



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 fiscal year 2004 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

October 17, 2008

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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, 2004 and 2003. 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.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present larger (i.e. major) fund separately for 2004. 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 the new 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 year ended December 31, 2004 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, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of New Alexandria, Jefferson County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also require the Village to include Management's Discussion and Analysis for the year ended December 31, 2004. 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 October 17, 2008, 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

October 17, 2008

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, 2004**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
Cash Receipts:				
Property and Local Taxes	\$10,144			\$10,144
Intergovernmental	13,585	\$10,774		24,359
Charges for Services		19,925		19,925
Fines, Licenses and Permits	4,414			4,414
Earnings on Investments	305		\$8,274	8,579
Miscellaneous	20	7,506		7,526
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	28,468	38,205	8,274	74,947
	<hr/>	<hr/>	<hr/>	<hr/>
Cash Disbursements:				
Current:				
Security of Persons and Property	7,489			7,489
Public Health Services		20,305		20,305
Leisure Time Activities	1,050	12,073		13,123
Basic Utility Service	1,016			1,016
Transportation		4,379		4,379
General Government	24,446			24,446
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	34,001	36,757		70,758
	<hr/>	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(5,533)	1,448	8,274	4,189
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	17,559	150,419	128,328	296,306
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$12,026</u>	<u>\$151,867</u>	<u>\$136,602</u>	<u>\$300,495</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 - AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

Operating Cash Receipts:	
Fines, Licenses and Permits	<u>\$2,771</u>
Total Operating Cash Receipts	<u>2,771</u>
Operating Cash Disbursements:	
Other	<u>2,721</u>
Total Operating Cash Disbursements	<u>2,721</u>
Net Receipts Over/(Under) Disbursements	50
Fund Cash Balances, January 1	<u>280</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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
Cash Receipts:				
Property and Local Taxes	\$3,569			\$3,569
Intergovernmental	11,826	\$34,889		46,715
Charges for Services		30,415		30,415
Fines, Licenses and Permits	5,575			5,575
Earnings on Investments	1,212		\$10,092	11,304
Miscellaneous	58			58
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	22,240	65,304	10,092	97,636
Cash Disbursements:				
Current:				
Security of Persons and Property	6,534			6,534
Public Health Services		26,167		26,167
Leisure Time Activities	135	24,836		24,971
Basic Utility Service	1,336	408		1,744
Transportation		2,779		2,779
General Government	28,988	4		28,992
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	36,993	54,194		91,187
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	(14,753)	11,110	10,092	6,449
Other Financing Receipts / (Disbursements):				
Refund of Prior Year Receipt	(2,338)			(2,338)
Other Financing Uses		(1)		(1)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts / (Disbursements)	(2,338)	(1)		(2,339)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	(17,091)	11,109	10,092	4,110
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>	<hr/>
	34,650	139,310	118,236	292,196
Fund Cash Balances, December 31	<hr/> \$17,559	<hr/> \$150,419	<hr/> \$128,328	<hr/> \$296,306

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 - AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

Operating Cash Receipts:	
Fines, Licenses and Permits	<u>\$3,000</u>
Total Operating Cash Receipts	<u>3,000</u>
Operating Cash Disbursements:	
Other	<u>5,440</u>
Total Operating Cash Disbursements	<u>5,440</u>
Net Receipts Over/(Under) Disbursements	(2,440)
Fund Cash Balances, January 1	<u>2,720</u>
Fund Cash Balances, December 31	<u><u>\$280</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, 2004 AND 2003**

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 services, park operations, police services, and general government services. The Village contracts with New Alexandria Volunteer Fire Department for fire protection services.

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. Cash 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.

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:

Cemetery Fund - This fund receives charges for services monies from the sales of lots and opening and closing fees for cemetery maintenance.

**VILLAGE OF NEW ALEXANDRIA
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Ohio Department of Natural Resources Grant Fund – This fund receives grant monies for park repairs and upgrades.

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.

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. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not use the encumbrance method of accounting.

**VILLAGE OF NEW ALEXANDRIA
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

A summary of 2004 and 2003 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 CASH AND INVESTMENTS

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

	2004	2003
Demand deposits	\$36,480	\$35,264
Certificates of deposit	264,345	261,322
Total deposits	\$300,825	\$296,586

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, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General		\$28,468	\$28,468
Special Revenue		38,205	38,205
Permanent		8,274	8,274
Total		\$74,947	\$74,947

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General		\$34,001	(\$34,001)
Special Revenue		36,757	(36,757)
Total		\$70,758	(\$70,758)

**VILLAGE OF NEW ALEXANDRIA
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

3. BUDGETARY ACTIVITY - (Continued)

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General		\$22,240	\$22,240
Special Revenue		65,304	65,304
Permanent		10,092	10,092
Total		\$97,636	\$97,636

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General		\$39,331	(\$39,331)
Special Revenue		54,195	(54,195)
Total		\$93,526	(\$93,526)

Contrary to Ohio Revised Code Section 5705.38 and 5705.41(B), the Village did not adopt appropriations for 2003 or 2004 and as a result all expenditures in all funds exceeded appropriations by the following amounts:

	Amount of Expenditure Violations
2003	
General Fund	\$39,331
Special Revenue Funds	\$54,195
2004	
General Fund	\$34,001
Special Revenue Funds	\$36,757

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 2003 or 2004.

