

***VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO***

***AUDIT REPORT***

***FOR THE YEARS ENDED DECEMBER 31, 2011 & 2010***

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants and Government Consultants**





# Dave Yost • Auditor of State

Village Council  
Village of Clarksburg  
10849 Main Street  
Clarksburg, Ohio 43115

We have reviewed the *Report of Independent Accountants* of the Village of Clarksburg, Ross County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2010 through December 31, 2011. 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 Clarksburg is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

December 14, 2012

**This page intentionally left blank.**

*Village of Clarksburg*  
 Ross County, Ohio  
 For the Years Ended December 31, 2011 and 2010  
 Table of Contents

<u>Title</u>	<u>Page</u>
Independent Auditor’s Report .....	1
Management’s Discussion and Analysis.....	3
Basic Financial Statements:	
Statement of Net Assets—Cash Basis For the Year Ended December 31, 2011 .....	10
Statement of Net Assets—Cash Basis For the Year Ended December 31, 2010 .....	11
Statement of Activities----Cash Basis For the Year Ended December 31, 2011 .....	12
Statement of Activities----Cash Basis For the Year Ended December 31, 2010 .....	13
Statement of Cash Basis Assets and Fund Balances For the Year Ended December 31, 2011 .....	14
Statement of Cash Basis Assets and Fund Balances For the Year Ended December 31, 2010 .....	15
Statement of Cash Receipts, Disbursements and Changes in-Cash Basis Fund Balances—Governmental Funds—For the Year Ended December 31, 2011.....	16
Statement of Cash Receipts, Disbursements and Changes in-Cash Basis Fund Balances—Governmental Funds—For the Year Ended December 31, 2010.....	17
Statement of Receipts, Disbursements and Changes in Fund Balance— Budget and Actual—Budget Basis—General Fund For the Year Ended December 31, 2011 .....	18
Statement of Receipts, Disbursements and Changes in Fund Balance— Budget and Actual—Budget Basis—General Fund For the Year Ended December 31, 2010 .....	19
Statement of Receipts, Disbursements and Changes in Fund Balance— Budget and Actual—Budget Basis—Street Construction, Maintenance and Repair Fund For the Year Ended December 31, 2011.....	20
Statement of Receipts, Disbursements and Changes in Fund Balance— Budget and Actual—Budget Basis—Street Construction, Maintenance and Repair Fund For the Year Ended December 31, 2010.....	21

***Village of Clarksburg***  
Ross County, Ohio  
For the Years Ended December 31, 2011 and 2010  
Table of Contents (Continued)

<u>Title</u>	<u>Page</u>
Statement of Net Assets—Cash Basis - Enterprise Funds For the Year Ended December 31, 2011.....	22
Statement of Net Assets—Cash Basis – Enterprise Funds For the Year Ended December 31, 2010.....	23
Statement of Cash Receipts, Disbursements and Changes in Fund Net Assets – Cash Basis – Enterprise Funds—For the Year Ended December 31, 2011.....	24
Statement of Cash Receipts, Disbursements and Changes in Fund Net Assets – Cash Basis – Enterprise Funds—For the Year Ended December 31, 2010.....	25
Notes to the Financial Statements .....	26
Independent Accountants’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	41
Schedule of Prior Audit Findings.....	43

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland, OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

---

**REPORT OF INDEPENDENT ACCOUNTANTS**

Village of Clarksburg  
Ross County  
10849 Main Street  
Clarksburg, Ohio 43115

To Village Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Clarksburg, Ross County, Ohio (the Village), as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Village's basic financial statements as listed in the table contents. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the Village has prepared these financial statements and notes using the cash basis of accounting. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements, referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Clarksburg, Ross County, Ohio, as of December 31, 2011 and 2010, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Street Construction, Maintenance and Repair Fund, thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

As described in Note 11, during 2010 the Village adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2012 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

We conducted our audit to opine on the Village's financial statements taken as a whole. Management's Discussion & Analysis includes tables of net assets, changes in net assets, and cost of services. These tables provide additional information, but are not part of the basic financial statements. However these tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

*Charles E. Harris*

***Charles E. Harris & Associates, Inc.***

July 16, 2012

Village of Clarksburg  
Management's Discussion and Analysis  
For the Years Ended December 31, 2011 and 2010  
Unaudited

---

This management discussion and analysis of the Village of Clarksburg's financial performance provides an overall review of the Village's financial activities for the years ended December 31, 2011 and 2010, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

**Highlights**

Key highlights for 2011 and 2010 are as follows:

2011 Net assets of governmental activities decreased \$8,941 or 7%, from the prior year. Although Net assets decreased, this was an improvement over the prior year. The General Fund's intergovernmental receipts increased substantially, while total expenditures decreased. Expenditures on roads increased significantly compared to the previous year, while revenues from gas tax monies remained relatively unchanged resulting in a decrease of \$3,015 or 4% in net assets for the Street Construction, Maintenance and Repair Fund from the previous year.

2010 Net assets of governmental activities decreased \$18,512 or 13% from the prior year. The fund most affected by the decrease in cash and cash equivalents was the general fund which decreased \$25,351 or 41%, due to a decrease in intergovernmental receipts, earnings on investments and other receipts. The decrease was slightly offset by an increase in Net assets in the Street Construction, Maintenance and Repair Fund and other governmental funds.

The Village's general receipts are primarily property and intergovernmental receipts. These receipts represent 96% of the total general receipts for governmental activities during 2011 and 94% of the total general receipts for governmental activities during 2010. Property tax receipts increased 8% from 2009 to 2010 but decreased 24% from 2010 to 2011 while unrestricted grants and entitlements decreased 6% from 2009 to 2010 and increased 23% from 2010 to 2011.

Net assets of business-type activities decreased \$7,232 or 4% in 2011 and \$8,123 or 5% in 2010.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular

Village of Clarksburg  
Management's Discussion and Analysis  
For the Years Ended December 31, 2011 and 2010  
Unaudited

---

specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

### **Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

### **Reporting the Village as a Whole**

The Statement of Net Assets and the Statement of Activities reflect how the Village did financially during 2011 and 2010, within the limitations of cash basis accounting. The Statement of Net Assets presents the cash balances of the governmental and business-type activities of the Village at year end. The Statement of Activities compares cash disbursements with program receipts for each governmental program and business type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other non-financial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the Statement of Net Assets and the statement of activities, we divide the Village into two types of activities:

Governmental activities: Most of the Village's basic services are reported here, including police, fire, streets and parks. State entitlements property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Village of Clarksburg  
Management's Discussion and Analysis  
For the Years Ended December 31, 2011 and 2010  
Unaudited

Business-type activity: The Village has two business-type activities, the provisions of water and sewer services. Business-type activities are financed by a fee charged to the customers receiving the service. Major capital outlays are financed by grants and long term loans.

