



Mary Taylor, CPA
Auditor of State

VILLAGE OF NEW ALEXANDRIA
JEFFERSON COUNTY

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Mary Taylor, CPA
Auditor of State

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

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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Mary Taylor, CPA
Auditor of State

December 4, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Village Council:

We have audited the accompanying financial statements of Village of New Alexandria, Jefferson County, (the Village) as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2008 and 2007, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Village of New Alexandria, Jefferson County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2009, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

December 4, 2009

VILLAGE OF NEW ALEXANDRIA
JEFFERSON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
Cash Receipts:				
Property and Local Taxes	\$10,760			\$10,760
Intergovernmental	15,419	\$18,377		33,796
Charges for Services		30,325		30,325
Fines, Licenses and Permits	4,236			4,236
Earnings on Investments	624	5,422	\$5,473	11,519
Miscellaneous	1,182			1,182
Total Cash Receipts	<u>32,221</u>	<u>54,124</u>	<u>5,473</u>	<u>91,818</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	7,096			7,096
Public Health Services	70	25,992		26,062
Leisure Time Activities	135	669		804
Basic Utility Service	1,807	478		2,285
Transportation	159	4,159		4,318
General Government	31,480			31,480
Total Cash Disbursements	<u>40,747</u>	<u>31,298</u>		<u>72,045</u>
Total Receipts Over/(Under) Disbursements	<u>(8,526)</u>	<u>22,826</u>	<u>5,473</u>	<u>19,773</u>
Other Financing Receipts / (Disbursements):				
Other Financing Uses	<u>(250)</u>			<u>(250)</u>
Total Other Financing Receipts / (Disbursements)	<u>(250)</u>			<u>(250)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(8,776)	22,826	5,473	19,523
Fund Cash Balances, January 1	<u>23,110</u>	<u>162,382</u>	<u>162,282</u>	<u>347,774</u>
Fund Cash Balances, December 31	<u>\$14,334</u>	<u>\$185,208</u>	<u>\$167,755</u>	<u>\$367,297</u>

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

VILLAGE OF NEW ALEXANDRIA
JEFFERSON COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Fiduciary Fund Types</u>
	<u>Agency</u>
Operating Cash Receipts:	
Fines, Licenses and Permits	<u>\$2,375</u>
Total Operating Cash Receipts	<u>2,375</u>
Operating Cash Disbursements:	
Other	<u>2,355</u>
Total Operating Cash Disbursements	<u>2,355</u>
Net Receipts Over/(Under) Disbursements	20
Fund Cash Balances, January 1	<u>330</u>
Fund Cash Balances, December 31	<u>\$350</u>

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

VILLAGE OF NEW ALEXANDRIA
JEFFERSON COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Permanent	
Cash Receipts:				
Property and Local Taxes	\$13,261			\$13,261
Intergovernmental	26,239	\$9,798		36,037
Charges for Services		28,300		28,300
Fines, Licenses and Permits	5,362			5,362
Earnings on Investments	1,343	5,078	\$5,447	11,868
Miscellaneous	9	6		15
Total Cash Receipts	<u>46,214</u>	<u>43,182</u>	<u>5,447</u>	<u>94,843</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	6,823			6,823
Public Health Services		23,296		23,296
Leisure Time Activities	150			150
Basic Utility Service	1,816	428		2,244
Transportation		2,973		2,973
General Government	21,081			21,081
Total Cash Disbursements	<u>29,870</u>	<u>26,697</u>		<u>56,567</u>
Total Receipts Over/(Under) Disbursements	<u>16,344</u>	<u>16,485</u>	<u>5,447</u>	<u>38,276</u>
Fund Cash Balances, January 1	<u>6,766</u>	<u>145,897</u>	<u>156,835</u>	<u>309,498</u>
Fund Cash Balances, December 31	<u>\$23,110</u>	<u>\$162,382</u>	<u>\$162,282</u>	<u>\$347,774</u>

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

VILLAGE OF NEW ALEXANDRIA
JEFFERSON COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Fiduciary Fund Types</u>
	<u>Agency</u>
Operating Cash Receipts:	
Fines, Licenses and Permits	<u>\$1,335</u>
Total Operating Cash Receipts	<u>1,335</u>
Operating Cash Disbursements:	
Other	<u>1,335</u>
Total Operating Cash Disbursements	<u>1,335</u>
Net Receipts Over/(Under) Disbursements	
Fund Cash Balances, January 1	<u>330</u>
Fund Cash Balances, December 31	<u><u>\$330</u></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, 2008 AND 2007**

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 cemetery, park, police and general government services. The Village contracts with the New Alexandria Volunteer Fire Department to receive fire protection services.