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, 2004 AND 2003
(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 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 plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, OPERS members contributed 8.5%, of their gross salaries and the Village contributed an amount equaling 13.55%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2004.

6. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

7. COMPLIANCE

Contrary to Ohio Revised Code Sections 733.28 and 733.43, the Village Clerk/Treasurer failed to keep accurate records of all Village monies received and expended.

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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, 2004 and 2003, wherein we noted the Village followed accounting practices the Auditor of State permits rather than accounting principles generally accepted in the United States of America and have issued our report thereon dated October 17, 2008. 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2004-004.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. We consider reportable condition 2004-004 listed above to be a material weakness. In a separate letter to the Village's management dated October 17, 2008, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

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 2004-001 through 2004-004. In a separate letter to the Village's management dated October 17, 2008, we reported other matters related to noncompliance we deemed immaterial.

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.

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

October 17, 2008

VILLAGE OF NEW ALEXANDRIA
JEFFERSON COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2004 AND 2003

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

FINDING NUMBER 2004-001

Noncompliance Citation

Ohio Revised Code Section 5705.41(D) provides that no subdivision shall make any contract of 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 clerk/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 Village 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. 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 extent beyond the current year. More than one super blanket may be outstanding a particular time for any line item appropriation.

The Village did not properly certify the amount against the applicable appropriation accounts for 100% of tested expenditures in 2003 and 2004. The Village did not utilize the certification exceptions described above for those expenditures lacking prior certification.

Failure to certify the availability of funds and encumber appropriations could result in overspending in 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 purchases to which section Ohio Revised Code Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language which Ohio Revised Code Section 5705.41(D) requires authorizing disbursements. The clerk/treasurer should sign the certification at the time the Village incurs a commitment, and only when the requirements of Ohio Revised Code Section 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 2004-002

Noncompliance Citation

Ohio Revised Code Section 5705.38 requires, in part, that on or about the first day of the fiscal year, an appropriation 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 2003 or 2004 and expenditures are limited by the appropriations established for each fund; therefore, all expenditures made by the Village in 2004 (\$70,758) and in 2003 (\$93,526) were not in compliance with the Ohio Revised Code.

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 established appropriations for each fund.

FINDING NUMBER 2004-003

Noncompliance Citation

Ohio Revised Code Section 5705.36 states that on or about the first day of each fiscal year, the fiscal officer of a subdivision is to certify to the county auditor the total amount from all sources which is available for expenditures from each fund in the tax budget along with 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 2003 or 2004. 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.

FINDING NUMBER 2004-004

Noncompliance Citation/Material Weakness

Ohio Revised Code Sections 733.28 and 733.43 require the Village Clerk/Treasurer shall keep the books of the village, exhibit accurate statements of all moneys received and expended, of all property owned by the village and the income derived therefore, and of all taxes and assessments.

The Clerk/Treasurer failed to keep accurate records as the activity of the Cemetery Fund and the Perpetual Care Fund was not included on the Village ledgers or bank to book reconciliations for fiscal year 2003 and 2004.

The tables below detail the financial activity that was not posted to the Village accounting records. Adjustments to properly reflect receipts and disbursements of the Cemetery Fund and the Perpetual Care Fund as listed below were made by the Village Clerk/Treasurer to the Village's accounting records and are included in the financial statements.

2003:

Fund	Receipt Ledger	Appropriation Ledger	Cash Journal
Cemetery Fund	\$30,415	\$26,575	\$56,990
Perpetual Care Fund	\$10,091		\$10,091

2004:

Fund	Receipt Ledger	Appropriation Ledger	Cash Journal
Cemetery Fund	\$27,431	\$20,305	\$47,736
Perpetual Care Fund	\$8,274		\$8,274

Failure to post all financial activity to the Village ledgers resulted in the errors on the annual financial statements for 2003 and 2004. Also, accurate bank to book reconciliations could not be completed.

The Clerk/Treasurer should record all financial activity for the Village in the receipt ledger, appropriation ledger, and cash journal, as appropriate, so that accurate statements of all monies received and expended can be prepared. Periodically, financial reports including all activity of the Village should be submitted to council for review.

**VILLAGE OF NEW ALEXANDRIA
JEFFERSON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2004 AND 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2002-001	Ohio Revised Code Sections 5705.38 and 5705.41(B) No appropriation measure and all expenditures exceeded appropriations.	No	Cited again as Finding Number 2004-002.
2002-002	Ohio Revised Code Section 5705.41(D) Disbursements were not properly certified.	No	Cited again as Finding Number 2004-001.
2002-003	Ohio Revised Code Section 5705.36 Ending fund balances were not certified.	No	Cited again as Finding Number 2004-003.
2002-004	Ohio Revised Code Sections 733.28 and 733.43 Accurate recording of receipts and expenditures.	No	Cited again as Finding Number 2004-004.
2002-005	Ohio Administrative Code Section 117-2-02(B) (1) Internal Control over Financial Reporting.	No	Cited again as Finding Number 2004-004.



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
DECEMBER 18, 2008**