                     |                                |
| Security of Persons and Property                      | -                | 11,243             | -                   | 11,243                         |
| Public Health Services                                | 822              | -                  | -                   | 822                            |
| Basic Utility Services                                | 1,301            | -                  | -                   | 1,301                          |
| Transportation  | -                | 33,454             | -                   | 33,454                         |
| General Government                                    | 33,497           | 1,787              | -                   | 35,284                         |
| Capital Outlay  | 40               | 67,025             | 198,658             | 265,723                        |
| <i>Total Cash Disbursements</i>                       | <u>35,660</u>    | <u>113,509</u>     | <u>198,658</u>      | <u>347,827</u>                 |
| <i>Excess of Receipts Over (Under) Disbursements</i>  | <u>78,537</u>    | <u>(74,372)</u>    | <u>-</u>            | <u>4,165</u>                   |
| <b>Other Financing Receipts (Disbursements)</b>       |                  |                    |                     |                                |
| Sale of Capital Assets                                | -                | 14,100             | -                   | 14,100                         |
| Transfers Out   | (5,395)          | -                  | -                   | (5,395)                        |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(5,395)</u>   | <u>14,100</u>      | <u>-</u>            | <u>8,705</u>                   |
| <i>Net Change in Fund Cash Balances</i>               | 73,142           | (60,272)           | -                   | 12,870                         |
| <i>Fund Cash Balances, January 1</i>                  | <u>22,887</u>    | <u>156,887</u>     | <u>-</u>            | <u>179,774</u>                 |
| <b>Fund Cash Balances, December 31</b>                |                  |                    |                     |                                |
| Nonspendable  | 18,961           | -                  | -                   | 18,961                         |
| Restricted  | -                | 96,615             | -                   | 96,615                         |
| Unassigned  | 77,068           | -                  | -                   | 77,068                         |
| <i>Fund Cash Balances, December 31</i>                | <u>\$ 96,029</u> | <u>\$ 96,615</u>   | <u>\$ -</u>         | <u>\$ 192,644</u>              |

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

VILLAGE OF CLARKSVILLE, OHIO  
CLINTON COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2019**

|  | Proprietary Fund Types |
|--|------------------------|
|  | Enterprise             |
| <b>Operating Cash Receipts</b>             |                        |
| Charges for Services                       | \$ 259,068             |
| Miscellaneous                              | 1,028                  |
|  | 260,096                |
| <i>Total Operating Cash Receipts</i>       | <i>260,096</i>         |
| <b>Operating Cash Disbursements</b>        |                        |
| Personal Services                          | 36,697                 |
| Employee Fringe Benefits                   | 6,039                  |
| Contractual Services                       | 153,868                |
| Supplies and Materials                     | 11,983                 |
| Other                                      | 8,099                  |
|  | 216,686                |
| <i>Total Operating Cash Disbursements</i>  | <i>216,686</i>         |
| <i>Operating Income</i>                    | <i>43,410</i>          |
| <b>Non-Operating (Disbursements)</b>       |                        |
| Capital Outlay                             | (4,505)                |
| Principal Retirement                       | (114,761)              |
| Interest and Other Fiscal Charges          | (2,464)                |
|  | (121,730)              |
| <i>Total Non-Operating (Disbursements)</i> | <i>(121,730)</i>       |
| <i>(Loss) before Transfers</i>             | <i>(78,320)</i>        |
| Transfers In                               | 5,395                  |
| <i>Net Change in Fund Cash Balances</i>    | <i>(72,925)</i>        |
| <i>Fund Cash Balances, January 1</i>       | <i>69,075</i>          |
| <i>Fund Cash Balances, December 31</i>     | <i>\$ (3,850)</i>      |

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

**Village of Clarksville, Ohio**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

The Village of Clarksville, Clinton County, Ohio (the Village) is a body politic and corporate established to exercise the right and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general government services, water and sewer utilities, maintenance of Village roads and bridges, and street lighting special assessments. The Village contracts with the Clinton County Sheriff's department to provide security of persons and property.

