



**VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2019**

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Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
740 695 1569

1310 Market St., #300
Wheeling, WV 26003
304 232 1358

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OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of West Alexandria
1 Water St
West Alexandria, OH 45381

We have reviewed the *Independent Auditor's Report* of the Village of West Alexandria, Preble County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2019 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

State ex rel. McClure v. Hagerman 155 Ohio St. 320 (1951) provides that expenditures made by a governmental entity should serve a public purpose. Typically the determination of "proper public purpose" rests with the governmental entity unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only.

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code § 9.39; *Cordray v. Internatl. Preparatory School*, 128 Ohio St.3d 50 (2010).

The Village paid \$1,549 in penalties, late fees, and interest charges for various credit cards and expenditures for services, as well as payroll withholding submissions to the Ohio State Department of Taxation, Ohio Public Employees Retirement System, and Ohio Police & Fire Pension Fund. Late payment fees and related finance charges are unnecessary expenditures which do not serve a proper public purpose. These charges would have been avoided had the funds been remitted by the required due dates.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is issued jointly and severally in the amount of \$1,549 against Wendy Chesney, former Clerk-Treasurer, and her bonding company, The Cincinnati Insurance Company, in favor of the Village's General Fund for \$468, Street Fund for \$132, State Highway Fund for \$35, Ambulance Operating Fund for \$127, Fire Operating Fund for \$227, Water Fund for \$229, Sewer Fund for \$240, and Sanitation Fund for \$91.

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1 Water St
West Alexandria, OH 45381
Page -2-

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of West Alexandria is responsible for compliance with these laws and regulations.



Keith Faber
Auditor of State
Columbus, Ohio

December 15, 2022

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VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report.....	1
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2019	4
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2019	5
Notes to the Financial Statements.....	6
Schedule of Expenditures of Federal Awards	14
Notes to the Schedule of Expenditures of Federal Awards.....	15
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	16
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	18
Schedule of Audit Findings.....	20
Schedule of Prior Audit Findings	29
Corrective Action Plan	30

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INDEPENDENT AUDITOR'S REPORT

September 9, 2022

Village of West Alexandria
Preble County
1 Water Street
West Alexandria, Ohio 45381

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 **Village of West Alexandria**, Preble County, (the Village) as of and for the year ended December 31, 2019.

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 such 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 opinions.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 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, 2019, and the respective changes in financial position or cash flows thereof and for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of West Alexandria, Preble County as of December 31, 2019, for the year 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 2.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding the matter.

Other Matters

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2022, 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.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 98,775	\$ 52,592	\$ -	\$ 151,367
Municipal Income Tax	301,372	-	-	301,372
Intergovernmental	70,374	90,027	371,634	532,035
Special Assessments	-	31,141	-	31,141
Charges for Services	-	367,670	-	367,670
Fines, Licenses and Permits	30,232	-	-	30,232
Earnings on Investments	3,388	179	-	3,567
Miscellaneous	-	64,740	-	64,740
<i>Total Cash Receipts</i>	<u>504,141</u>	<u>606,349</u>	<u>371,634</u>	<u>1,482,124</u>
Cash Disbursements				
Current:				
Security of Persons and Property	268,412	378,207	-	646,619
Public Health Services	2,406	440	-	2,846
Leisure Time Activities	13,471	-	-	13,471
Community Environment	5,993	-	-	5,993
Transportation	-	99,913	-	99,913
General Government	196,222	2,506	-	198,728
Capital Outlay	45,164	-	3,267,681	3,312,845
Debt Service:				
Principal Retirement	3,404	11,499	-	14,903
Interest and Fiscal Charges	871	520	-	1,391
<i>Total Cash Disbursements</i>	<u>535,943</u>	<u>493,085</u>	<u>3,267,681</u>	<u>4,296,709</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(31,802)</u>	<u>113,264</u>	<u>(2,896,047)</u>	<u>(2,814,585)</u>
Other Financing Receipts				
Other Debt Proceeds	37,978	-	2,996,049	3,034,027
Transfers In	-	145,000	-	145,000
Transfers Out	(145,000)	-	-	(145,000)
Other Financing Sources	55,629	-	-	55,629
Other Financing Uses	-	-	-	-
<i>Total Other Financing Receipts</i>	<u>(51,393)</u>	<u>145,000</u>	<u>2,996,049</u>	<u>3,089,656</u>
<i>Net Change in Fund Cash Balances</i>	<u>(83,195)</u>	<u>258,264</u>	<u>100,002</u>	<u>275,071</u>
<i>Fund Cash Balances, January 1 (Restated, See Note 13)</i>	<u>536,128</u>	<u>786,452</u>	<u>-</u>	<u>1,322,580</u>
Fund Cash Balances, December 31				
Restricted	-	1,044,716	100,002	1,144,718
Assigned	12,042	-	-	12,042
Unassigned	440,891	-	-	440,891
<i>Fund Cash Balances, December 31</i>	<u>\$ 452,933</u>	<u>\$ 1,044,716</u>	<u>\$ 100,002</u>	<u>\$ 1,597,651</u>

