



OHIO AUDITOR OF STATE
KEITH FABER



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BASIC AUDIT REPORT

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

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Village of New Alexandria, Jefferson County, (the Village) for the years ended December 31, 2020 and 2019.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the Village's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Village's financial statements, transactions or balances for the years ended December 31, 2020 and 2019.

The Village's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

Current Year Observations

1. **Ohio Rev. Code § 117.38** requires each public office to file an annual financial report made in accordance with forms prescribed by the Auditor of State. A Village shall file their annual report within sixty (60) days after the close of the fiscal year end. The Village's fiscal year 2020 and 2019 reports were due March 1, 2021 and 2020, respectively, however, were not filed until July 26, 2021 and May 5, 2020. The Village should ensure a complete report is filed on or before the 60 day reporting deadline.

2. **Ohio Rev. Code § 149.43(E)(2)** requires the adoption of a public records policy. In addition, **Ohio Rev. Code § 149.43(B)(2)** sets forth requirements regarding the establishment of a records retention schedule. Additionally, **Ohio Rev. Code § 149.43(E)(1)** requires public records training to be completed by elected officials or the official's appropriate designee during the official's term of office. Finally, **Ohio Rev. Code § 149.43(E)(2)** requires the records custodian/manager to acknowledge receipt of the public records policy and the public records policy to be displayed in all branches of the Village. The Village has not adopted a public records policy or a records retention schedule, Village elected officials or an appropriate designee(s) has/have not attended public records training, and a records custodian/manager has not been designated and has not acknowledged receipt of the public records policy. The Village shall review the above Ohio Revised Code Sections and implement procedures to help ensure compliance.
3. **26 U.S.C. § 3403**, and **Ohio Rev. Code § § 5747.07** and **145.47** state, in part, that withholdings are to be paid in a timely manner. The Clerk-Treasurer did not remit Federal withholdings for fiscal years 2020 and 2019. As a result, federal withholdings as of December 31, 2020 and 2019 in the amounts of \$287 and \$314 had not been remitted as of December 15, 2021. In addition, State income taxes were not timely remitted at December 31, 2020 and 2019, and the amount paid as of December 31, 2020 was more than what was due and due to a lack of supporting documentation, we could not determine if the amount paid included late fees and penalties. Finally, Ohio Public Employees Retirement System withholdings were not timely remitted at December 31, 2019. This matter will be referred to the Internal Revenue Service, Ohio Department of Taxation, and Ohio Public Employees Retirement System. The Clerk-Treasurer should remit all withholdings by the required due dates.
4. **Ohio Rev. Code § 5705.38(A)** requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. In addition, **Ohio Rev. Code § 5705.36(A)(1)** provides, in part, 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 from each fund set up in the tax budget. For the periods ending December 31, 2020 and 2019, the Village failed to certify ending balances with the County Auditor and failed to adopt an appropriation resolution. The Fiscal Officer should, on or about the first day of each fiscal year, certify to the county auditor the total amount from all sources available for expenditures from each fund and obtain the approved amended certificate of estimated resources and adopt an annual appropriation measure.
5. **Ohio Rev. Code § 733.81** sets forth requirements regarding the Fiscal Integrity Act. As of December 31, 2020 and 2019, the Clerk-Treasurer did not complete the required training. The Village Clerk-Treasurer should complete the required training.

6. The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection. The Clerk-Treasurer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Village Council is responsible for reviewing the reconciliations and related support. We examined the bank reconciliation prepared as of December 31, 2020 and identified an unexplained reconciling item of \$16. In addition, the Village was using the Certificate of Deposit balances from December 31, 2018 and had not recorded interest earned from these Certificates of Deposit from 2020 and 2019 in the amount of \$3,555. As a result, the Village's bank balance exceeded the book balance at December 31, 2020 of \$3,571. The Clerk-Treasurer should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Council should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

Current Status of Matters Reported in our Prior Engagement

7. All matters reported in our prior audit for the years ended December 31, 2018 and 2017 were reissued and reported above.



Keith Faber
Auditor of State
Columbus, Ohio

December 20, 2021

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VILLAGE OF NEW ALEXANDRIA

JEFFERSON 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 1/4/2022

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This report is a matter of public record and is available online at
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