On September 15, 2015, the Ohio Auditor of State declared the Village of Clarksville in fiscal emergency, as defined by Ohio Revised Code Section 118.03. The declaration resulted in the establishment of a financial planning and supervision commission. The Commission is comprised of a representative of the Office of Budget and Management, a representative of the Treasurer of State, the President of the Council of the Village of Clarksville, the Clinton County Auditor, and three individuals appointed by the Governor who are residents of the Village of Clarksville and meet certain criteria. The Commission is responsible for approving a financial recovery plan that eliminates the fiscal emergency conditions, balances the budget, and avoids future deficits.

In accordance with the Ohio Revised Code Section 118.06, the Village of Clarksville is required to submit to the Commission a financial recovery plan which outlines the measures to be taken to eliminate the fiscal emergency condition. The Commission approved the initial recovery plan on October 27, 2015.

***Jointly Governed Organization and Public Entity Risk Pool***

The Village participates in one jointly governed organization, the Clinton-Warren Joint Fire and Rescue District. The Village also participates in a public entity risk pool, the Public Entities Pool of Ohio (PEP). Notes 7 and 13 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

***General Fund*** The general fund 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.

**Village of Clarksville, Ohio**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

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

***Street Construction, Maintenance, and Repair Fund*** This fund accounts for and reports all disbursements restricted to roads, including improvements, paving, snow removal, salt/sand, gravel, blacktop, payroll, supplies, purchases, fuel, vehicle equipment, and maintenance.

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

***Grant Construction-Water Street Fund*** This fund accounts for and reports a construction improvement project within the Village. The project was funded by a State grant from the Ohio Public Works Commission.

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

***Water Fund*** To account for and report the provision of water services to residents and businesses of the Village.

***Sewer Fund*** To account for and report the provision of sanitary sewer services to residents and businesses of the Village.

***Basis of Accounting***

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

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

***Budgetary Process***

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

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



**Village of Clarksville, Ohio**  
Clinton County  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Budgetary Process (Continued)***

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

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

A summary of 2019 budgetary activity appears in Note 4.

***Deposits and Investments***

The Village maintains only an interest-bearing checking account.

***Capital Assets***

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

***Fund Balance***

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

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

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

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

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

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

**Village of Clarksville, Ohio**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Balance (Continued)***

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

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Water Fund by \$3,033 for the year ended December 31, 2019. Also contrary to Ohio law, appropriations exceeded estimated resources in the Water Fund by \$25,400 for the year ended December 31, 2019. Also contrary to Ohio law, at December 31, 2019, the Water Fund had a cash deficit balance of \$28,433.

**Note 4 - Budgetary Activity**

Budgetary activity for the years ending December 31, 2019 follows:

| 2019 Budgeted vs. Actual Receipts                     |                            |                           |          |
|---|----------------------------|---------------------------|----------|
| Fund Type   | Budgeted<br>Receipts       | Actual<br>Receipts        | Variance |
| General   | \$ 109,572                 | \$ 114,197                | \$ 4,625 |
| Special Revenue                                       | 53,237                     | 53,237                    | -        |
| Capital Projects                                      | 198,658                    | 198,658                   | -        |
| Enterprise  | 265,491                    | 265,491                   | -        |
| Total   | \$ 626,958                 | \$ 631,583                | \$ 4,625 |
| 2019 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |          |
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance |
| General   | \$ 43,208                  | \$ 41,055                 | \$ 2,153 |
| Special Revenue                                       | 113,509                    | 113,509                   | -        |
| Special Revenue                                       | 198,658                    | 198,658                   | -        |
| Enterprise  | 335,432                    | 338,416                   | (2,984)  |
| Total   | \$ 690,807                 | \$ 691,638                | \$ (831) |

**Note 5 – Deposits**

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

|                 |            |
|-----------------|------------|
|                 | 2019       |
| Demand deposits | \$ 188,794 |
| Total deposits  | \$ 188,794 |

**Village of Clarksville, Ohio**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 5 – Deposits (Continued)**

**Deposits**

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

**Note 6 – Taxes**

**Property Taxes**

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

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

**Income Taxes**

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

**Note 7 - Risk Management**

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate of \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**Risk Pool Membership**

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

**Village of Clarksville, Ohio**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 7 - Risk Management (Continued)**

**Risk Pool Membership (Continued)**

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

|                       | <u>2019</u>   |
|-----------------------|---------------|
| Cash and investments  | \$ 38,432,610 |
| Actuarial liabilities | \$14,705,917  |

The Village's contributions to The Pool for the year ended December 31, 2019 totaled \$5,436.