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

**VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Custodial	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$ 903,273	\$ -	\$ 903,273
Fines, Licenses and Permits	1,250	39,568	40,818
Miscellaneous	5,891	-	5,891
<i>Total Operating Cash Receipts</i>	<u>910,414</u>	<u>39,568</u>	<u>949,982</u>
Operating Cash Disbursements			
Personal Services	213,906	-	213,906
Contractual Services	353,702	39,036	392,738
Supplies and Materials	71,195	-	71,195
<i>Total Operating Cash Disbursements</i>	<u>638,803</u>	<u>39,036</u>	<u>677,839</u>
<i>Operating Income</i>	<u>271,611</u>	<u>532</u>	<u>272,143</u>
Non-Operating Receipts (Disbursements)			
Intergovernmental	1,500,000	-	1,500,000
Earnings on Investments (proprietary funds only)	15	-	15
Capital Outlay	(4,088)	-	(4,088)
Principal Retirement	(1,604,011)	-	(1,604,011)
Interest and Other Fiscal Charges	(18,197)	-	(18,197)
Other Financing Sources	-	139,513	139,513
Other Financing Uses	-	(159,714)	(159,714)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(126,281)</u>	<u>(20,201)</u>	<u>(146,482)</u>
<i>Net Change in Fund Cash Balances</i>	145,330	(19,669)	125,661
<i>Fund Cash Balances, January 1 (Restated, See Note 13)</i>	<u>883,518</u>	<u>25,898</u>	<u>909,416</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,028,848</u>	<u>\$ 6,229</u>	<u>\$ 1,035,077</u>

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

Village of West Alexandria
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The Village of West Alexandria (the Village), Preble County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police, fire, and ambulance services. The Village also provides fire and ambulance service contractually to Lanier and Twin Townships in Preble County.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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 The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

State Highway Fund This fund receives gasoline tax and motor vehicle tax money for maintaining and repairing the traffic signals on the State Routes through the Village.

Street Light Fund This fund receives money from assessments for street lights.

Ambulance Operating Fund This fund receives money from contracts with other entities for services and the individuals using the ambulance service. Expenditures are used for maintaining and operating the Village emergency Squad.

Ambulance Reserve Fund This fund receives money from contracts with other entities for services and Village income taxes. Expenditures are for the purchase of a new ambulance vehicle.

Fire Operating Fund This fund receives money from contracts with other entities for services and Village income taxes. Expenditures are for maintaining and operating the Village fire department.

Fire Truck Reserve Fund This fund receives money from contracts with other entities for services and Village income taxes. Expenditures are for the purchase of a new Fire Truck.

Village of West Alexandria
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

Wastewater Plant Fund The Wastewater Plant fund accounts for and reports proceeds of debt and grants. The proceeds are restricted for construction of a new wastewater treatment plant.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Sanitation Fund The sanitation fund accounts for the provisions of sanitation service costs to the residents and commercial users within the Village.

Fiduciary Funds Fiduciary funds include private purpose trust funds and custodial funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial funds account for ambulance billing activity and mayor's court.

Basis of Accounting

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 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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

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. Unencumbered appropriations lapse at year end.

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

Village of West Alexandria
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2019 budgetary activity appears in Note 4.

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.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

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:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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.

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.

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.

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.