The Village participates in the Ohio Municipal Joint Self-Insurance Pool. Note 6 to the financial statements provides additional information for this entity. This organization is:

Ohio Municipal Joint Self-Insurance Pool:

This Pool provides property and casualty insurance 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 the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village 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 Auditor of State prescribes or permits.

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.

The Village values certificates of deposit at cost.

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 reports all financial resources except those required to be accounted for in another fund.

**VILLAGE OF NEW ALEXANDRIA
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. 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 charges for services monies from the sales of lots and opening and closing fees for cemetery maintenance.

3. Permanent Funds

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Village's programs. The Village had the following significant permanent fund:

Perpetual Care 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.

4. Fiduciary Funds

Fiduciary funds include private purpose trust funds and agency funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for Mayor's Court activity.

E. Budgetary Process

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

1. Appropriations

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

**VILLAGE OF NEW ALEXANDRIA
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. The Village did not encumber all commitments required by Ohio law.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

F. 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.

2. EQUITY IN POOLED DEPOSITS

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

	2008	2007
Demand deposits	\$44,649	\$56,310
Certificates of deposit	322,998	291,794
Total deposits	\$367,647	\$348,104

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, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$32,221	\$32,221
Special Revenue	0	54,124	54,124
Permanent	0	5,473	5,473
Total	\$0	\$91,818	\$91,818

**VILLAGE OF NEW ALEXANDRIA
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

3. BUDGETARY ACTIVITY - (Continued)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$40,997	(\$40,997)
Special Revenue	0	31,298	(31,298)
Total	\$0	\$72,295	(\$72,295)

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$46,214	\$46,214
Special Revenue	0	43,182	43,182
Permanent	0	5,447	5,447
Total	\$0	\$94,843	\$94,843

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$29,870	(\$29,870)
Special Revenue	0	26,697	(26,697)
Total	\$0	\$56,567	(\$56,567)

Contrary to Ohio Revised Code Sections 5705.38 and 5705.41(B), the Village did not adopt appropriations for 2007 or 2008 and as a result all expenditures were not in compliance in the following amounts:

2007	Amount of Expenditure Violations
General Fund	\$29,870
Special Revenue Funds	\$26,697
2008	
General Fund	\$40,977
Special Revenue Funds	\$31,298

Contrary to Ohio Revised Code Section 5705.36, the Village did not certify to the county auditor the total amount from all sources available for expenditures from each fund for 2007 or 2008.

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.

**VILLAGE OF NEW ALEXANDRIA
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

4. PROPERTY TAX - (Continued)

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. RETIREMENT SYSTEMS

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

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10 and 9.5%, respectively, of their gross salaries and the Village contributed an amount equaling 14 and 13.85%, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2008.

6. RISK MANAGEMENT

Risk Pool Membership

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 cedes certain premiums to reinsurers or excess reinsurers. The Pool is contingently liable should any reinsurer be unable to meet its reinsurance obligations.

Members may withdraw at the end of any coverage period upon 60 days' prior notice to the Pool. A withdrawing member not providing the required notification remains responsible for its unpaid claims, and also remains liable for additional assessments (if any) for years during which they were members.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained deficit at December 31, 2008 and 2007.

	<u>2008</u>	<u>2007</u>
Assets	\$2,552,519	\$ 2,405,834
Liabilities	<u>(2,814,306)</u>	<u>(2,877,385)</u>
Accumulated deficit	<u>(\$261,787)</u>	<u>(\$471,551)</u>

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' 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 the financial statements of the Village of New Alexandria, Jefferson County, (the Village) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated December 4, 2009, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider finding 2008-004 described in the accompanying schedule of to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Government's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. Of the significant deficiencies described above, we believe finding number 2008-004 is also a material weakness.

We also noted certain internal control matters that we reported to the Village's management in a separate letter dated December 4, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2008-001 through 2008-003.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated December 4, 2009.

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



Mary Taylor, CPA
Auditor of State

December 4, 2009

VILLAGE OF NEW ALEXANDRIA
JEFFERSON COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007

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

FINDING NUMBER 2008-001

Noncompliance Citation

Ohio Revised Code Section 5705.41(D) provides that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the Clerk/Treasurer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's Clerk/Treasurer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a Clerk/Treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively of the Ohio Revised Code.

1. **Then and Now Certificate** – If no certificate is furnished as required, upon receipt of the Treasurer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Village may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.

If the amount involved is less than \$3,000 the Clerk/Treasurer may authorize payment through a Then and Now Certificate without affirmation of the Council if such expenditure is otherwise valid.

2. **Blanket Certificate** – Clerk/Treasurers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. (Prior to September 26, 2003, blanket certificates were limited to \$5,000 and three months.) The blanket certificates may, but need not be, limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. **Super Blanket Certificate** – The Village may also make expenditures and contracts for any amount from a specific line item appropriation in a specified fund upon certification of the Clerk/Treasurer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket may be outstanding a particular time for any line item appropriation.