**Note 8 – Defined Benefit Pension Plans**

**Ohio Public Employees Retirement System**

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

**Note 9 – Postemployment Benefits**

OPERS offers cost-sharing, multi-employer defined benefit postemployment plans, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during the calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4 percent during calendar year 2019.

**Note 10 - Debt**

Debt outstanding at December 31, 2019 was as follows:

|                 | <u>Principal</u> | <u>Interest</u> |
|-----------------|------------------|-----------------|
| OWDA Loan 3289  | 47,656           | 2.20%           |
| OWDA Loan 6127  | 41,769           | 1.50%           |
| OPWC Loan CJ04C | 84,030           | 0.00%           |
| OPWC Loan CJ21P | 615,299          | 0.00%           |
|                 | \$ 788,754       |                 |

**Village of Clarksville, Ohio**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 10 – Debt (Continued)**

**2001 Ohio Public Works Commission Wastewater Treatment and Collection Loan #CJ04C**

In 2001, the Village entered into a \$840,307 loan agreement with the Ohio Public Works Commission for the Wastewater Treatment and Collection System Improvements. The loan matures in 2022 and payments will be paid from the Sewer Fund.

**2012 Ohio Public Works Commission Water Main Replacement Project Loan #CJ21P**

In 2012, the Village entered into a \$738,358 loan agreement with the Ohio Public Works Commission for the Water Main Replacement Project. The loan matures in 2045 and payments will be paid from the Water Fund.

**2001 Ohio Water Development Authority Clarksville – Wastewater System Construction Loan #3289**

In 2001, the Village entered into a loan agreement with the Ohio Water Development Authority for the Wastewater System Construction Project. The final payment on the loan is due in 2020 and payments will be made from the Sewer Fund.

**2012 Ohio Water Development Authority Clarksville – Water Distribution System Replacement Loan #6127**

In 2012, the Village entered into a loan agreement with the Ohio Water Development Authority for the Water Distribution System Replacement Project. The final payment on the loan is due in 2042 and payments will be made from the Sewer Fund.

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

| Year ending<br>December 31: | OWDA<br>Loans | OPWC<br>Loans |
|-----------------------------|---------------|---------------|
| 2020                        | 50,599        | 33,314        |
| 2021                        | 2,154         | 66,627        |
| 2022                        | 2,154         | 45,619        |
| 2023                        | 2,154         | 24,612        |
| 2024                        | 2,154         | 24,612        |
| 2025-2029                   | 10,770        | 123,060       |
| 2030-2034                   | 10,770        | 123,060       |
| 2035-2039                   | 10,770        | 123,060       |
| 2040-2044                   | 6,462         | 123,059       |
| 2045                        | -             | 12,306        |
| Total                       | \$ 97,987     | \$ 699,329    |

**Note 11 - Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Village of Clarksville, Ohio**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 12 – Construction and Contractual Commitments**

The Village has reconstruction of Water Street in progress with \$26,824 outstanding as of December 31, 2019.

The Village has signed a contract for the reconstruction of Spring Hill in the amount of \$395,758, the project is expected to begin in 2020.

As of December 31, 2019, the Village had the following outstanding balances:

| <b>Vendor</b> | <b>Amount Outstanding</b> |
|---------------|---------------------------|
| Western Water | \$ 531,000                |

The Village entered into a modified repayment schedule with Western Water Company in October 2019 for prior water purchases and will make monthly payments until the balance is paid off in 2044.