Village of West Alexandria
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

Note 3 – Compliance

Contrary to Ohio law, appropriation authority exceeded estimated resources in the Wastewater Plant fund by \$238,000 for the year ended December 31, 2019.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 578,461	\$ 597,748	\$ 19,287
Special Revenue	537,036	751,349	214,313
Capital Projects	3,114,000	3,367,683	253,683
Enterprise	2,263,630	2,410,429	146,799
Total	\$ 6,493,127	\$ 7,127,209	\$ 634,082

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,179,814	\$ 689,523	\$ 490,291
Special Revenue	1,133,964	504,968	628,996
Capital Projects	3,352,000	3,267,681	84,319
Enterprise	3,107,167	2,265,099	842,068
Total	\$ 8,772,945	\$ 6,727,271	\$ 2,045,674

Note 5 – Deposits and Investments

The Village maintains a deposits 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:

	2019
Demand deposits	\$2,440,395
Certificates of deposit	192,333
Total deposits	2,632,728

Village of West Alexandria
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 5 – Deposits and Investments (Continued)

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

At December 31, 2019, \$1,905,071 of deposits were not insured or collateralized, contrary to Ohio law.

Note 6 – Taxes

Property Taxes

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

Public utilities are also taxed on personal and real property located within the Village.

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

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 7 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Village of West Alexandria
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

Ohio Police and Fire Retirement System

The Village's full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2019.

Social Security

Other Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Village of West Alexandria
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 10 – Debt

Debt outstanding at December 31, 2019, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan 4419	\$ 598,484	2.75%
Ohio Water Development Authority Loan 8260	1,496,048	2.50%
Ohio Public Works Commission Loan CK24C	5,821	0.00%
Ohio Public Works Commission Loan CK09E	115,473	0.00%
Ohio Public Works Commission Loan CK12G	97,700	0.00%
Promissory Note - Police Cruiser	34,574	4.75%
Total	<u>\$2,348,100</u>	

Ohio Water Development Authority (OWDA) loan #4419 for \$2,718,795 was obtained in 2005 for water treatment plant improvements. As of December 31, 2012, the Village has drawn \$1,436,262 of the available funds. The loan is being paid in semi-annual installments of \$47,288 over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Ohio Water Development Authority (OWDA) loan #8260 for \$4,836,870 was obtained in 2018 for water treatment plant improvements. As of December 31, 2019, the Village has drawn \$1,496,049 of the available funds. This loan was not fully disbursed therefore no amortization schedule was available.

Ohio Water Development Authority (OWDA) loan #8298 for \$1,550,000 was obtained in 2018 for water treatment plant improvements. As of December 31, 2019, the Village has drawn \$1,500,000 of the available funds. The \$1,500,000 that was drawn in 2019 was repaid with principal forgiveness through OWDA in 2019.

The Village was awarded \$33,575 by the Ohio Public Works Commission (OPWC) on July 7, 1999, for the Lanier waterline and booster pump project (CK24C). The balance for this loan was incorrect in the prior audit. At December 31, 2018, the outstanding balance was \$7,500 instead of \$7,554. The loan is being repaid in semi-annual installments of \$839 over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Village was awarded \$271,700 by the Ohio Public Works Commission (OPWC) on July 1, 2001, for the Lanier waterline and booster pump project (CK09E). The loan is being repaid in semi-annual installments of \$6,792 over a period of 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Village was awarded \$244,250 by the Ohio Public Works (OPWC) on July 1, 2003, for water treatment plant improvements (CK12G). The loan is being repaid in semi-annual installments of \$6,106 over a period of 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Village took out a Promissory Note in the amount of \$41,162 in August of 2016 to purchase self-contained breathing apparatus equipment for the Fire Department. The note was paid off in 2019.

The Village took out a Promissory Note for a new Police Cruiser in the amount of \$37,978 in June 2019. The note is being repaid in monthly installments of \$712 over a period of 5 years.

Village of West Alexandria
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 10 – Debt (Continued)

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	OWDA - 4419	OPWC - CK24C	OPWC - CK09E	OPWC - CK12G	TVB Cruiser
2020	\$ 47,288	\$ -	\$ -	\$ -	\$ 7,838
2021	94,575	1,678	13,585	12,212	8,550
2022	94,575	1,678	13,585	12,212	8,550
2023	94,575	1,678	13,585	12,212	8,550
2024	94,575	787	13,585	12,212	4,275
2025-2029	236,439	-	61,133	48,852	-
Total	<u>\$ 662,027</u>	<u>\$ 5,821</u>	<u>\$ 115,473</u>	<u>\$ 97,700</u>	<u>\$ 37,763</u>

