



Dave Yost • Auditor of State



VILLAGE OF NEW ALEXANDRIA  
JEFFERSON COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Village of New Alexandria  
Jefferson County  
202 Chapel Hill Road  
Mingo Junction, Ohio 43938

To the Village Council:

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

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of New Alexandria, Jefferson County, (the Village) as of and for the years ended December 31, 2014 and 2013.

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

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

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

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

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

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

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

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP) , to satisfy these requirements.

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2014 and 2013, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of New Alexandria, Jefferson County as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2015, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 3, 2015

**VILLAGE OF NEW ALEXANDRIA  
JEFFERSON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Special Revenue	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$11,324			\$11,324
Intergovernmental	7,703	\$10,613		18,316
Charges for Services		32,375		32,375
Fines, Licenses and Permits	2,399			2,399
Earnings on Investments	48	1,804	\$1,214	3,066
Miscellaneous	187			187
<i>Total Cash Receipts</i>	<u>21,661</u>	<u>44,792</u>	<u>1,214</u>	<u>67,667</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	0			0
Public Health Services	54	113,813		113,867
Leisure Time Activities	825	4,312		5,137
Basic Utility Service	2,287			2,287
Transportation	41	8,196		8,237
General Government	22,012			22,012
<i>Total Cash Disbursements</i>	<u>25,219</u>	<u>126,321</u>	<u>-</u>	<u>151,540</u>
<i>Net Change in Fund Cash Balances</i>	<u>(3,558)</u>	<u>(81,529)</u>	<u>1,214</u>	<u>(83,873)</u>
<i>Fund Cash Balances, January 1</i>	<u>18,295</u>	<u>204,359</u>	<u>246,596</u>	<u>469,250</u>
<b>Fund Cash Balances, December 31</b>				
Restricted		122,830	1,214	124,044
Non Spendable			246,596	246,596
Unassigned (Deficit)	14,737			14,737
<i>Fund Cash Balances, December 31</i>	<u>\$14,737</u>	<u>\$122,830</u>	<u>\$247,810</u>	<u>\$385,377</u>

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

**VILLAGE OF NEW ALEXANDRIA  
JEFFERSON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$11,395			\$11,395
Intergovernmental	8,038	\$12,063		20,101
Charges for Services		20,850		20,850
Fines, Licenses and Permits	2,343			2,343
Earnings on Investments	30	1,408	\$3,113	4,551
Miscellaneous	630			630
<i>Total Cash Receipts</i>	<u>22,436</u>	<u>34,321</u>	<u>3,113</u>	<u>59,870</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	0			0
Public Health Services	70	21,532		21,602
Leisure Time Activities	289			289
Community Environment	58	1,100		1,158
Transportation		17,577		17,577
Basic Utility Service	1,954			1,954
General Government	31,657			31,657
<i>Total Cash Disbursements</i>	<u>34,028</u>	<u>40,209</u>	<u>-</u>	<u>74,237</u>
<i>Net Change in Fund Cash Balances</i>	<u>(11,592)</u>	<u>(5,888)</u>	<u>3,113</u>	<u>(14,367)</u>
<i>Fund Cash Balances, January 1</i>	<u>29,887</u>	<u>210,247</u>	<u>243,483</u>	<u>483,617</u>
<b>Fund Cash Balances, December 31</b>				
Restricted		204,359	3,113	207,472
Non Spendable			243,483	243,483
Unassigned (Deficit)	18,295			18,295
<i>Fund Cash Balances, December 31</i>	<u>\$18,295</u>	<u>\$204,359</u>	<u>\$246,596</u>	<u>\$469,250</u>

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



**VILLAGE OF NEW ALEXANDRIA  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of New Alexandria, Jefferson County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government services, street maintenance and repairs and police services. The Village contracts with New Alexandria Volunteer Fire Department to receive fire protection services.

The Village participates in a public entity risk pool. Note 6 to the financial statements provide additional information for these entities. This organization is:

Public Entity Risk Pool:

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, a risk sharing pool available to other local governments. The Pool provides property, liability, fleet and casualty coverage for its members.