**Note 13 - Jointly Governed Organization**

The constitution and laws of the State of Ohio establish the right and privileges of the Clinton-Warren Joint Fire and Rescue District, Clinton County, (the District) as a body corporate and politic. A five-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Each year, a member-at-large is appointed by the political subdivisions within the District. Those subdivisions are the Village of Clarksville, Vernon Township, and Adams Township of Clinton County, and Washington Township of Warren County. The District provides fire protection and rescue services within the District and by contract to areas outside the District. The Board exercises total control over the operations of the District including budgeting, appropriating, contracting, and designating management. Each subdivision's degree of control is limited to its representation on the Board. The Village made no contributions during 2019.

**Note 14 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.



313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

150 West Main St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market Street, Suite 300  
Wheeling, WV 26003  
304.232.1358

749 Wheeling Ave., Suite 300  
Cambridge, OH 43725  
740.435.3417

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

July 30, 2021

Village of Clarksville  
Clinton County  
PO Box 167  
Clarksville, Ohio 45113

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2020 and December 31, 2019, and related notes of the **Village of Clarksville**, Clinton County, (the Village) and have issued our report thereon dated July 30, 2021, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the Village adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* and removed the fund balance classifications for governmental funds. In addition, we noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. We qualified our opinion on the proprietary fund type as we were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as charges for services receipts due to the Village billing a flat rate for water rather than their legislatively approved rate.

***Internal Control Over Financial Reporting***

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

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

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***Internal Control Over Financial Reporting (Continued)***

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of audit findings that we consider material weaknesses. We consider findings 2020-001 through 2020-003 to be material weaknesses.

***Compliance and Other Matters***

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statement. 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of audit findings as items 2020-002 through 2020-004.

***Purpose of this Report***

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



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio



**VILLAGE OF CLARKSVILLE  
CLINTON COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

|  |
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| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b> |
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**FINDING NUMBER 2020-001**

**Material Weakness**

**Financial Reporting**

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Village's annual financial report were noted:

- A receipt for an insurance claim and a receipt for a Bureau of Workers Compensation refund were posted to Other Financing Sources instead of Miscellaneous in the General Fund in 2020;
- The Unclaimed Monies Fund was not properly mapped in UAN to be reported as a part of the General Fund in 2020; and
- In the 2020 and 2019 notes to the financial statements, we noted the omission of the Change in Accounting Principles note (2020 only) and updates were needed for the Compliance, Budgetary Activity, Deposits, Risk Management, Debt, Contingent Liabilities, and Construction and Contractual Commitments notes.

Not posting receipts and mapping funds accurately resulted in the financial statements requiring several reclassifications and an adjustment. The financial statements reflect all reclassifications and adjustments.

The following reclassification was inconsequential to the overall financial statements of the Village for December 31, 2020 and was not posted to the financial statements or ledgers:

- One cents per gallon receipt was improperly allocated between the Street Construction, Maintenance, and Repair Fund and the State Highway Fund in 2020.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenses are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Village Handbook and other Auditor of State resources for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

**Officials' Response** – We did not receive a response from Officials to this finding.

**FINDING NUMBER 2020-002**

**Material Weakness/Noncompliance**

**Utilities Billing**

The Village is responsible for establishing utility rates within the Village and ensuring that the legislatively approved rates are accurately charged to customers. The Village needs to strengthen controls over its utility billing system to ensure appropriate amounts are billed in accordance with Village passed ordinances.

**VILLAGE OF CLARKSVILLE  
CLINTON COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b> |
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**FINDING NUMBER 2020-002 (Continued)**

**Material Weakness/Noncompliance (Continued)**

**Utilities Billing (Continued)**

Village personnel explained that due to outdated and malfunctioning meters, meter readings had potential reading errors or meters were not working or not read. As a result, the Village billed a flat rate amount for water usage in 2020 and 2019, billing customers the minimum amount for water. The Village, however, did not pass legislation to modify their rate for water to a flat rate. As a result, the Village's Charges for Services revenue in the Water Fund was understated in 2020 and 2019 by an indeterminable amount.

The inability to charge accurate rates has contributed to the decline in financial condition of the Water Fund, which as of December 31, 2020 has a negative fund balance of \$75,086 and owes \$525,000 to Western Water Company for past due water bills.