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Villages's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 13 – Prior Period Restatement

The following adjustment is reflected in the January 1, 2019 fund balances:

	General Fund	Special Revenue Funds	Fiduciary Fund Type
December 31, 2018 audited balances	\$ 522,428	\$ 789,838	\$ 25,801
Adjustments to bring on bank account balances that were not properly included on the Village's bank reconciliation and posted properly to the accounting system.	13,700	(3,386)	97
January 1, 2019 balances	<u>\$ 536,128</u>	<u>\$ 786,452</u>	<u>\$ 25,898</u>

**VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Federal Grantor Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development:			
<i>Passed Through the Ohio Developmental Services Agency:</i>			
Community Development Block Grant Cluster Residential Public Infrastructure Program	14.228	C-C-18-2OG-1	\$ 290,664
Total Community Development Block Grant Cluster			<u>290,664</u>
Total U.S. Department of Health and Human Services			<u>290,664</u>
U.S. Department of Agriculture:			
<i>Passed Through the Ohio Water Development Authority:</i>			
Water and Wastewater Disposal Systems for Rural Communities	10.760	8298	69,600
Water and Wastewater Disposal Systems for Rural Communities	10.760	8260	1,384,066
<i>Total Passed Through the Ohio Water Development Authority</i>			<u>1,453,666</u>
<i>Passed Through the Environmental Protection Agency</i>			
Water and Wastewater Disposal Systems for Rural Communities	10.760	CS390971-0004	1,500,000
<i>Total Passed Through the Environmental Protection Agency</i>			<u>1,500,000</u>
<i>Total Water and Wastewater Disposal Systems for Rural Communities</i>			<u>2,953,666</u>
Total U.S. Department of Agriculture			<u>2,953,666</u>
Total Federal Expenditures of Federal Awards			<u>\$ 3,244,330</u>

The Notes to the Schedule of Expenditures of Federal Awards is an integral part of this schedule.

**VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY**

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Village of West Alexandria, Preble County (the Village) under programs of the federal government for the year ended December 31, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position or changes in net position of the Village.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Village has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C – LOAN PROGRAMS WITH CONTINUING COMPLIANCE REQUIREMENTS

The federal loan programs listed below are administered directly by the Village, and balances and transactions relating to these programs are included in the Village's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balances of loans outstanding at December 31, 2019 consist of:

AL Number	Program/Cluster Name	Outstanding Balance at December 31, 2019
10.760	Water and Wastewater Disposal Systems for Rural Communities	\$1,496,049



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304.422.2203

150 West Main St.
St. Clairsville, OH 43950
740.695.1569

1310 Market Street, Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
740.435.3417

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

September 9, 2022

Village of West Alexandria
Preble County
1 Water Street
West Alexandria, Ohio 45381

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 West Alexandria**, Preble County, (the Village) as of and for the year ended December 31, 2019, and the related notes to the financial statements and have issued our report thereon dated September 9, 2022, 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 we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

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 opinions 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of audit findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and significant deficiencies.

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 a 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 Village's financial statements. We consider findings 2019-006 through 2019-008 as described in the accompanying schedule of audit findings to be material weaknesses.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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Internal Control Over Financial Reporting (Continued)

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2019-009 through 2019-011 and 2019-004 described in the accompanying schedule of audit findings to be significant deficiencies.

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 financial statement. 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 audit findings as items 2019-001 through 2019-005.

Village's Response to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of audit findings and corrective action plan. We did not subject the Village's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

September 9, 2022

Village of West Alexandria
Preble County
1 Water Street
West Alexandria, Ohio 45381

To the Village Council:

Report on Compliance for the Major Federal Program

We have audited the Village of West Alexandria's (the Village) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Village of West Alexandria's major federal program for the year ended December 31, 2019. The *Summary of Auditor's Results* in the accompanying schedule of audit findings identifies the Village's major federal program.

Management's Responsibility

The Village's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Village's compliance for the Village's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Village's major program. However, our audit does not provide a legal determination of the Village's compliance.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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Village of West Alexandria
Preble County
Independent Auditor's Report On Compliance With Requirements
Applicable To The Major Federal Program And On Internal Control
Over Compliance Required By The Uniform Guidance

Opinion on the Major Federal Program

In our opinion, the Village of West Alexandria complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2019.