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

**B. Accounting Basis**

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

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

**C. Deposits and Investments**

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**VILLAGE OF NEW ALEXANDRIA  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. 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 receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Cemetery Fund – This fund receives fees and charges for services for purchase of cemetery plots and burials

**3. Permanent Funds**

These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting Village's programs (for the benefit of the Village or its citizenry). The Village had the following significant Permanent Fund:

Cemetery Endowment Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Village's cemetery.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not use the encumbrance method of accounting.

A summary of 2014 and 2013 budgetary activity appears in Note 3.

VILLAGE OF NEW ALEXANDRIA  
JEFFERSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. 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:

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 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.

3. **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.

4. **Assigned**

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

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.

G. Property, Plant, and Equipment

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

**VILLAGE OF NEW ALEXANDRIA  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

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

	2014	2013
Demand deposits	\$70,026	\$155,132
Certificate of Deposits	315,351	314,118
Total deposits	385,377	469,250

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2014 and 2013 follows:

**2014 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$21,661	\$21,661
Special Revenue	0	44,792	44,792
Permanent	0	1,214	1,214
Total	\$0	\$67,667	\$67,667

**2014 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$25,219	(\$25,219)
Special Revenue	0	126,321	(126,321)
Permanent	0	0	0
Total	\$0	\$151,540	(\$151,540)

**2013 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$22,436	\$22,436
Special Revenue	0	34,321	34,321
Permanent	0	3,113	3,113
Total	\$0	\$59,870	\$59,870

**2013 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$34,028	(\$34,028)
Special Revenue	0	40,209	(40,209)
Permanent	0	0	0
Total	\$0	\$74,237	(\$74,237)

**VILLAGE OF NEW ALEXANDRIA  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

Contrary to Ohio Revised Code Sections 5705.41(B) and 5705.38, all budgetary expenditures in all funds exceeded appropriation authority for the years ended December 31, 2014 and 2013.

Also contrary to Ohio Revised Code Section 5705.36, the village failed to certify available revenue to the County Auditor for years ended December 31, 2014 and 2013.

**4. PROPERTY TAX**

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.

**5. RETIREMENT SYSTEM**

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

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2013, OPERS members contributed 10%, respectively, of their gross salaries and the Village contributed an amount equaling 14%, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2014.

**6. RISK MANAGEMENT**

The Government belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool changed its fiscal year end to March 31, effective in 2011, in order to align its financial reporting and budgeting with the renewal terms of its excess reinsurance policies.

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2014, retention levels are \$100,000 and \$175,000 for property and casualty coverages, respectively.

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

VILLAGE OF NEW ALEXANDRIA  
JEFFERSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)

6. RISK MANAGEMENT (Continued)

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained surplus at March 31, 2013 and 2014.

	<u>2013</u>	<u>2014</u>
Assets	\$ 833,561	\$ 1,030,1983
Liabilities	<u>(782,525)</u>	<u>(882,203)</u>
Accumulated Surplus	\$ <u>51,036</u>	\$ <u>147,995</u>



# Dave Yost • Auditor of State

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

Village of New Alexandria  
Jefferson County  
202 Chapel Hill Road  
Mingo Junction, Ohio 43938

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of New Alexandria, Jefferson County, (the Village) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, and have issued our report thereon dated December 3, 2015 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

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

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

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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider Finding 2014-003 to be a material weakness.

***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, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2014-001 and 2014-002.

***Purpose of this Report***

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 3, 2015



VILLAGE OF NEW ALEXANDRIA  
JEFFERSON COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2014 AND 2013

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

FINDING NUMBER 2014-001

**Noncompliance Citation**

**Appropriation Measure**

**Ohio Rev. Code § 5705.38(A)** requires, in part, that on or about the first day of the fiscal year, an appropriations measure be passed. **Ohio Rev. Code § 5705.41(B)** provides that no subdivision or taxing unit is to expend money unless it has been appropriated.

The Village did not adopt an appropriation measure for 2014 and 2013. Expenditures are limited by the appropriations established for each fund; therefore, none of the expenditures made by the Village were in compliance with the Ohio Revised Code. The Clerk/Treasurer should not certify the availability of funds and should deny payment requests exceeding appropriations.

Failure to pass an appropriation measure, which serves as a tool by which expenditures can be monitored, could result in overspending.