**Reporting the Village's Most Significant Funds**

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used, is being spent for the intended purpose. The funds of the Village are split into two categories: governmental and proprietary.

Governmental Funds - Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village's major governmental funds are the General Fund and the Street, Maintenance and Repair Fund. These programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village has three major enterprise funds, Water, Sewer, and Sewer OWDA Debt Service.

**The Village as a Whole**

Table 1 provides a summary of the Village's net assets for 2011 compared to 2010 and 2009 on a cash basis.

(Table 1)

	Governmental Activities			Business Type Activities		
	2011	2010	2009	2011	2010	2009
<b>Assets</b>						
Cash and Cash Equivalents	\$116,540	\$125,481	\$143,993	\$158,473	\$165,705	\$163,435
Total Assets	\$116,540	\$125,481	\$143,993	\$158,473	\$165,705	\$163,435
<b>Net Assets</b>						
Restricted for:						
Debt Service	-	-	-	\$79,351	\$91,822	\$56,468
Other Purposes	\$90,628	\$93,497	\$86,658	5,232	4,381	-
Unrestricted	25,912	31,984	57,335	73,890	69,502	106,967
Total Net Assets	\$116,540	\$165,992	\$143,993	\$158,473	\$165,705	\$163,435

Village of Clarksburg  
Management's Discussion and Analysis  
For the Years Ended December 31, 2011 and 2010  
Unaudited

As mentioned previously, net assets of governmental activities decreased slightly by \$8,941 during 2011 and \$18,512 during 2010. The decrease was mainly driven by the increase in capital outlays and road expenditures in 2011 and a decrease in intergovernmental receipts, earnings on investments and other receipts in 2010.

Table 2 reflects the changes in net assets in 2011, 2010 and 2009.

**Table 2- Changes in Net Assets**

	Governmental Activities			Business Type Activities		
	2011	2010	2009	2011	2010	2009
<b>Receipts:</b>						
Program Receipts:						
Charges for Services and Sales	\$2,923	\$2,849	\$2,662	\$141,359	\$138,905	\$141,118
Operating Grants and Contributions	18,958	19,789	18,370	-	-	-
Capital Grants and Contributions	29,211	-	-	-	-	345,450
<b>Total Program Receipts</b>	<b>\$51,092</b>	<b>\$22,638</b>	<b>\$21,032</b>	<b>\$141,359</b>	<b>\$138,905</b>	<b>\$486,568</b>
General Receipts:						
Property and Other Local Taxes, Grants and Entitlements Not Restricted to Specific Programs	7,805	10,287	9,517	-	-	-
OPWC Loan Proceeds	-	-	-	-	10,602	86,881
Interest	1,130	1,972	3,262	427	727	3,979
Miscellaneous	1,339	1,098	4,300	-	-	-
<b>Total General Receipts</b>	<b>59,100</b>	<b>52,926</b>	<b>59,123</b>	<b>427</b>	<b>11,329</b>	<b>90,860</b>
<b>Total Receipts</b>	<b>110,192</b>	<b>75,564</b>	<b>80,155</b>	<b>141,786</b>	<b>150,234</b>	<b>577,428</b>
<b>Disbursements:</b>						
General Government	61,579	74,124	72,375	-	-	-
Security of Persons and Property	4,744	4,744	4,846	-	-	-
Leisure Time Activities	1,343	1,465	1,654	-	-	-
Transportation	19,899	13,743	14,834	-	-	-
Capital Outlay	31,568	-	8,445	-	-	-
Water	-	-	-	55,132	52,717	46,812
Sewer	-	-	-	93,886	105,640	520,223
<b>Total Disbursements</b>	<b>119,133</b>	<b>94,076</b>	<b>102,154</b>	<b>149,018</b>	<b>158,357</b>	<b>567,035</b>
<b>Increase in Net Assets</b>	<b>(8,941)</b>	<b>(18,512)</b>	<b>(21,999)</b>	<b>(7,232)</b>	<b>(8,123)</b>	<b>10,393</b>
<b>Net Assets Beginning of Year</b>	<b>125,481</b>	<b>143,993</b>	<b>165,992</b>	<b>165,705</b>	<b>173,828</b>	<b>163,435</b>
<b>Net Assets End of Year</b>	<b>\$116,540</b>	<b>\$125,481</b>	<b>\$143,993</b>	<b>\$158,473</b>	<b>\$165,705</b>	<b>\$173,828</b>

Village of Clarksburg  
Management's Discussion and Analysis  
For the Years Ended December 31, 2011 and 2010  
Unaudited

Program receipts represent 46% of total receipts of governmental activities for 2011 and 30% for 2010 and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 54% of the Village's total receipts for governmental activities for 2011 and 70% of total receipts of governmental activities for 2010, and of this amount, approximately 13% and 19%, respectively, are property and other local taxes for 2011 and 2010. State entitlements make up the majority of the balance of the Village's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of council, and the clerk, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs to the General Fund unrestricted receipts.

Security of Persons and Property are the costs of protecting the Village and its citizens; Leisure Time Activities are the costs of maintaining the parks and playing fields; and Transportation is the cost of maintaining the roads.

**Governmental Activities**

If you look at the Statement of Activities on page 12 & 13 for 2011 and 2010, respectively, you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general government, which account for 52% and 79% of all governmental disbursements in 2011 and 2010, respectively. The next three columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**Table 3-Cost of Services**

	2011		2010		2009	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
General Government	\$61,579	\$58,656	\$74,124	\$71,275	\$72,375	\$69,713
Security of Persons and Property	4,744	4,744	4,744	4,744	4,846	4,846
Leisure Time Activities	1,343	1,343	1,465	1,465	1,654	1,654
Transportation	19,899	941	13,743	(6,046)	14,834	(3,536)
Capital Outlay	31,568	2,357	-	-	8,445	8,445
<b>Total Expenses</b>	<b>\$119,133</b>	<b>\$68,041</b>	<b>\$94,076</b>	<b>\$71,438</b>	<b>\$102,154</b>	<b>\$81,122</b>

Village of Clarksburg  
Management's Discussion and Analysis  
For the Years Ended December 31, 2011 and 2010  
Unaudited

---

The dependence upon general receipts is apparent as over 50% and 56% of governmental activities are supported by these general receipts in 2011 and 2010, respectively.