Report on Internal Control Over Compliance

The Village's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Village's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Village's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY**

**SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Adverse – GAAP Basis Unmodified – Regulatory Basis
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weakness in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR §200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	AL #10.760 Water and Waste Disposal Systems for Rural Communities
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	No

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

FINDING NUMBER 2019-001

Noncompliance

Ohio Rev. Code Section 149.351(A), states, in part, that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commission provided for under sections 149.38 to 149.42 of the Revised Code. Those records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, transferred, or destroyed unlawfully.

VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019
(Continued)

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2019-001 (Continued)

Ohio Rev. Code Section 149.351(A) (Continued)

The following items were not provided by the Village:

- Documentation for a public records request.
- Utility billing stubs.
- Purchase Orders.

The Village should implement procedures so that all records are maintained and are only removed or destroyed in accordance with the Village's record retention schedule. Failure to retain these required public records may result in an incomplete audit trail and create potential problems for future management decisions.

Officials' Response: See Corrective Action Plan.

FINDING NUMBER 2019-002

Noncompliance

Ohio Rev. Code Section 5705.39 states, in part, total appropriations from each fund shall not exceed the total estimated revenue available for expenditure therefrom, as certified by the budget commission. 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.

At December 31, 2019 total appropriations exceeded estimated resources as follows:

Fund	Appropriations	Estimated Resources	Variance
Wastewater Plant	3,238,000	3,000,000	(238,000)

Failure to enact appropriation measures that are limited by estimated resources for each fund could lead to deficit spending. The Village should implement procedures to verify that appropriations do not exceed estimated resources.

Officials' Response: See Corrective Action Plan.

VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019
(Continued)

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2019-003

Noncompliance

Ohio Rev. Code Section 149.43(B)(2) states that to facilitate broader access to public records, a public office or the person responsible for public records “shall organize and maintain public records in a manner that they can be made available for inspection or copying in accordance with division (B) of this section. A public office also shall have available a copy of its current records retention schedule at a location readily available to the public.” Ohio Rev. Code Section 149.43(E)(2) states that “all public offices shall adopt a public records policy in compliance with this section for responding to public records requests.”

The Village did not have a formal records retention policy or records retention schedule in place during the audit period. The Village’s informal policy was to retain all records. Failure to implement a records retention policy could lead to the disposal of records that are required to be maintained. The Village should implement a records retention policy and records retention schedule.

Officials’ Response: See Corrective Action Plan.

FINDING NUMBER 2019-004

Noncompliance/Significant Deficiency

Ohio Revised Code Section 5705.41(D)(1) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the Fiscal Officer is attached thereto. The Fiscal Officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification shall be null and void.

There are several exceptions to the standard requirement stated above that a Fiscal Officer’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 Ohio Revised Code Sections 5705.41(D)(1) and 5705.41(D)(3), respectively:

Then and Now Certificate – If the Fiscal Officer can certify that both at the time the contract or order was made “then” and at the time that the Fiscal Officer is completing the certification “now”, that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has 30 days from the receipt of the “then and now” certificate to approve payment by resolution or ordinance. Amounts of less than \$3,000, may be paid by the Fiscal Officer without a resolution or ordinance of the Village upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019
(Continued)

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2019-004 (Continued)

Noncompliance/Significant Deficiency (Continued)

Blanket Certificate – Fiscal Officers 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.

Super Blanket Certificate – The Village may also may expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the Fiscal Officer 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 certificate may be outstanding at a particular time for any line-item appropriation.

Prior certification was not obtained, and purchase orders were not kept by the Village and available for testing for 2019. 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, we recommend the Fiscal Officer certify that funds are or will be available prior to obligations being incurred by the Village. When prior certification is not possible, “then and now” certificates should be used.

Officials’ Response: See Corrective Action Plan.

FINDING NUMBER 2019-005

Noncompliance

Ohio Revised Code 733.40 requires, except as otherwise provided in Ohio Revised Code Section 4511.193, all fines, forfeitures, and cost in ordinance cases and all fees collected by the mayor, or which in any manner come into his or her hands, or which are due to such mayor or a marshal, chief of police, or other officer of the municipal corporation, any other fees and expenses which have been advanced out of the treasury of the municipal corporation, and all money received by such mayor for the use of such municipal corporation, shall be paid by clerk into the Village’s treasury on the first Monday of each month.