We also noted that the Village was unable to provide a billing journal, which is required per **Ohio Admin. Code Section 117-2-02(D)**.

Management should follow-up on the status of any meter that is determined to be out of service or misread in order to ensure all customers are billed on a usage basis in accordance with Village ordinances. We also recommend the Village ensure rates charged for water usage are adequate to provide for solvency of the Water Fund. Finally, we recommend the Village maintain a monthly billing journal which details meter usage and amounts billed for all customer accounts.

**Officials' Response** – We did not receive a response from Officials to this finding.

**FINDING NUMBER 2020-003**

**Material Weakness/Noncompliance**

The **CARES Act, 42 U.S.C. 801(d)**, requires that the payments from the Coronavirus Relief Fund (CRF) only be used to cover expenses that:

- (1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- (2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the government; and
- (3) were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020 (extended to December 31, 2021).

The Village passed Resolution 111920A to authorize use of CARES Act funds for expenditures to the Clinton County Sheriff's Departments as the law enforcement activity had been presumably dedicated to COVID-19 centered law enforcement. The Sheriff Contract, however, was an ongoing contract from January 2015 and no changes were made to the quantity of service provided. This contract was budgeted for in the most recently approved budget as of March 27, 2020 and therefore does not qualify as an allowable expense of the Coronavirus Relief Fund. In total, \$6,000 was paid out of CRF for the Sheriff Contract in 2020.

**VILLAGE OF CLARKSVILLE  
CLINTON COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b> |
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**FINDING NUMBER 2020-003 (Continued)**

**Material Weakness/Noncompliance (Continued)**

**CARES Act, 42 U.S.C. 801(d) (Continued)**

We recommend the Village consult their Legal Counsel to determine how to remedy the noncompliance reported above. We also recommend the Village review the CRF guidance provided by the U.S. Department of the Treasury and by the Ohio Auditor of State to ensure that future CRF expenditures are allowable.

**Officials' Response** – We did not receive a response from Officials to this finding.

**FINDING NUMBER 2020-004**

**Noncompliance**

**Ohio Rev. Code, § 5705.10(H)** provides that money be paid into a fund must be used only for the purposes for which such fund was established. As a result, a negative fund balances indicates that money from one fund was used to cover the expenses of another fund. The Village was placed in Fiscal Emergency on September 15, 2015 for a negative fund balance in its General Fund. As of December 31, 2020 and 2019, the Water Fund had a negative fund balance of \$(75,086) and \$(28,433), respectively, partially due to the conditions noted in Finding 2020-002 and the budgetary violations noted below.

We recommend the Village follow the steps outlined in its Financial Recovery Plan while monitoring fund balances and continuing efforts to restore the financial health of its funds.

**Ohio Rev. Code, § 5705.39**, states, in part, total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure therefrom, as certified by the budget commission.

**Ohio Rev. Code, § 5705.41(B)**, provides that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated.

Conditions leading to budgetary noncompliance included:

- Appropriations exceeded estimated resources in the Water Fund in 2020 and 2019;
- Expenditures exceeded Appropriation Authority in the Water Fund in 2019; and
- Estimated receipts per the Final Amended Certificate of Estimated Resources did not agree to the budgeted receipts input in the UAN system in 2019.

The Village should gain an understanding of budgetary law and implement the required budgetary procedures to help reduce the risk of further noncompliance and overspending.

**Officials' Response** – We did not receive a response from Officials to this finding.

**VILLAGE OF CLARKSVILLE  
CLINTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

| Finding Number | Finding Summary   | Status        | Additional Information       |
|----------------|---|---------------|------------------------------|
| 2018-001       | Noncompliance – Ohio Rev. Code Sections 5705.10(H), 5705.39, 5705.41(D) | Not Corrected | Repeated as Finding 2020-004 |
| 2018-002       | Financial Reporting   | Not Corrected | Repeated as Finding 2020-001 |

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF CLARKSVILLE**

**CLINTON COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/21/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)