**Business-type activities**

The water and sewer operations of the Village are relatively large and usually routine. Sewer receipts increased significantly in 2011 due to a rate increase to fund upgrades in the sewer system.

**The Village's Funds**

Total governmental funds had receipts of \$80,981 and disbursements of \$119,133 for 2011. The greatest change within governmental funds occurred within the General Fund. The decrease in the General Fund balance was less than the previous year due to the increase of intergovernmental receipts and a decrease in general government expenditures.

Total governmental funds had receipts of \$75,564 and disbursements of \$94,076 for 2010. The greatest change within governmental funds occurred within the General and Street Funds. The decrease in fund balance in the General Fund was due to a decrease in intergovernmental receipts and other receipts while total expenditures remained relatively unchanged from the previous year. The increase in fund balance of the Street Funds was mainly due to a decrease in expenditures for roads.

**General Fund Budgeting Highlights**

The Village's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Final disbursements were budgeted at \$81,110 for 2011 while actual disbursements were \$67,050. For 2010, final budgeted disbursements were \$105,626 while actual disbursements were \$80,829. Actual expenditures were significantly below budgeted amounts due to a reduction in the cost of general government. This was achieved by keeping equipment purchases and capital improvements to amounts that were of an immediate need.

**Capital Assets and Debt Administration**

**Capital Assets**

The Village does not currently keep track of its capital assets and infrastructure.

**Debt**

At December 31, 2011, the Village's outstanding debt included \$116,700 in OWDA loans and OPWC loans of \$186,215 issued for improvements to the water and sewer plant. For further information regarding the Village's debt, refer to Note 6 to the basic financial statements.

Village of Clarksburg  
Management's Discussion and Analysis  
For the Years Ended December 31, 2011 and 2010  
Unaudited

---

**Current Issues**

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on intergovernmental revenues and have a small local tax base. Our newly prepared financial forecast predicts a positive change in fund balances for 2012.

**Contacting the Village's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Kathy Dickey, Fiscal Officer, Village of Clarksburg, 10849 Main Street, P.O. Box 187, Clarksburg, Ohio 43115.

VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO  
STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2011

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 116,540	\$ 158,473	\$ 275,013
Total Assets	\$ 116,540	\$ 158,473	\$ 275,013
<b>Net Assets</b>			
Restricted for:			
Debt Service	\$ -	\$ 79,351	\$ 79,351
Other Purposes	90,628	5,232	95,860
Unrestricted	25,912	73,890	99,802
Total Net Assets	\$ 116,540	\$ 158,473	\$ 275,013

See accompanying notes to the financial statements.

VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO  
STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 125,481	\$ 165,705	\$ 291,186
Total Assets	<u>\$ 125,481</u>	<u>\$ 165,705</u>	<u>\$ 291,186</u>
<b>Net Assets:</b>			
Restricted for:			
Debt Service	\$ -	\$ 91,822	\$ 91,822
Other Purposes	93,497	4,381	97,878
Unrestricted	<u>31,984</u>	<u>69,502</u>	<u>101,486</u>
Total Net Assets	<u>\$ 125,481</u>	<u>\$ 165,705</u>	<u>\$ 291,186</u>

See accompanying notes to the financial statements.

VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO  
STATEMENT OF ACTIVITIES - CASH BASIS  
For the Year Ended December 31, 2011

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 61,579	\$ 2,923	\$ -	\$ -	\$ (58,656)	\$ -	\$ (58,656)
Security of Persons and Property	4,744	-	-	-	(4,744)	-	(4,744)
Transportation	19,899	-	18,958	-	(941)	-	(941)
Leisure Time Activities	1,343	-	-	-	(1,343)	-	(1,343)
Capital Outlay	31,568	-	-	29,211	(2,357)	-	(2,357)
Total Governmental Activities	<u>119,133</u>	<u>2,923</u>	<u>18,958</u>	<u>29,211</u>	<u>(68,041)</u>	<u>-</u>	<u>(68,041)</u>
Business-Type Activities:							
Water	55,132	48,744	-	-	-	(6,388)	(6,388)
Sewer	93,886	92,615	-	-	-	(1,271)	(1,271)
Total Business-Type Activities	<u>149,018</u>	<u>141,359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,659)</u>	<u>(7,659)</u>
Total Government	<u>\$ 268,151</u>	<u>\$ 144,282</u>	<u>\$ 18,958</u>	<u>\$ 29,211</u>	<u>(68,041)</u>	<u>(7,659)</u>	<u>(75,700)</u>
General Receipts							
Property Taxes levied for:							
General purposes					7,805	-	7,805
Grants and entitlements not restricted to specific programs					48,826	-	48,826
Earnings on Investments					1,130	427	1,557
Miscellaneous					1,339	-	1,339
Total General Receipts					<u>59,100</u>	<u>427</u>	<u>59,527</u>
Change in Net Assets					(8,941)	(7,232)	(16,173)
Net Assets Beginning of Year					125,481	165,705	291,186
Net Assets End of Year					<u>\$ 116,540</u>	<u>\$ 158,473</u>	<u>\$ 275,013</u>

See accompanying notes to the financial statements.

VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO  
STATEMENT OF ACTIVITIES - CASH BASIS  
For the Year Ended December 31, 2010

	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Assets</u>		
	<u>Cash Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Governmental Activities:</b>						
General Government	\$ 74,124	\$ 2,849	\$ -	\$ (71,275)	\$ -	\$ (71,275)
Security of Persons and Property	4,744	-	-	(4,744)	-	(4,744)
Transportation	13,743	-	19,789	6,046	-	6,046
Leisure Time Activities	1,465	-	-	(1,465)	-	(1,465)
<b>Total Governmental Activities</b>	<b>94,076</b>	<b>2,849</b>	<b>19,789</b>	<b>(71,438)</b>	<b>-</b>	<b>(71,438)</b>
<b>Business-Type Activities:</b>						
Water	52,717	45,539	-	-	(7,178)	(7,178)
Sewer	105,640	93,366	-	-	(12,274)	(12,274)
<b>Total Business-Type Activities</b>	<b>158,357</b>	<b>138,905</b>	<b>-</b>	<b>-</b>	<b>(19,452)</b>	<b>(19,452)</b>
<b>Total Government</b>	<b>\$ 252,433</b>	<b>\$ 141,754</b>	<b>\$ 19,789</b>	<b>(71,438)</b>	<b>(19,452)</b>	<b>(90,890)</b>
<b>General Receipts</b>						
Property Taxes levied for:						
General purposes				10,287	-	10,287
Grants and entitlements not restricted to specific p				39,569	-	39,569
OPWC loan proceeds				-	10,602	10,602
Earnings on Investments				1,972	727	2,699
Miscellaneous				1,098	-	1,098
<b>Total General Receipts</b>				<b>52,926</b>	<b>11,329</b>	<b>64,255</b>
<b>Change in Net Assets</b>				<b>(18,512)</b>	<b>(8,123)</b>	<b>(26,635)</b>
<b>Net Assets Beginning of Year</b>				<b>143,993</b>	<b>173,828</b>	<b>317,821</b>
<b>Net Assets End of Year</b>				<b>\$ 125,481</b>	<b>\$ 165,705</b>	<b>\$ 291,186</b>