Our review of the Village’s Mayor’s Court disclosed the following:

- Mayor’s Court remittances were not made timely to the Village’s General Fund.

This could allow recording errors and irregularities to occur and remain undetected. We recommend the Village distribute the correct fines collected by the Village’s Mayor’s Court to the Village’s General Fund and other applicable agencies by the required dates.

Officials’ Response: See Corrective Action Plan.

VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019
(Continued)

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2019-006

Material Weakness

Cash Reconciliation

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

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 Council is responsible for reviewing the reconciliations and related support.

Beginning in 2019 monthly bank to book reconciliations were not prepared or reviewed each month. At December 31, 2019, the Mayor's Court Fund had a reconciled bank balance of \$3,677, the Law Enforcement Trust Fund had a reconciled bank balance of \$8,594, and the Payroll Clearing account had a reconciled bank balance of \$14,230, however, the Village's bank reconciliation balances and accounting system balances were \$35,323, \$0, and \$0, respectively. The Village's reconciled bank balance exceeded the adjusted book balance by \$25,970. Failure to reconcile monthly increases the possibility that the Village will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

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 those reviews.

Officials' Response: See Corrective Action Plan.

VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019
(Continued)

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2019-007

Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Village's annual financial report were noted:

- The Village Mayor's Court has a Mayor's Court bank account. However, the activity from this bank account was not included in the Village's accounting system or annual financial reports.
- In 2019, OWDA debt service principal and interest payments were posted solely to redemption of principal resulting in Redemption of Principal being overstated and Interest Charges being understated in the Water Fund.
- In 2019, a debt service payment in the Fire Fund was incorrectly posted as Redemption of Principal rather than Interest Charges.
- Capital outlay expenses were recorded in the Sewer Fund instead of the Wastewater Plant Fund.
- Principal forgiveness was not recorded in the Sewer Fund.
- Capitalized interest was not recorded in the Wastewater Plant Fund.
- General Fund balances were not properly stated in accordance with GASB 54.
- Income tax revenue was recorded at net instead of gross for 3 months during 2019.
- Cable franchise fees were recorded as other financing sources instead of fines, licenses, and permits.
- Each year the Village Council authorizes transfers of income taxes from the General Fund to other funds as applicable. However, those transfers were incorrectly recorded in the accounting system as follows:
 - The Village understated General Fund Transfers Out by \$145,000 and overstated General Government expenditures by \$145,000. Other Financing Sources in the Special Revenue Funds were overstated by \$145,000 and Transfers In were understated by \$145,000.
- Per Ohio Rev. Code Section 5705.09 a special fund shall be established for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose. Additionally, 1962 OAG 2997 states "revenue derived from a special tax levy pursuant to Ohio Rev. Code Section 5705.191 may not be paid into the general fund to reimburse such fund, but must be credited to a special fund for the purpose for which such levy was made." In 2016 the voters passed a fire levy for the Village. However, the Village recorded the tax revenues collected and corresponding expenditures in the General Fund rather than a separate Special Revenue Fund. As such, revenues, expenditures, and ending fund balance were over/understated in the General Fund and Fire Fund as follows:
 - For the year ended December 31, 2019, General Fund Property Taxes Revenues were overstated by \$52,592.

VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019
(Continued)

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2019-007 (Continued)

Material Weakness (Continued)

Financial Reporting (Continued)

Not posting receipts and disbursements accurately resulted in the financial statements requiring several reclassifications and adjustments. The financial statements reflect all reclassifications and adjustments, and the Village has posted all adjustments to its accounting system. There were also additional errors noted that were not material in nature and are, therefore, not reflected in the financial statements.

The following errors noted in the Village's financial statements were determined to be immaterial and did not require adjustments to properly present the Village's financial activity:

- General Fund balances were not properly stated in accordance with GASB 54.
- Income tax revenue was recorded at net instead of gross for 3 months during 2019.
- Cable franchise fees were recorded as other financing sources instead of fines, licenses, and permits.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenses are properly identified and classified on the financial statements.

We also recommend the Clerk-Treasurer refer to the Ohio Village Handbook and other Auditor of State resources for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

Officials' Response: See Corrective Action Plan.

