



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, 2022 and 2021.

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, 2022 and 2021.

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 2022 and 2021 reports were due March 1, 2023, and 2022, respectively, however, were not filed until May 1, 2023, and July 13, 2022. 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. **Ohio Rev. Code § 149.43(E)(2)** requires the public 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. Finally, **Ohio Rev. Code § 121.22(F)** requires every public body to, by rule, establish a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings.

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. Finally, the Village does not publish a public notice for Council meetings. This could result in records requests not being fulfilled in accordance with Ohio law and could result in improper education of public offices regarding the offices' duties related to public records requests as well as improper withholding of information from stakeholders.

The Village shall review the above Ohio Revised Code Sections and implement procedures to help ensure compliance. Pursuant to **Ohio Rev. Code § 109.43(E)(2)**, the Ohio Attorney General has developed and provided to all public offices a model public records policy for responding to public records requests. The policy, which is available at <https://www.ohioattorneygeneral.gov/Files/Government-Entities/Model-Public-Records-Policy.aspx>, provides guidance to public offices in developing their own policies for responding to public records requests in compliance with the Public Records Act.

3. **Ohio Rev. Code § 733.81** sets forth requirements regarding the Fiscal Integrity Act. As of December 31, 2022 and 2021, the Fiscal Officer did not complete the required training. The Fiscal Officer should complete the required training.
4. **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 or, if adoption of a tax budget was waived under section 5705.281 of the Revised Code, from each fund created by or on behalf of the taxing authority. The budget commission, taking into consideration the balances and revenues to be derived from taxation and other sources, shall revise its estimate of the amounts that will be credited to each fund from such sources, and shall certify to the taxing authority of each subdivision an amended official certificate of estimated resources.

The Fiscal Officer did not certify to the County Auditor the total amount from all sources available for expenditures from each fund or obtain a certificate of estimated resources from the Budget Commission in 2022. This was not detected by the Village due to deficiencies in the budgetary compliance and monitoring control policies and procedures. Failure to obtain the required amended certificate of estimated resources can lead to improper budgeting and limits the effectiveness of management monitoring.

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.

5. **Ohio Rev. Code § 5705.39** provides that total appropriations from each fund shall not exceed the total of the estimated revenue available there-from, as certified by the budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as "estimated resources" because it includes unencumbered fund balances.

At December 31, 2022 the Village failed to certify ending balances with the County Auditor and obtain a Certificate of Estimated Resources. Therefore, appropriations exceeded estimated resources in all funds. Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Village's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The Village should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Village should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Council to reduce the appropriations.

6. **26 U.S.C. § 3403** and **Ohio Rev. Code § 547.07** state, in part, that withholdings are to be paid in a timely manner. The Fiscal Officer did not remit federal withholdings timely during 2022 as federal income taxes due January 31, 2023 were not paid until February 3, 2023. In addition, state income taxes for the last quarter of 2022 in the amount of \$13 have yet to be remitted. This matter will be referred to the Internal Revenue Service and Ohio Department of Taxation. The Fiscal Officer should remit all withholding by required due dates.
7. Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board/Council to make informed decisions regarding budgetary matters.

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by the Council were not properly posted to the accounting system. Additionally, the approved Certificate of Estimated Resources (and/or amendments thereof) was not posted to the accounting system. This is due to the accounting system of the Village not being able to incorporate budgetary amounts. Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

The Village should then monitor budget versus actual reports to help ensure amended certificates of estimated resources and appropriations have been properly posted to the ledgers.

8. **Ohio Rev. Code § 5705.09** states, in part, that a special fund should be established for each class of revenue for which the law requires to be used for a particular purpose. The Village received monies from the Coronavirus Relief Fund, however, the activity was recorded in the Village's General Fund as opposed to a Special Revenue Fund. Upon being notified of this requirement, the Village subsequently created the Coronavirus Relief Special Revenue Fund and transferred the balance of \$26,450 from the General Fund. The Village should create a separate fund for each class of revenue for which the law requires.

Current Status of Matters Reported in our Prior Engagement

9. Our prior basic audit report for the years ended December 31 2020 and 2019 included issues for failing to file the annual report before the required due date reported in item 1, public records laws requirements reported in item 2, the Fiscal Integrity Act reported in item 3, certifying ending balances reported in item 4, and remitting state and federal taxes reported in item 6. In addition to previously noted issues, our prior basic audit report for the years ended December 31, 2020 and 2019 included a cash reconciliation issue. The Village has corrected this.



Keith Faber
Auditor of State
Columbus, Ohio

November 2, 2023

OHIO AUDITOR OF STATE KEITH FABER



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 11/16/2023

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