



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**VILLAGE OF CLARKSVILLE
CLINTON COUNTY**

**REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2022 - 2021**

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, 2021 through December 31, 2022. 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

August 03, 2023

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VILLAGE OF CLARKSVILLE
CLINTON COUNTY

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INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

Report on the Audit of the Financial Statements

Adverse, Qualified, and Unmodified Opinions

We have audited the financial statements of the Village of Clarksville, Clinton County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

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* section of our report, the accompanying financial statements 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, 2022 and 2021, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Additional Opinion Qualification

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification* section of our report, the accompanying 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, 2022 and 2021, and the related notes of the Village of Clarksville, Clinton County in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(C) permit, described in Note 2.

Unmodified Opinions

In our opinion, the accompanying 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, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Basis for Additional Opinion Qualification

Charges for services receipts are reported at \$253,343 and \$234,719 for the years ended December 31, 2022 and 2021 respectively, which is 100 percent of total Enterprise Fund operating receipts for the year ended December 31, 2022, and 100 percent of total Enterprise Fund operating receipts for the year ended December 31, 2021. 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's 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

June 28, 2023

**VILLAGE OF CLARKSVILLE
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, 2022**

	General	Special Revenue	Combined Total
Cash Receipts			
Property and Other Local Taxes	\$ 8,941	\$ 3,053	\$ 11,994
Municipal Income Tax	70,614	-	70,614
Intergovernmental	17,964	66,778	84,742
Special Assessments	-	10,359	10,359
Charges for Services	3,299	-	3,299
Earnings on Investments	228	73	301
Miscellaneous	368	-	368
<i>Total Cash Receipts</i>	<u>101,414</u>	<u>80,263</u>	<u>181,677</u>
Cash Disbursements			
Current:			
Security of Persons and Property	321	10,276	10,597
Public Health Services	1,082	-	1,082
Basic Utility Services	1,276	-	1,276
Transportation	-	12,919	12,919
General Government	41,439	517	41,956
Capital Outlay	-	474	474
<i>Total Cash Disbursements</i>	<u>44,118</u>	<u>24,186</u>	<u>68,304</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>57,296</u>	<u>56,077</u>	<u>113,373</u>
Other Financing (Disbursements)			
Transfers Out	(100,000)	-	(100,000)
<i>Total Other Financing (Disbursements)</i>	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
<i>Net Change in Fund Cash Balances</i>	(42,704)	56,077	13,373
<i>Fund Cash Balances, January 1</i>	<u>83,169</u>	<u>143,144</u>	<u>226,313</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 40,465</u>	<u>\$ 199,221</u>	<u>\$ 239,686</u>

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

**VILLAGE OF CLARKSVILLE
CLINTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 253,343
<i>Total Operating Cash Receipts</i>	<i>253,343</i>
Operating Cash Disbursements	
Personal Services	37,227
Employee Fringe Benefits	6,027
Contractual Services	185,340
Supplies and Materials	20,230
Other	106
<i>Total Operating Cash Disbursements</i>	<i>248,930</i>
<i>Operating Income (Loss)</i>	<i>4,413</i>
Non-Operating (Disbursements)	
Capital Outlay	(8,674)
Principal Retirement	(47,199)
Interest and Other Fiscal Charges	(574)
<i>Total Non-Operating (Disbursements)</i>	<i>(56,447)</i>
<i>Income (Loss) before Transfers</i>	<i>(52,034)</i>
Transfers In	100,000
<i>Net Change in Fund Cash Balances</i>	<i>47,966</i>
<i>Fund Cash Balances, January 1</i>	<i>35,170</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 83,136</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, 2022

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, 2022

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.

Permissive Motor Vehicle License Fund This fund accounts for motor vehicle registration fees designated for maintenance and repair of specific streets within the Village that were levied under State law by Clinton County.

American Rescue Plan Fund This fund is used to account for and report restricted monies received from the Federal American Rescue Plan Act, which provides additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses.

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

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 The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within 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 (C). 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 (C) 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, 2022

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 2022 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, 2022

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, budgetary expenditures exceeded appropriation authority in the Water Fund by \$4,401 for the year ended December 31, 2022. Also contrary to Ohio law, at December 31, 2022, the Water Fund had a cash deficit balance of \$9,601.

Note 4 - Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 92,725	\$ 101,414	\$ 8,689
Special Revenue	71,704	80,263	8,559
Enterprise	333,744	353,343	19,599
Total	\$ 498,173	\$ 535,020	\$ 36,847
2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 150,753	\$ 144,252	\$ 6,501
Special Revenue	84,685	69,237	15,448
Enterprise	312,783	306,344	6,439
Total	\$ 548,221	\$ 519,833	\$ 28,388

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:

	2022
Demand deposits	\$ 322,822
Total deposits	\$ 322,822

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, 2022, the village is holding \$1,072 in unremitted employee payroll withholdings.