See accompanying notes to the financial statements.

VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO  
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
DECEMBER 31, 2011

	<u>General</u>	<u>Street Construction Maintenance &amp; Repair</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 25,912	\$ 80,539	\$ 10,089	\$ 116,540
Total Assets	<u>\$ 25,912</u>	<u>\$ 80,539</u>	<u>\$ 10,089</u>	<u>\$ 116,540</u>
<b>Fund Balances:</b>				
Restricted	\$ -	\$ 80,539	\$ 10,089	\$ 90,628
Unassigned	25,912	-	-	25,912
Total Fund Balances	<u>\$ 25,912</u>	<u>\$ 80,539</u>	<u>\$ 10,089</u>	<u>\$ 116,540</u>

See accompanying notes to the financial statements.

VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO  
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
DECEMBER 31, 2010

	<u>General</u>	<u>Street Construction Maintenance &amp; Repair</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 31,984	\$ 83,554	\$ 9,943	\$ 125,481
Total Assets	<u>\$ 31,984</u>	<u>\$ 83,554</u>	<u>\$ 9,943</u>	<u>\$ 125,481</u>
<b>Fund Balances:</b>				
Restricted	\$ -	\$ 83,554	\$ 9,943	\$ 93,497
Assigned	1,110	-	-	1,110
Unassigned	30,874	-	-	30,874
Total Fund Balances	<u>\$ 31,984</u>	<u>\$ 83,554</u>	<u>\$ 9,943</u>	<u>\$ 125,481</u>

See accompanying notes to the financial statements.

VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES - ALL  
GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>General</u>	<u>Street Construction Maintenance &amp; Repair</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Receipts</b>				
Property and Other Local Taxes	\$ 7,243	\$ -	\$ 562	\$ 7,805
Fines and Forfeitures	2,872	-	-	2,872
Intergovernmental	48,826	17,410	30,759	96,995
Charges for Services	51	-	-	51
Earning on Investments	647	431	52	1,130
Miscellaneous	1,339	-	-	1,339
Total Receipts	<u>60,978</u>	<u>17,841</u>	<u>31,373</u>	<u>110,192</u>
<b>Disbursements</b>				
Current:				
General Government	61,563	-	16	61,579
Security of Persons and Property	4,144	-	600	4,744
Transportation	-	18,691	1,208	19,899
Leisure Time Activities	1,343	-	-	1,343
Capital Outlay	-	2,165	29,403	31,568
Total Disbursements	<u>67,050</u>	<u>20,856</u>	<u>31,227</u>	<u>119,133</u>
Net Change in Fund Balances	(6,072)	(3,015)	146	(8,941)
Fund Balances Beginning of Year	<u>31,984</u>	<u>83,554</u>	<u>9,943</u>	<u>125,481</u>
Fund Balances End of Year	<u>\$ 25,912</u>	<u>\$ 80,539</u>	<u>\$ 10,089</u>	<u>\$ 116,540</u>

See accompanying notes to the financial statements.

VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES - ALL  
GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>General</u>	<u>Street Construction Maintenance &amp; Repair</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Receipts</b>				
Property and Other Local Taxes	\$ 9,640	\$ -	\$ 647	\$ 10,287
Fines and Forfeitures	2,849	-	-	2,849
Intergovernmental	39,569	18,186	1,603	59,358
Earning on Investments	1,212	684	76	1,972
Miscellaneous	1,098	-	-	1,098
Total Receipts	<u>54,368</u>	<u>18,870</u>	<u>2,326</u>	<u>75,564</u>
<b>Disbursements</b>				
Current:				
General Government	74,110	-	14	74,124
Security of Persons and Property	4,144	-	600	4,744
Transportation	-	12,931	812	13,743
Leisure Time Activities	1,465	-	-	1,465
Total Disbursements	<u>79,719</u>	<u>12,931</u>	<u>1,426</u>	<u>94,076</u>
Net Change in Fund Balances	(25,351)	5,939	900	(18,512)
Fund Balances Beginning of Year	<u>57,335</u>	<u>77,615</u>	<u>9,043</u>	<u>143,993</u>
Fund Balances End of Year	<u>\$ 31,984</u>	<u>\$ 83,554</u>	<u>\$ 9,943</u>	<u>\$ 125,481</u>

See accompanying notes to the financial statements.

VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	9,520	\$ 7,243	\$ 7,243	\$ -
Fines and Forfeitures	3,000	2,872	2,872	-
Intergovernmental	38,643	48,826	48,826	-
Charges for Services	-	51	51	-
Earning on Investment	1,200	647	647	-
Miscellaneous	1,000	1,339	1,339	-
Total Receipts	53,363	60,978	60,978	-
Disbursements				
Current:				
General Government	23,750	75,510	61,563	13,947
Security of Persons and Property	1,250	4,200	4,144	56
Leisure Time Activities	-	1,400	1,343	57
Total Disbursements	25,000	81,110	67,050	14,060
Receipts Over (Under) Disbursements	28,363	(20,132)	(6,072)	14,060
Fund Balance Beginning of Year	30,874	30,874	30,874	-
Prior Year Encumbrances Appropriated	1,110	1,110	1,110	-
Fund Balance End of Year	\$ 60,347	\$ 11,852	\$ 25,912	\$ 14,060