FINDING NUMBER 2019-008

Material Weakness

Review of EMS Reports

The Village received monthly EMS Summary Reports from Change Healthcare. We noted timing variances between the monthly amounts deposited in the bank and recorded in the accounting system and the Change Healthcare Reports for 2019. The total amount deposited in the bank did not match the amounts recorded in the accounting system and the total amount indicated by the monthly Change Healthcare Reports. The financial statements were adjusted for proper cutoff.

Failure to properly review and record transactions processed by Change Healthcare may result in inaccurate payments received and inaccurate financial statements. To improve internal controls, we recommend that the Village document their review of the monthly receipt reports received from Change Healthcare for accuracy. The monthly Summary reports should also be compared to the revenue ledger to ensure that all the information is accurate and complete. All variances should be investigated, and the results should be documented.

Officials' Response: See Corrective Action Plan.

VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019
(Continued)

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2019-009

Significant Deficiency

Posting Budgetary Data in the Accounting System

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 Council to make informed decisions regarding budgetary matters.

The appropriation resolution and subsequent amendments establish the legal spending authority of the Village, and the appropriation ledger provides the process by which the Village controls spending. The original certificate of estimated resources and amendments establish the amounts available for expenditures for the Village and the receipts ledger provides the process by which the Village controls what is available. It is therefore necessary the amounts appropriated by the Council and the estimated receipts are precisely stated and accurately posted to the appropriation and receipts ledgers.

At December 31, 2019:

- Estimated resources per the amended certificate of estimated resources for the General Fund totaled \$448,461; total estimated receipts posted to the accounting system was \$383,461. This resulted in a variance of \$65,000.
- Total General Fund appropriations approved by Council were \$660,272; the total appropriations posted to the accounting system was \$982,666. This resulted in a variance of \$322,394.
- Total Street Construction Maintenance and Repair Fund appropriations approved by Council were \$171,600; the total appropriations posted to the accounting system was \$172,100. This resulted in a variance of \$500.
- Total Ambulance Operating Fund appropriations approved by Council were \$289,722; the total appropriations posted to the accounting system was \$294,322. This resulted in a variance of \$4,600.
- Total Fire Operating Fund appropriations approved by Council were \$181,594; the total appropriations posted to the accounting system was \$191,594. This resulted in a variance of \$10,000.

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) and Certificate of Estimated Resources (and/or amendments thereof) approved by Council were not properly posted to the accounting system. Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Village should post to the ledgers estimated resources as certified by the budget commission and appropriations approved by the Council. The Village should then monitor budget versus actual reports to help ensure budgetary data has been properly posted to the ledgers and overspending does not occur.

Officials' Response: See Corrective Action Plan.

VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019
(Continued)

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2019-010

Significant Deficiency

Law Enforcement Trust Fund

The Village's law enforcement trust fund internal control policy, section 5.05.03, paragraph A.2 states "an accurate log of deposits will be kept and shall include the date and amount of proceeds received". A running cash balance was not documented, and the law enforcement trust fund balance did not agree to the bank. Failure to record all activity may result in incomplete financial records and the misappropriations of funds. The Village should record all transactions and document a running cash balance to ensure the financial records are accurate. The Village should reconcile the bank statements on a regular basis.

Officials' Response: See Corrective Action Plan.

FINDING NUMBER 2019-011

Significant Deficiency

Late Fees, Penalties, Interest

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951) provides that expenditures made by a governmental entity should serve a public purpose. Typically, the determination of "proper public purpose" rests with the governmental entity unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper "Public Purpose" states that governmental entities may not make expenditures of public monies unless they are for a valid public purpose. First, the expenditure is required for the general good of all inhabitants and second, the primary objective of the expenditure is to further a public purpose, even if an incidental private end is advanced.

The Village incurred penalties, late fees and interest charges on purchases and services totaling \$1,121 in 2019.

Failure to implement procedures to avoid penalties, interest and late fees for expenditures may lead to findings for recovery. We recommend the Village implement procedures to verify these fees are not incurred and all Village funds are used for a proper public purpose. All documentation supporting the payment of expenditures should be maintained.