The Village did not prepare purchase orders for our audit period. As a result, the Village did not properly certify or record the amount against the applicable appropriation accounts for 100% of tested expenditures for 2007 and 2008. The Village did not properly utilize the certification exceptions described above for those expenditures lacking prior certification.

**FINDING NUMBER 2008-001
(Continued)**

Failure to certify the availability of funds and encumber appropriations for the full amount of the expenditure could result in overspending and negative cash balances. Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, the Clerk/Treasurer should certify that the funds are or will be available prior to obligation by the Village. When prior certification is not possible, "then and now" certification should be used.

The Village should certify the full purchase amounts to which section Ohio Revised Code § 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language which Ohio Revised Code § 5705.41(D) requires the authorization of disbursements. The Clerk/Treasurer should sign the certification prior to incurring a commitment, and only when the requirements of Ohio Revised Code § 5705.41(D) are satisfied. The Clerk/Treasurer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

FINDING NUMBER 2008-002

Noncompliance Citation

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

The Village did not adopt an appropriation measure for either year 2007 or 2008 and expenditures are limited by the appropriations established for each fund; therefore, none of the expenditures made by the Village in 2007 (\$56,567) and 2008 (72,295) 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 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 establish appropriations for each fund. In additions, the Clerk/Treasurer and Village Council should establish controls sufficient to ensure budgetary compliance requirements are satisfied in a timely manner.

FINDING NUMBER 2008-003

Noncompliance Citation

Ohio Revised Code Section 5705.36 states 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.

**FINDING NUMBER 2008-003
 (Continued)**

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 2007 or 2008. Failure to file the certificate could result in appropriations exceeding the amounts of available resources. The Village Clerk/Treasurer should certify to the county auditor the total amount from all sources to establish limits for Council approved appropriations. In additions, the Clerk/Treasurer and Village Council should establish controls sufficient to ensure budgetary compliance requirements are satisfied in a timely manner.

FINDING NUMBER 2008-004

Material Weakness

Proper Classification of Receipts and Disbursements

The Village did not correctly code and classify the following receipts and disbursements in 2007 and 2008 which resulted in adjustments to the financial statements. The Clerk/Treasurer has agreed to the adjustments and these corrected amounts have been posted to the Village ledgers and are reflected in the accompanying financial statements.

2007:

Fund Name	Account Type	Amount	Description
Adjustments:			
Mayors Court	Fines, Licenses, and Permits	\$1,335	Recorded in General Fund
Mayors Court	Other Disbursements	\$1,335	Recorded in General Fund
General	Earnings on Investments	\$438	Interest was not posted
General	Other Financing Uses	\$250	An expenditure was not posted.
Cemetery	Earnings on Investments	\$5,078	Posted to Permanent Fund

2008:

Fund Name	Account Type	Amount	Description
Adjustments:			
Mayors Court	Fines, Licenses, and Permits	\$2,375	Recorded in General Fund
Mayors Court	Other Disbursements	\$2,375	Recorded in General Fund
General	Earnings on Investments	\$620	Interest was not posted
Perpetual Care	Earnings on Investments	\$198	Interest was not posted
Cemetery Fund	Earnings on Investments	\$5,422	Posted to Permanent Fund

Failure to consistently follow a uniform chart of accounts increases the possibility that the Village will not be able to identify, assemble, analyze, classify, record, and report its transactions correctly or to document compliance with finance-related legal and contractual requirements. The Village Clerk/Treasurer should maintain the accounting system to enable the Village to identify, assemble, analyze, classify, record, and report all transactions and to maintain accountability. All transactions should be properly coded and classified according to a uniform chart of accounts to help ensure that financial activity of the Village is accurately recorded and reported. In addition, the Village should adopt procedures for the review of posting of transactions and subsequent posting to the financial statements.

Officials' Response:

We did not receive a response from officials to the finding reported above.

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**VILLAGE OF NEW ALEXANDRIA
JEFFERSON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Ohio Revised Code Section 5705.41(D) Disbursements were not properly certified.	No	Cited again as Finding Number 2008-001
2006-002	Ohio Revised Code Section 5705.38 and 5705.41(B) No appropriation measure and all expenditures exceeded appropriations.	No	Cited again as Finding Number 2008-002
2006-003	Ohio Revised Code Section 5705.36 Ending fund balances were not certified.	No	Cited again as Finding Number 2008-003
2006-004	Ohio Revised Code Section 733.28 and 733.43 Accurate recorded of receipts and disbursements.	Yes	Fully Corrected
2006-005	Ohio Administrative Code Section 117-2-02(B)(1) Internal Control over financial reporting	No	Cited again as Finding Number 2008-004



Mary Taylor, CPA
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 26, 2010