See accompanying notes to the financial statements

VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 8,216	\$ 8,216	\$ 9,640	\$ 1,424
Fines, Licenses and Permits	2,500	2,500	2,849	349
Intergovernmental	41,026	41,026	39,569	(1,457)
Earning on Investment	1,500	1,500	1,212	(288)
Miscellaneous	2,706	2,706	1,098	(1,608)
Total Receipts	<u>55,948</u>	<u>55,948</u>	<u>54,368</u>	<u>(1,580)</u>
Disbursements				
Current:				
General Government	23,750	89,446	75,220	14,226
Security of Persons and Property	1,250	5,200	4,144	1,056
Leisure Time Activities	-	2,860	1,465	1,395
Capital Outlay	-	8,120	-	8,120
Total Disbursements	<u>25,000</u>	<u>105,626</u>	<u>80,829</u>	<u>24,797</u>
Receipts Over (Under) Disbursements	30,948	(49,678)	(26,461)	23,217
Fund Balance Beginning of Year	57,181	57,181	57,181	-
Prior Year Encumbrances Appropriated	<u>154</u>	<u>154</u>	<u>154</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 88,283</u>	<u>\$ 7,657</u>	<u>\$ 30,874</u>	<u>\$ 23,217</u>

See accompanying notes to the financial statements

VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
STREET CONSTRUCTION MAINTENANCE REPAIR FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 18,200	\$ 17,410	\$ 17,410	\$ -
Interest	700	431	431	-
Total Receipts	<u>18,900</u>	<u>17,841</u>	<u>17,841</u>	<u>-</u>
Disbursements				
Current:				
Transportation	4,350	27,488	18,691	8,797
Capital Outlay	650	14,000	2,165	11,835
Total Disbursements	<u>5,000</u>	<u>41,488</u>	<u>20,856</u>	<u>8,797</u>
Net Change in Fund Balance	13,900	(23,647)	(3,015)	8,797
Fund Balance Beginning of Year	82,566	82,566	82,566	-
Prior Year Encumbrances Appropriated	<u>988</u>	<u>988</u>	<u>988</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 97,454</u>	<u>\$ 59,907</u>	<u>\$ 80,539</u>	<u>\$ 8,797</u>

See accompanying notes to the financial statements

VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
STREET CONSTRUCTION MAINTENANCE REPAIR FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 20,117	\$ 16,950	\$ 18,186	\$ 1,236
Interest	-	950	684	(266)
Total Receipts	<u>20,117</u>	<u>17,900</u>	<u>18,870</u>	<u>970</u>
Disbursements				
Current:				
Transportation	4,350	26,500	13,919	12,581
Capital Outlay	650	4,000	-	4,000
Total Disbursements	<u>5,000</u>	<u>30,500</u>	<u>13,919</u>	<u>12,581</u>
Net Change in Fund Balance	15,117	(12,600)	4,951	11,611
Fund Balance Beginning of Year	77,589	77,589	77,589	-
Prior Year Encumbrances Appropriated	<u>26</u>	<u>26</u>	<u>26</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 92,732</u>	<u>\$ 65,015</u>	<u>\$ 82,566</u>	<u>\$ 11,611</u>

See accompanying notes to the financial statements

VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO  
STATEMENT OF FUND NET ASSETS - CASH BASIS  
ENTERPRISE FUNDS  
DECEMBER 31, 2011

	Water Fund	Sewer Fund	Sewer OWDA Debt Service	Other Enterprise Funds	Total Enterprise Funds
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 37,127	\$ 36,763	\$ 46,891	\$ 37,692	\$ 158,473
Total Assets	<u>\$ 37,127</u>	<u>\$ 36,763</u>	<u>\$ 46,891</u>	<u>\$ 37,692</u>	<u>\$ 158,473</u>
<b>Net Assets:</b>					
Restricted for Debt Service	-	-	\$ 46,891	\$ 32,460	\$ 79,351
Restricted for Other	-	-	-	5,232	5,232
Unrestricted	\$ 37,127	\$ 36,763	-	-	73,890
Total Net Assets	<u>\$ 37,127</u>	<u>\$ 36,763</u>	<u>\$ 46,891</u>	<u>\$ 37,692</u>	<u>\$ 158,473</u>

See accompanying notes to the financial statements.

VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO  
STATEMENT OF FUND NET ASSETS - CASH BASIS  
ENTERPRISE FUNDS  
DECEMBER 31, 2010

	Water Fund	Sewer Fund	Sewer OWDA Debt Service	Other Enterprise Funds	Total Enterprise Funds
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 38,052	\$ 31,450	\$ 53,723	\$ 42,480	\$ 165,705
Total Assets	<u>\$ 38,052</u>	<u>\$ 31,450</u>	<u>\$ 53,723</u>	<u>\$ 42,480</u>	<u>\$ 165,705</u>
<b>Net Assets:</b>					
Restricted for Debt Service	-	-	\$ 53,723	\$ 38,099	\$ 91,822
Restricted for Other Purposes	-	-	-	4,381	4,381
Unrestricted	\$ 38,052	\$ 31,450	-	-	69,502
Total Net Assets	<u>\$ 38,052</u>	<u>\$ 31,450</u>	<u>\$ 53,723</u>	<u>\$ 42,480</u>	<u>\$ 165,705</u>

See accompanying notes to the financial statements.

VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN  
FUND NET ASSETS - CASH BASIS  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Sewer OWDA Debt Service</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>
Operating Receipts:					
Charges for Services	\$ 48,744	\$ 54,105	\$ 32,917	\$ 5,593	\$ 141,359
Total Operating Receipts	<u>48,744</u>	<u>54,105</u>	<u>32,917</u>	<u>5,593</u>	<u>141,359</u>
Operating Disbursements:					
Personal Services	22,045	25,347	-	-	47,392
Fringe Benefits	708	876	-	-	1,584
Contractual Services	14,071	15,327	-	-	29,398
Supplies and Materials	10,005	2,992	-	-	12,997
Miscellaneous	-	-	-	1,800	1,800
Total Operating Disbursements	<u>46,829</u>	<u>44,542</u>	<u>-</u>	<u>1,800</u>	<u>93,171</u>
Operating Income (Loss)	<u>1,915</u>	<u>9,563</u>	<u>32,917</u>	<u>3,793</u>	<u>48,188</u>
Non-Operating Receipts (Disbursements):					
Interest Revenue	-	-	305	122	427
Capital Outlay	-	(4,250)	-	-	(4,250)
Principal Redemption	-	-	(30,265)	(11,543)	(41,808)
Interest and Fiscal Charges	-	-	(9,789)	-	(9,789)
Total Non-Operating Receipts (Disbursements)	<u>-</u>	<u>(4,250)</u>	<u>(39,749)</u>	<u>(11,421)</u>	<u>(55,420)</u>
Income/(Loss) Before Interfund Transfers	1,915	5,313	(6,832)	(7,628)	(7,232)
Transfers In	-	-	-	2,840	2,840
Transfers Out	<u>(2,840)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,840)</u>
Change in Net Assets	(925)	5,313	(6,832)	(4,788)	(7,232)
Net Assets Beginning of Year	38,052	31,450	53,723	42,480	165,705
Net Assets End of Year	<u>\$ 37,127</u>	<u>\$ 36,763</u>	<u>\$ 46,891</u>	<u>\$ 37,692</u>	<u>\$ 158,473</u>

See accompanying notes to the financial statements.

VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN  
FUND NET ASSETS - CASH BASIS  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Sewer OWDA Debt Service</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>
Operating Receipts:					
Charges for Services	\$ 45,539	\$ 40,822	\$ 40,073	\$ 12,471	\$ 138,905
Total Operating Receipts	<u>45,539</u>	<u>40,822</u>	<u>40,073</u>	<u>12,471</u>	<u>138,905</u>
Operating Disbursements:					
Personal Services	19,795	24,505	-	-	44,300
Fringe Benefits	1,365	1,668	-	-	3,033
Contractual Services	15,434	17,792	-	-	33,226
Supplies and Materials	6,319	3,095	-	-	9,414
Miscellaneous	-	-	-	1,579	1,579
Total Operating Disbursements	<u>42,913</u>	<u>47,060</u>	<u>-</u>	<u>1,579</u>	<u>91,552</u>
Operating Income (Loss)	<u>2,626</u>	<u>(6,238)</u>	<u>40,073</u>	<u>10,892</u>	<u>47,353</u>
Non-Operating Receipts (Disbursements):					
OPWC Loan Proceeds	-	-	-	10,602	10,602
Interest Revenue	-	-	535	192	727
Capital Outlay	(1,500)	-	-	(10,600)	(12,100)
Principal Redemption	-	-	(31,314)	(11,545)	(42,859)
Interest and Fiscal Charges	-	-	(11,846)	-	(11,846)
Total Non-Operating Receipts (Disbursements)	<u>(1,500)</u>	<u>-</u>	<u>(42,625)</u>	<u>(11,351)</u>	<u>(55,476)</u>
Income/(Loss) Before Interfund Transfers	1,126	(6,238)	(2,552)	(459)	(8,123)
Transfers In	-	-	-	10,510	10,510
Transfers Out	<u>(10,510)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,510)</u>
Change in Net Assets	(9,384)	(6,238)	(2,552)	10,051	(8,123)
Net Assets Beginning of Year	47,436	37,688	56,275	32,429	173,828
Net Assets End of Year	<u>\$ 38,052</u>	<u>\$ 31,450</u>	<u>\$ 53,723</u>	<u>\$ 42,480</u>	<u>\$ 165,705</u>

See accompanying notes to the financial statements.

**VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO**

Notes to the Basic Financial Statements  
For the Years Ended December 31, 2011 and 2010

**Note 1 – Reporting Entity**

The Village of Clarksburg, Ross County, Ohio (the “Village”), is a body politic and corporate established in 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 elected at large for four year terms. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie.

**Reporting Entity**

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

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, water and sewer utilities, maintenance of Village roads and bridges, park operations, and police and fire protection services.

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization’s governing body and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization’s resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; of the Village is obligated for the debt of the organization. Component units may also include organizations for which the Village approves the budget, the issuance of debt or the levying of taxes. There are no component units included as part of this report.

A joint venture is a legal entity or other organization that results from a contractual arrangement that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The Village has no joint ventures.

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

**Fund Accounting**

The Village uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Village functions or activities. The operation of each fund is accounted for within a separate set of self-balancing set of accounts.

**VILLAGE OF CLARKSBURG**  
**ROSS COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2011 and 2010

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

*Governmental Funds*

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

General Fund – The General Fund is the operating fund of the Village and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

The other governmental funds of the Village account for grants and other resources whose use is restricted to a particular purpose.

*Proprietary Funds*

The proprietary funds are used to account for the Village's ongoing activities that are similar to those found in the private sector. The only proprietary funds reported by the Village are enterprise funds. The following are the Village's major enterprise funds:

Water Fund – This fund receives charges for services from residents to cover the cost of treating and distributing water throughout the Village.

Sewer Fund – This fund receives charges for services from residents to cover the cost of collecting, treatment, and distribution of sewage throughout the Village.

Sewer OWDA Debt Service – This fund receives 53.7% of the charges for services from resident to cover the cost of repayment of the OWDA Sewer Debts.

**VILLAGE OF CLARKSBURG**  
**ROSS COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2011 and 2010

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

**Basis of Presentation**

The Village prepares its financial statements in accordance with the provisions of GASB 34 for financial reporting on a cash basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America and GASB 38, for certain financial statement note disclosures. The Village's basic financial statements consist of government-wide statements, including a statement of net cash assets and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

**Government-wide Financial Statements**

The Statement of Net Assets and the Statement of Activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. The Village does have business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business type activities are financed in whole or part by fees charged to external parties for goods or services.

The Statement of Net Assets presents the cash balance of the governmental and business-type activities of the Village at year end. The Statement of Activities compares disbursements with program receipts for each of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Village's general receipts.

**Fund Financial Statements**

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

**Fund Accounting**

The Village uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Village are divided into two categories: governmental and proprietary.

**VILLAGE OF CLARKSBURG**  
**ROSS COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2011 and 2010

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

**Basis of Accounting**

The Village's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village may appropriate.

The appropriations ordinance is the Village's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Village. The legal level of control has been established at the object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Village.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

**Cash and Investments**

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

**VILLAGE OF CLARKSBURG**  
**ROSS COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2011 and 2010

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

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. In 2011, interest receipts credited to the General, Street Construction, Maintenance and Repair Funds were \$647 and \$431 respectively, while interest in Other Governmental Funds totaled \$52. In 2011, interest receipts in the Sewer OWDA Debt Service fund were \$305, while interest in Non-Major Enterprise funds was \$122. In 2010, interest receipts credited to the General, Street Construction, Maintenance and Repair Funds were \$1,212 and \$684 respectively, while interest in Other Governmental Funds totaled \$76. In 2010, interest receipts in the Sewer OWDA Debt Service fund were \$535, while interest in Non-Major Enterprise funds was \$192.