Village of Clarksville, Ohio
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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, 2022

Note 7 - Risk Management (Continued)

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

	<u>2021</u>
Cash and investments	\$ 41,996,850
Actuarial liabilities	\$14,974,099

During 2022, the Village of Clarksville made \$0 payments for casualty claims that exceeded the limits of the casualty policy. During 2022, the Village of Clarksville made \$0 payments for property claims that exceeded the limits of the property policy.

During 2022, the Village of Clarksville made no significant changes to coverage from prior year by increasing/decreasing deductible and/or adding/removing a line of coverage.

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, 2022.

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 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4 percent during calendar year 2022.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Village of Clarksville, Ohio
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 - Debt

Debt outstanding at December 31, 2022 was as follows:

	Principal	Interest
OWDA Loan 6127	37,100	1.50%
OPWC Loan CJ21P	553,769	0.00%
	\$ 590,869	

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 final loan payment was made during 2022.

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 December 31:	OWDA Loans	OPWC Loans
2023	2,154	24,612
2024	2,154	24,612
2025	2,154	24,612
2026	2,154	24,612
2027	2,154	24,612
2028-2032	10,770	123,060
2033-2037	10,770	123,060
2038-2042	10,770	123,060
2043-2045	-	61,529
Total	\$ 43,080	\$ 553,769

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, 2022

Note 12 – Significant Contractual Commitments

As of December 31, 2022, the Village had the following outstanding balances:

Vendor	Amount Outstanding
Western Water	\$ 507,000

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 2022.

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 Revenue	Total
Nonspendable:			
Unclaimed Monies	\$ 4,626	\$ -	\$ 4,626
Outstanding Encumbrances	134	45,051	45,185
<i>Total</i>	<u>\$ 4,760</u>	<u>\$ 45,051</u>	<u>\$ 49,811</u>

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

Note 15 – 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. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

**VILLAGE OF CLARKSVILLE
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, 2021**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 8,294	\$ 3,051	\$ 11,345
Municipal Income Tax	81,192	-	81,192
Intergovernmental	17,165	62,745	79,910
Special Assessments	-	11,479	11,479
Charges for Services	3,389	-	3,389
Earnings on Investments	108	37	145
Miscellaneous	163	-	163
	110,311	77,312	187,623
<i>Total Cash Receipts</i>			
Cash Disbursements			
Current:			
Security of Persons and Property	-	9,683	9,683
Public Health Services	822	-	822
Basic Utility Services	1,271	-	1,271
Transportation	-	7,080	7,080
General Government	51,182	550	51,732
Intergovernmental	-	6,668	6,668
Capital Outlay	7,161	98,968	106,129
	60,436	122,949	183,385
<i>Total Cash Disbursements</i>			
<i>Excess of Receipts Over (Under) Disbursements</i>	49,875	(45,637)	4,238
Other Financing Receipts (Disbursements)			
Transfers Out	(125,000)	-	(125,000)
Other Financing Sources	20	-	20
	(124,980)	-	(124,980)
<i>Total Other Financing Receipts (Disbursements)</i>			
<i>Net Change in Fund Cash Balances</i>	(75,105)	(45,637)	(120,742)
<i>Fund Cash Balances, January 1 (Restated - See Note 16)</i>	158,274	188,781	347,055
<i>Fund Cash Balances, December 31</i>	\$ 83,169	\$ 143,144	\$ 226,313

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

**VILLAGE OF CLARKSVILLE
CLINTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 234,719
<i>Total Operating Cash Receipts</i>	234,719
Operating Cash Disbursements	
Personal Services	37,101
Employee Fringe Benefits	6,388
Contractual Services	158,166
Supplies and Materials	13,031
Other	126
<i>Total Operating Cash Disbursements</i>	214,812
<i>Operating Income (Loss)</i>	19,907
Non-Operating (Disbursements)	
Capital Outlay	(5,380)
Principal Retirement	(68,183)
Interest and Other Fiscal Charges	(598)
<i>Total Non-Operating (Disbursements)</i>	(74,161)
<i>Income (Loss) before Transfers</i>	(54,254)
Transfers In	125,000
<i>Net Change in Fund Cash Balances</i>	70,746
<i>Fund Cash Balances, January 1</i>	(35,576)
<i>Fund Cash Balances, December 31</i>	\$ 35,170

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, 2021

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, 2021

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.

Coronavirus Relief Fund This fund is used to account for and report restricted monies received from the Federal CARES Act, which provides relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses.

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 The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within 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 (C). 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 (C) 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, 2021

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 2021 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, 2021

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, budgetary expenditures exceeded appropriation authority in the Water Fund and Coronavirus Relief Fund by \$42,130 and \$301, respectively, for the year ended December 31, 2021. Also contrary to Ohio law, at December 31, 2021, the Water Fund had a cash deficit balance of \$26,017.