The Village did not have procedures in place to help ensure compliance with this Ohio Revised Code requirement.

The Village should pass an appropriation measure as required so that expenditures can be monitored and compliance with the Ohio Revised Code provisions can be attained. Expenditures should be limited to established appropriations for each fund. In addition, the Clerk/Treasurer and Village Council should establish controls sufficient to ensure budgetary compliance requirements are satisfied in a timely manner.

FINDING NUMBER 2014-002

**Noncompliance Citation**

**Certificate of Estimated Resources**

**Ohio Rev. Code § 5705.36(A)(1)** provides that on or about the first day of each fiscal year, the fiscal officer of each subdivision and other taxing unit shall certify to the county auditor the total amount from all sources available for expenditures for each fund set up in the tax budget for each fund created by or on behalf of the taxing authority. The amount certified shall include any unencumbered balances that existed at the end of the preceding year.

The Clerk/Treasurer did not file a certificate showing the total amount from all sources available for expenditures and the balances existing at the end of the year with the county auditor for 2014 and 2013. Failure to file the certificate could result in appropriations exceeding the amounts of available resources.

The Village did not have procedures in place to help ensure compliance with this Ohio Revised Code requirement.

The Village Clerk/Treasurer should certify to the county auditor the total amount from all sources to establish limits for appropriations.

**FINDING NUMBER 2014-003**

**Material Weakness**

**Fund Balance Policy/Classification**

Governmental Accounting Standards Board Statement 54 requires the Village to establish a fund balance policy to ensure expenditures are incurred for purposes intended.

The Village failed to establish a fund balance policy. Without a fund balance policy in place, questions could arise as to how Village fund balances will be used. This resulted in the following reclassifications:

**2013 Reclassifications:**

<b>Fund Name</b>	<b>Adjusted fund balance</b>	<b>Amount</b>	<b>Original fund balance</b>
Street, Maintenance and Repair	Restricted Ending Equity	20,176	Not Assigned
State Highway	Restricted Ending Equity	8,355	Not Assigned
Cemetery	Restricted Ending Equity	175,828	Not Assigned
Permanent	Restricted Ending Equity	3,113	Not Assigned
	Non spendable Ending Equity	243,483	

**2014 Reclassifications:**

<b>Fund Name</b>	<b>Adjusted fund balance</b>	<b>Amount</b>	<b>Original fund balance</b>
Street, Maintenance and Repair	Restricted Ending Equity	18,951	Not Assigned
State Highway	Restricted Ending Equity	8,098	Not Assigned
Recreation	Restricted Ending Equity	88	Not Assigned
Cemetery	Restricted Ending Equity	95,693	Not Assigned
Permanent	Restricted Ending Equity	1,214	Not Assigned
	Non spendable Ending Equity	246,596	

The Village did not have procedures in place to help ensure fund balances are classified properly.

The Village should adopt a fund balance policy. The policy should define whether the Village considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes from which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available.

For unrestricted fund balances, the classification should be based on the government's accounting policies regarding whether it considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

If a government does not establish a policy for its use of unrestricted fund balance amounts, it should consider that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Officials Response: No response received to Findings.**

**VILLAGE OF NEW ALEXANDRIA  
JEFFERSON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2014 AND 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2012-001	Ohio Rev. Code Section 5705.41(D) Disbursements were not certified.	No	Reissued in management letter
2012-002	Ohio Rev. Code Sections 5705.38 and 5705.41(B) Council did not adopt an appropriation measure for 2011 and 2012; therefore, disbursements exceeded appropriations in all funds	No	Reissued as Finding Number 2014-001
2012-003	Ohio Rev. Code Section 5705.36 The Village did not certify available resources for disbursements for 2011 and 2012	No	Reissued as Finding Number 2014-002
2012-004	Posting Receipts and Disbursements Reconciliation Process – The Village did not classify receipts or disbursements properly and the Clerk/Treasurer did not prepare accurate monthly bank to book reconciliations.	No	Reissued in management letter

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# Dave Yost • Auditor of State

VILLAGE OF NEW ALEXANDRIA

JEFFERSON 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  
JANUARY 19, 2016