Inventory and Prepaid Items

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

Capital Assets and Depreciation

Acquisitions of property, plant and equipment are recorded as disbursements when paid. However, under the cash basis of accounting, capital assets and the related depreciation are not reported separately on the financial statements.

Restricted Assets

Cash, cash equivalents on investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributions, grantors, or laws of other governments, or imposed by law through constitutional provision or enabling legislation.

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Long Term Obligations

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

**VILLAGE OF CLARKSBURG**  
**ROSS COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2011 and 2010

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

Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Village's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

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.

1. Nonspendable- The Village classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.
2. Restricted- Fund balance is restricted when constraints placed on the use of resources are either external 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.
3. Committed- The 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.
4. Assigned- Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restrict 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 the Council.
5. Unassigned- Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

**VILLAGE OF CLARKSBURG**  
**ROSS COUNTY, OHIO**

Notes to the Basic Financial Statements

For the Years Ended December 31, 2011 and 2010

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

**Interfund Transactions**

Exchange transactions between funds are reported as cash receipts in the seller funds and as cash disbursements in the purchaser funds. Flows of cash or goods from one fund to another without the requirement for repayment are reported as transfers. Transfers are reported as other financing sources/uses in governmental funds. Repayment from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented on the financial statements. In the government-wide financial statements transfers within governmental activities or within business-type activities are eliminated.

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a restricted, committed, or assigned fund balances (cash basis). There were no encumbrances outstanding at 2011 (budgetary basis). The encumbrances outstanding at 2010 (budgetary basis) amounted to \$1,110 for the General Fund and \$988 for the Street Construction, Maintenance & Repair Fund.

**Note 4 – Deposits and Investments**

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

Active monies are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

**VILLAGE OF CLARKSBURG**  
**ROSS COUNTY, OHIO**

Notes to the Basic Financial Statements  
For the Years Ended December 31, 2011 and 2010

**Note 4 – Deposits and Investments**

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

**Deposits**

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2011, the carrying amount of the Village's deposits was \$275,013 and the bank balance was \$284,193. The bank balance was insured by the FDIC and was collateralized with securities held by the pledging financial institution, but not in the Village's name.

At December 31, 2010, the carrying amount of the Village's deposits was \$291,186 and the bank balance was \$300,192. The bank balance was insured by the FDIC, and was collateralized with securities held by the pledging financial institution, but not in the Village's name.

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

**VILLAGE OF CLARKSBURG**  
**ROSS COUNTY, OHIO**

Notes to the Basic Financial Statements  
For the Years Ended December 31, 2011 and 2010

**Note 5 – Property Taxes**

Real property taxes are levied on assessed values, which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The State Board of Tax Equalization adjusts the tax rates for inflation. Real property owners' tax bills are further reduced by homestead and rollback deductions when applicable. The amount of these homestead and rollback reductions is reimbursed to the Village by the State of Ohio. The amounts reimbursed by the State of Ohio are reflected in the accompanying financial statements as Intergovernmental Receipts.

Public utilities are also taxed on personal and real property located within the Village. Tangible personal property tax is assessed on the property owners, who must file a list of such property to the County by each April 30.

The County Treasurer collects property tax on behalf of all taxing authorities within the county. The County Auditor periodically remits to the taxing authorities their portions of the taxes collected.

**Note 6 – Debt**

Under the cash basis of accounting, debt obligations are not reported as a liability in the accompanying financial statements.

The Village's long-term debt activity for the two years ended December 31, 2011 was as follows:

	Balance 1/1/2010	Addition	Payments	Balance 12/31/2011	Due Within One Year
<b><u>Business-type Activities</u></b>					
1990 – OWDA Loan # 1522 interest rate at 7.55%	\$ 163,961	-	\$ 52,291	\$ 111,670	\$ 60,484
2001-OWDA Loan # 3510 interest rate at 4.74%	9,289	-	9,289	-	-
2003/2002 –OPWC Water Loan interest rate at 0%	112,095	-	16,607	95,489	8,304
2009 OPWC WWTP Improvements at 0%	86,604	10,602	6,480	90,726	3,240
			-		
	<u>\$ 371,949</u>	<u>\$ 10,602</u>	<u>\$ 84,667</u>	<u>\$ 297,885</u>	<u>\$ 72,028</u>

In 1990, the Village entered into a \$416,988 loan agreement with the Ohio Water Development Authority (OWDA) for the construction of a water/sewer plant. The loan carries an interest rate of 7.55% and is payable in twenty five (25) years.

In 2001, the Village entered into a \$51,204 loan agreement with the Ohio Water Development Authority (OWDA) for sewer rehabilitation. The loan was paid off in 2011.

**VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO**

Notes to the Basic Financial Statements  
For the Years Ended December 31, 2011 and 2010

**Note 6 – Debt**

In 2002, the Village entered into a water loan agreement with the Ohio Public Works Commission (OPWC) for the upgrade of the Village’s water plant. The loan carries a 0% interest rate and is payable in twenty years (20). The final payment is scheduled on 7/1/2023.

In 2009, the Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) for the upgrade of the Village’s water plant in the amount of \$97,205; \$86,603 was received in 2009 and \$10,602 was received in 2010. The loan carries a 0% interest rate and is payable in twenty years (30) beginning July 2010. The final payment is scheduled on 7/1/2040.

Amortization of OWDA debt, including interest, is scheduled as follows:

	<b>OWDA Loan</b>	
	<b>Principal</b>	<b>Interest</b>
Year ending December 31:		
2012	\$29,142	\$8,432
2013	31,342	6,231
2014	33,708	3,864
2015	17,478	1,306
Totals	\$111,670	\$19,833

Amortization of OPWC debt is scheduled as follows:

	<b>OPWC Loans</b>	
	<b>Principal</b>	
Year ending December 31:		
2011	\$11,243	
2012	11,243	
2013	11,243	
2014	11,243	
2015	11,243	
2016-2020	56,215	
2021-2040	73,785	
Totals	\$186,215	

**VILLAGE OF CLARKSBURG**  
**ROSS COUNTY, OHIO**

Notes to the Basic Financial Statements  
For the Years Ended December 31, 2011 and 2010

**Note 7 – Risk Management**

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

**RISK POOL MEMBERSHIP**

The Village belongs to the Ohio Plan Risk Management, Inc., formerly known as the Ohio Government Risk Management Plan (the Plan).

On January 1, 2009, through an internal reorganization, the Plan created three separate non-profit corporations including:

- Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Risk Management Plan;
- Ohio Plan Healthcare Consortium, Inc. (OPHC) - formerly known as the Ohio Healthcare Consortium; and
- Ohio Plan, Inc. - mirrors the oversight function previously performed by the Board of Directors. The Board of Trustees consists of eleven (11) members that include appointed and elected officials from member organizations.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk management (“OPRM”), are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss, except OPRM retains 40% (17.5% through October 31, 2010 and 15% through October 31, 2009) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 761 and 725 members as of December 31, 2010 and 2009 respectively. The Village participates in this coverage.

The Plan formed the Ohio Plan Healthcare Consortium (“OPHC”), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political subdivisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member’s healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of-pocket maximums. OPHC had 65 and 60 members as of December 31, 2010 and 2009 respectively. The Village does not participate in this coverage.

**VILLAGE OF CLARKSBURG**  
**ROSS COUNTY, OHIO**

Notes to the Basic Financial Statements  
For the Years Ended December 31, 2011 and 2010

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

RISK POOL MEMBERSHIP – (continued)

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member’s covered claims, which occurred during their membership period, remain the responsibility of the Plan.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2011 and 2010 (the latest information available):

	<b>2011</b>	<b>2010</b>
	<b>OPRM</b>	<b>OPRM</b>
Assets	\$12,051,280	\$12,036,541
Liabilities	(5,328,761)	(4,845,056)
Members’ Equity	\$7,172,519	\$7,191,485

You can read the complete audited financial statements for OPRM at the Plan’s website, [www.ohioplan.org](http://www.ohioplan.org).

There have been no significant reductions in insurance coverage from the prior fiscal years and settled claims have not exceeded this commercial coverage in any of the last three years. The Village pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

**Note 8– Defined Benefit Pension Plan**

**Ohio Public Employees Retirement System**

The Village of Clarksburg participates in the Ohio Public Employees Retirement System of Ohio (OPERS), which administers three separate pension plans; the Traditional Pension Plan (TPP), the Member-Directed Plan (MDP) and the Combined Plan (CP). The TPP is a cost sharing, multiple – employer defined pension plan. The MDP is a defined contribution plan in which the member invest both member and employer contributions (employer contributions vest over five years at 20 percent per year), and members accumulate retirement assets equal to the value of member and vested employer contribution plus any investment earnings.

The CP is a cost sharing, multiple-employer defined benefit plan where employer contributions are invested by OPERS to provide a formula retirement benefit similar to the TP benefit, but the member contribution is self-directed by the members and accumulate retirement assets in a manner similar to the MDP.

**VILLAGE OF CLARKSBURG**  
**ROSS COUNTY, OHIO**

Notes to the Basic Financial Statements  
For the Years Ended December 31, 2011 and 2010

**Note 8 – Defined Benefit Pension Plan** (Continued)

Ohio Public Employees Retirement System (continued)

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TPP and CP Plans. Members of the MDP do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a publicly available stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-6705 or 1-800-222-PERS(7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The member contribution rate was 10 percent and the Village's contribution rate was 14 percent of covered payroll for 2010 and 2011. The Village's required contributions for pension obligations to OPERS were \$7,705, \$8,015 and \$4,979 for 2011, 2010 and 2009, respectively. The Village has paid all required contributions through 2011.

**Note 9 - Postemployment Benefits**

Ohio Public Employees Retirement System

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for postretirement health care coverage, age and services retiree under the TPP and the CP plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualifying survivor benefit recipients is available. The health care coverage provided by OPERS is considered to be an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

**VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO**

Notes to the Basic Financial Statements  
For the Years Ended December 31, 2011 and 2010

**Note 9 - Postemployment Benefits (Continued)**

Ohio Public Employees Retirement System (continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011 and 2010, state and local employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employers contributed at 18.10% and 17.87% for 2011 and 2010, respectively. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% during 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2011. The portion of employer contributions allocated to health care for member in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in Combined Plan was 4.73% from January 1 through February 28, 2010 and 4.23% from March 1 through December 31, 2010.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contributions allocated to fund post-employment health care benefits for the years ended 2011, 2010 and 2009 were \$2,195, \$3,142 and \$4,980, respectively.

On September 9, 2004 the OPERS Retirement Board adopted The Heath Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and employer contribution rates increased each year from 2006 to 2008. Rates for law enforcement and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

**Note 10 –Transfers and Advances**

Following is a summary of transfers in and out for all funds for 2011 and 2010:

	<b>2011</b>			
<b>Fund</b>	<b>Transfer In</b>		<b>Transfer Out</b>	
Water Operating	\$	-	\$	2,840
Non-Major Enterprise		2,840		-
Total	\$	2,840	\$	2,840

**VILLAGE OF CLARKSBURG  
ROSS COUNTY, OHIO**

Notes to the Basic Financial Statements  
For the Years Ended December 31, 2011 and 2010

**Note 10 – Transfers and Advances- (Continued)**

<b>Fund</b>	<b>2010</b>	
	<b>Transfer In</b>	<b>Transfer Out</b>
Water Operating	\$ -	\$ 10,510
Non-Major Enterprise	10,510	-
Total	\$ 10,510	\$ 10,510

Transfers are used to move revenues from funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service. Money transferred out in 2011 and 2010 was money from the Water Operating Fund. The money was transferred to meet required debt obligations as required.

No advances occurred during 2011 or 2010.

**Note 11- Change in Accounting Principle**

For 2010 and 2011, the Village implemented Governmental Accounting Standards Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of GASB Statement No. 54 had no effect on the fund balances as previously reported.

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

---

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

Village of Clarksburg  
Ross County  
10849 Main Street  
Clarksburg, Ohio 43115

To Village Council:

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Village of Clarksburg, Ross County, Ohio (the Village) as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Village's financial statements and have issued our report thereon dated July 16, 2012, wherein we noted the Village prepared its financial statements on the cash basis, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, and implemented GASB Statement No. 54. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management, the audit committee and Village Council. We intend it for no one other than these specified parties.

*Charles E. Harris Associates*

**Charles E. Harris and Associates, Inc.**

July 16, 2012

SCHEDULE OF PRIOR AUDIT FINDINGS

The prior audit report, for the years ended December 31, 2009 and 2008 reported no material citations or recommendations.

**This page intentionally left blank.**



# Dave Yost • Auditor of State

VILLAGE OF CLARKSBURG

ROSS 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  
DECEMBER 27, 2012