Note 4 - Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 124,666	\$ 110,331	\$ (14,335)
Special Revenue	77,312	77,312	-
Enterprise	359,719	359,719	-
Total	\$ 561,697	\$ 547,362	\$ (14,335)
2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 195,846	\$ 185,476	\$ 10,370
Special Revenue	130,634	122,949	7,685
Enterprise	265,187	289,416	(24,229)
Total	\$ 591,667	\$ 597,841	\$ (6,174)

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:

	2021
Demand deposits	\$ 261,483
Total deposits	\$ 261,483

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, 2021, the village is holding \$0 in unremitted employee payroll withholdings.

Village of Clarksville, Ohio
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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, 2021

Note 7 - Risk Management (Continued)

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

	<u>2021</u>
Cash and investments	\$ 41,996,850
Actuarial liabilities	\$14,974,099

During 2021, the Village of Clarksville made \$0 payments for casualty claims that exceeded the limits of the casualty policy. During 2021, the Village of Clarksville made \$0 payments for property claims that exceeded the limits of the property policy.

During 2021, the Village of Clarksville made no significant changes to coverage from prior year by increasing/decreasing deductible and/or adding/removing a line of coverage.

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, 2021.

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 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4 percent during calendar year 2021.

Note 10 - Debt

Debt outstanding at December 31, 2021 was as follows:

	<u>Principal</u>	<u>Interest</u>
OWDA Loan 6127	38,680	1.50%
OPWC Loan CJ04C	21,007	0.00%
OPWC Loan CJ21P	578,381	0.00%
	<u>\$ 638,068</u>	

Village of Clarksville, Ohio
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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.

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 December 31:	OWDA Loans	OPWC Loans
2022	2,154	45,619
2023	2,154	24,612
2024	2,154	24,612
2025	2,154	24,612
2026	2,154	24,612
2027-2031	10,770	123,060
2032-2036	10,770	123,060
2037-2041	10,770	123,060
2042-2045	2,154	86,141
Total	\$ 45,234	\$ 599,388

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, 2021

Note 12 – Significant Contractual Commitments

As of December 31, 2021, the Village had the following outstanding balances:

Vendor	Amount Outstanding
Western Water	\$ 516,000

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 2021.

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 unexpended 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
Nonspendable:	
Unclaimed Monies	\$ 4,626
Outstanding Encumbrances	40
<i>Total</i>	<i>\$ 4,666</i>

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

Note 15 – 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. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

Village of Clarksville, Ohio
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 16 – Restatement of Fund Balances

The Village’s fund cash balances at January 1, 2021 have been restated for prior year unallowable expenditures in the Coronavirus Relief Fund. These adjustments resulted in the following changes in fund balances at January 1, 2021:

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Fund Balance at December 31, 2020 as Previously Reported	\$ 164,274	\$ 182,781	\$ 347,055
Adjustment for prior year expenditures that should not have been made out of the Coronavirus Relief Fund.	(6,000)	6,000	-
Fund Balance January 1, 2021 as Restated	\$ 158,274	\$ 188,781	\$ 347,055

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

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 of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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, 2022 and 2021 and the related notes to the financial statements of the Village of Clarksville, Clinton County, (the Village) and have issued our report thereon dated June 28, 2023, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2022-001 and 2022-002.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

June 28, 2023

VILLAGE OF CLARKSVILLE
CLINTON COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2022-001

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 personnel explained that due to outdated and malfunctioning meters, meter readings had potential reading errors or meters were not working or not read. The Village has purchased new meters, however, some of the meters have not yet been installed. As a result, the Village billed a flat rate amount for water usage in 2022 and 2021, 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 2022 and 2021 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, 2022 has a negative fund balance of \$9,601 and owes \$507,000 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)**.

Finally, we noted the Village was unable to provide support for non-cash utilities adjustments made in 2022 and 2021.

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. We also recommend the Village maintain a monthly billing journal which details meter usage and amounts billed for all customer accounts. Finally, we recommend the Village maintain proper approvals of any necessary non-cash utilities adjustments.

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

FINDING NUMBER 2022-002

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, 2022 and 2021, the Water Fund had a negative fund balance of \$(9,601) and \$(26,017), respectively, partially due to the conditions noted in Finding 2022-001 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.

VILLAGE OF CLARKSVILLE
CLINTON COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

FINDING NUMBER 2022-002 (Continued)

Noncompliance (Continued)

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:

- Expenditures exceeded Appropriation Authority in the Water Fund in 2022 and 2021;
- Expenditures exceeded Appropriation Authority in the Coronavirus Relief Fund in 2021;
- Estimated receipts per the Final Amended Certificate of Estimated Resources did not agree to the budgeted receipts input into the UAN system in 2021; and
- Adjustments were made to the Budgetary Activity Note disclosures in 2022 and 2021 to correct for inaccuracies.

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**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Financial Reporting	Partially Corrected	Moved to Management Letter
2020-002	Utilities Billing	Not Corrected	Repeated as Finding 2022-001
2020-003	CARES Act, 42 U.S.C. 801(d)	Corrected	N/A
2020-004	Budgetary Compliance	Not Corrected	Repeated as Finding 2022-002

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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 8/15/2023

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