Officials' Response: See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Finding Number	Finding Summary	Status	Additional Information
2018-001	Destruction of Records	Not Corrected	Repeated as Finding 2019-001
2018-002	Record of Minutes	Not Corrected	Repeated in Management Letter
2018-003	Annual Continuing Education of Treasurers	Not Corrected	Repeated in Management Letter
2018-004	Appropriations Exceeding Estimated Resources	Not Corrected	Repeated as Finding 2019-002
2018-005	Records Retention Schedule	Not Corrected	Repeated as Finding 2019-003
2018-006	Capital Assets	Corrected	N/A
2018-007	Super Blanket Purchase Orders	Partially Corrected	Repeated as Finding 2019-004
2018-008	Untimely Deposits	Corrected	N/A
2018-009	Cash Reconciliation	Not Corrected	Repeated as Finding 2019-006
2018-010	Financial Statement Misstatements	Not Corrected	Repeated as Finding 2019-007
2018-011	Review of EMS Reports	Not Corrected	Repeated as Finding 2019-008
2018-012	Posting Budgetary Data in the Accounting System	Not Corrected	Repeated as Finding 2019-009
2018-013	Law Enforcement Trust Fund	Not Corrected	Repeated as Finding 2019-010
2018-014	Income Tax Distributions	Corrected	N/A
2018-015	Credit Card Policy	Not Corrected	Repeated in Management Letter
2018-016	Disaster Recovery Plan	Not Corrected	Repeated In Management Letter
2018-017	Leave Approval	Corrected	N/A
2018-018	Late Fees, Penalties, Interest	Not Corrected	Repeated as Finding 2019-011
2018-019	Finding for Recovery	Corrected	N/A

WEST ALEXANDRIA

Village Offices
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45381

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SHAYLIE HAWKINS
Fiscal Officer
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CORRECTIVE ACTION PLAN **2 CFR § 200.511(c)** **Fiscal year end December 31, 2019**

Finding Number: 2019-001
Planned Corrective Action: Records Retention Schedule was sent to the State in January 2021.
Anticipated Completion Date: 01/31/2021
Responsible Contact Person: Shaylie Hawkins

Finding Number: 2019-002
Planned Corrective Action: Fiscal Officer monitors appropriations closely on an annual basis to ensure compliance going forward.
Anticipated Completion Date: 12/31/2022
Responsible Contact Person: Shaylie Hawkins

Finding Number: 2019-003
Planned Corrective Action: Records Retention is in place as of January 2021.
Anticipated Completion Date: 01/31/2021
Responsible Contact Person: Shaylie Hawkins

Finding Number: 2019-004
Planned Corrective Action: Purchase order protocol has been revised.
Anticipated Completion Date: 12/31/2022
Responsible Contact Person: Shaylie Hawkins

Finding Number: 2019-005
Planned Corrective Action: Moving forward the Village will make sure these are made in a timely manner. Mayor's Court was terminated August 31, 2022.
Anticipated Completion Date: 12/31/2022
Responsible Contact Person: Shaylie Hawkins

Finding Number: 2019-006
Planned Corrective Action: Bank reconciliation is done monthly, all accounts reconcile with bank statements.
Anticipated Completion Date: 12/31/2022
Responsible Contact Person: Shaylie Hawkins

CORRECTIVE ACTION PLAN (Continued)
2 CFR § 200.511(c)
Fiscal year end December 31, 2019

Finding Number:	2019-007
Planned Corrective Action:	Financial statements are prepared monthly and available to council and the Mayor.
Anticipated Completion Date:	12/31/2022
Responsible Contact Person:	Shaylie Hawkins
Finding Number:	2019-008
Planned Corrective Action:	EMS billing is done monthly. The Village no longer uses Change Healthcare.
Anticipated Completion Date:	12/31/2022
Responsible Contact Person:	Shaylie Hawkins
Finding Number:	2019-009
Planned Corrective Action:	Fund cash adjustments were made in 2020 after the 2017-2018 audit.
Anticipated Completion Date:	12/31/2022
Responsible Contact Person:	Shaylie Hawkins
Finding Number:	2019-010
Planned Corrective Action:	LETf is included on our monthly bank reconciliation.
Anticipated Completion Date:	12/31/2022
Responsible Contact Person:	Shaylie Hawkins
Finding Number:	2019-011
Planned Corrective Action:	Reports and bills are being filed/paid in a timely manner currently.
Anticipated Completion Date:	12/31/2022
Responsible Contact Person:	Shaylie Hawkins

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WEST ALEXANDRIA

PREBLE 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 12/27/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov