



**VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2020**

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Marietta, OH 45750
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1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
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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, 2020 through December 31, 2020. 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.

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.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

April 17, 2023

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VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY

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INDEPENDENT AUDITOR'S REPORT

February 17, 2023

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 for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020, and related notes of **Village of West Alexandria**, Preble County, (the Village).

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.

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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, 2020, and the respective changes in financial position or cash flows thereof 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 for each governmental and proprietary fund type and the fiduciary fund type combined totals as of and for the year ended December 31, 2020, and related notes of the Village of West Alexandria, Preble County 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 13 to the financial statements, the Village made several changes to its reporting model. We did not modify our opinions regarding this matter.

As discussed in Note 14 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 February 17, 2023, 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, 2020**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 98,692	\$ -	\$ -	\$ -	\$ 98,692
Municipal Income Tax	277,928	-	-	-	277,928
Intergovernmental	62,006	266,674	-	1,087,283	1,415,963
Special Assessments	-	31,208	-	-	31,208
Charges for Services	-	346,484	-	-	346,484
Fines, Licenses and Permits	31,419	35	-	-	31,454
Earnings on Investments	3,618	176	-	159	3,953
Miscellaneous	124,612	128,624	-	-	253,236
<i>Total Cash Receipts</i>	<u>598,275</u>	<u>773,201</u>	<u>-</u>	<u>1,087,442</u>	<u>2,458,918</u>
Cash Disbursements					
Current:					
Security of Persons and Property	405,989	326,016	-	-	732,005
Public Health Services	2,406	450	-	-	2,856
Leisure Time Activities	3,640	-	-	-	3,640
Community Environment	4,658	-	-	-	4,658
Transportation	-	215,788	-	-	215,788
General Government	208,046	160,871	-	25	368,942
Capital Outlay	37	21,843	-	3,764,630	3,786,510
Debt Service:					
Principal Retirement	6,453	-	74,300	1,710,204	1,790,957
Interest and Fiscal Charges	1,427	-	53,029	-	54,456
<i>Total Cash Disbursements</i>	<u>632,656</u>	<u>724,968</u>	<u>127,329</u>	<u>5,474,859</u>	<u>6,959,812</u>
<i>Excess of Receipts Over Disbursements</i>	<u>(34,381)</u>	<u>48,233</u>	<u>(127,329)</u>	<u>(4,387,417)</u>	<u>(4,500,894)</u>
Other Financing Receipts (Disbursements)					
Other Debt Proceeds	-	-	308,000	4,364,661	4,672,661
Sale of Capital Assets	-	108	-	-	108
Transfers In	-	60,000	127,329	-	187,329
Transfers Out	(60,000)	-	-	-	(60,000)
Other Financing Sources	-	-	-	-	-
Other Financing Uses	(9,897)	-	-	-	(9,897)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(69,897)</u>	<u>60,108</u>	<u>435,329</u>	<u>4,364,661</u>	<u>4,790,201</u>
<i>Net Change in Fund Cash Balances</i>	<u>(104,278)</u>	<u>108,341</u>	<u>308,000</u>	<u>(22,756)</u>	<u>289,307</u>
<i>Fund Cash Balances, January 1</i>	<u>452,933</u>	<u>1,044,716</u>	<u>-</u>	<u>100,002</u>	<u>1,597,651</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 348,655</u>	<u>\$ 1,153,057</u>	<u>\$ 308,000</u>	<u>\$ 77,246</u>	<u>\$ 1,886,958</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)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 1,010,862
Fines, Licenses and Permits	1,250
Miscellaneous	2,600
<i>Total Operating Cash Receipts</i>	1,014,712
Operating Cash Disbursements	
Personal Services	272,997
Contractual Services	296,321
Supplies and Materials	87,022
<i>Total Operating Cash Disbursements</i>	656,340
<i>Operating Income</i>	358,372
Non-Operating Receipts (Disbursements)	
Intergovernmental	50,000
Earnings on Investments (proprietary funds only)	63
Principal Retirement	(142,392)
Interest and Other Fiscal Charges	(15,921)
Other Financing Sources	-
Other Financing Uses	-
<i>Total Non-Operating Receipts (Disbursements)</i>	(108,250)
<i>Income before Capital Contributions and Transfers</i>	250,122
Transfers Out	(127,329)
<i>Net Change in Fund Cash Balances</i>	122,793
<i>Fund Cash Balances, January 1</i>	1,028,849
<i>Fund Cash Balances, December 31</i>	\$ 1,151,642

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

**VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Fiduciary Fund Type
	Custodial
Additions	
Amounts Received as Fiscal Agent	\$ 182,564
Other Amounts Collected for Distribution	5,500
	188,064
<i>Total Additions</i>	188,064
Deductions	
Other Distributions	177,732
	177,732
<i>Total Deductions</i>	177,732
<i>Net Change in Fund Balances</i>	10,332
<i>Fund Cash Balances, January 1</i>	6,229
<i>Fund Cash Balances, December 31</i>	\$ 16,561

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, 2020

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of West Alexandria, Preble County, (the Village) as a body corporate and politic. 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, a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types, and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) for all fiduciary fund types, which are all 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.

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.

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.

Coronavirus Relief Fund This fund receives grant monies from the federal government for Coronavirus Relief and COVID 19 expenses.

Village of West Alexandria
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Funds:

WWTP Debt Repayment Fund This fund receives monies from OWDA, EPA, wastewater revenue, and bonds.

WWTP USDA Debt Reserve Restricted Fund This fund receives monies from wastewater revenue for retirement of the USDA loans.

WWTP USDA SLA Restricted Fund This fund receives monies from wastewater revenue for the retirement of the USDA loans.

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.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Village of West Alexandria
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

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 2020 budgetary activity appears in Note 3.

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.

Village of West Alexandria
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

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 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 657,729	\$ 598,275	\$ (59,454)
Special Revenue	793,327	833,307	39,980
Debt Service	174,240	435,329	261,089
Capital Projects	5,012,335	5,452,103	439,768
Enterprise	796,000	1,064,775	268,775
Total	\$ 7,433,631	\$ 8,383,789	\$ 950,158

Village of West Alexandria
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 3 – Budgetary Activity (Continued)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 977,595	\$ 758,484	\$ 219,111
Special Revenue	1,265,157	733,241	531,916
Debt Service	127,329	127,329	-
Capital Projects	5,716,596	5,474,859	241,737
Enterprise	1,200,232	950,255	249,977
Total	\$ 9,286,909	\$ 8,044,168	\$ 1,242,741

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:

	2020
Demand deposits	\$ 2,862,828
Certificates of deposit	192,333
Total deposits	\$ 3,055,161

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

At December 31, 2020, \$2,597,204 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.

Village of West Alexandria
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 6 – Taxes (Continued)

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.

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, 2020.

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, 2020.

Village of West Alexandria
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 8 – Defined Benefit Pension Plans (Continued)

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, 2020.

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 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2020, 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.

Note 10 – Debt

Debt outstanding at December 31, 2020, was as follows:

	Principal	Interest Rate
USDA - Loan 1	\$ 3,811,000	2.38%
USDA - Loan 2	540,076	2.38%
Ohio Water Development Authority Loan 4419	519,830	2.75%
Ohio Public Works Commission Loan CK24C	4,982	0.00%
Ohio Public Works Commission Loan CK09E	108,680	0.00%
Ohio Public Works Commission Loan CK12G	91,594	0.00%
Promissory Note - Police Cruiser	28,121	4.75%
Total	\$ 5,104,283	

United States Department of Agriculture (USDA) Loan 1 for \$3,870,000 was obtained in 2019 for wastewater treatment plant improvements. As of December 31, 2020, the Village has drawn \$3,870,000 of the available funds. The loan amount of \$3,811,000 is not included in the amortization schedule below due to no amortization schedule available through USDA. The debt proceeds during 2019 were 50,001 which was inadvertently included in the OWDA loan #8260.

United States Department of Agriculture (USDA) Loan 2 for \$1,000,000 was obtained in 2019 for wastewater treatment plant improvements. As of December 31, 2020, the Village has drawn \$555,376 of the available funds. The loan amount of \$540,076 is not included in the amortization schedule below due to monies still being drawn down on this loan. The debt proceeds during 2019 were 50,001 which was inadvertently included in the OWDA loan #8260.

Village of West Alexandria
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 10 – Debt (Continued)

Ohio Water Development Authority (OWDA) loan #4419 for \$2,718,795 was obtained in 2005 for water treatment plant improvements. As of December 31, 2020, 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, 2020, the Village has drawn \$1,710,205 of the available funds. During 2020, the Village received USDA loan and grant funding and repaid the outstanding OWDA loan.

Ohio Water Development Authority (OWDA) loan #8298 for \$1,550,000 was obtained in 2018 for water treatment plant improvements. As of December 31, 2020, the Village has drawn \$1,550,000 of the available funds. The \$50,000 that was drawn in 2020 was repaid with principal forgiveness through OWDA in 2020.

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. 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 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.

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
2021	\$ 94,575	\$ 839	\$ 6,793	\$ 6,106	\$ 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	94,575	-	13,585	12,212	-
2026-2030	141,864	-	47,547	36,640	-
Total	<u>\$ 614,739</u>	<u>\$ 4,982</u>	<u>\$ 108,680</u>	<u>\$ 91,594</u>	<u>\$ 29,925</u>

Village of West Alexandria
Preble County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 55,931	\$ 8,273	\$ 64,204
<i>Total</i>	\$ 55,931	\$ 8,273	\$ 64,204

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. These restricted, committed and assigned amounts in the special revenue, debt service, and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – Change in Accounting Principles

For 2020, the Village has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) – All Fiduciary Fund Types, and removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

Note 14 – 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 Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Village received CARES Act funding. These amounts are reflected as general government expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

**VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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			
Residential Public Infrastructure Program	14.228	C-C-18-2OG-1	\$ 416,054
Total Community Development Block Grant			<u>416,054</u>
Total U.S. Department of Health and Human Services			<u>416,054</u>
U.S. Department of Agriculture:			
<i>Direct Award:</i>			
Water and Wastewater Disposal Systems for Rural Communities	10.760	N/A	3,261,366
<i>Passed Through the Ohio Environmental Protection Agency</i>			
Water and Wastewater Disposal Systems for Rural Communities	10.760	CS390971-0004	50,000
Total Passed Through the Ohio Environmental Protection Agency			<u>50,000</u>
Total Water and Wastewater Disposal Systems for Rural Communities			<u>3,311,366</u>
Total U.S. Department of Agriculture			<u>3,311,366</u>
Total Expenditures of Federal Awards			<u>\$ 3,727,420</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, 2020

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, 2020. 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, 2020 consist of:

AL Number	Program/Cluster Name	Outstanding Balance at December 31, 2020
10.760	Water and Wastewater Disposal Systems for Rural Communities	\$4,351,076

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

February 17, 2023

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 for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020, and the related notes of the **Village of West Alexandria**, Preble County, (the Village) and have issued our report thereon dated February 17, 2023, 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 also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village and in 2020 the Village made a change to the reporting model.

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 2020-005 through 2020-007 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 2020-008 through 2020-010 and 2020-003 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 2020-001 through 2020-004.

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
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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**

February 17, 2023

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, 2020. 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, 2020.

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, 2020**

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 2020-001

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, 2020
(Continued)

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

FINDING NUMBER 2020-001 (Continued)

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

The following items were not provided by the Village:

- 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 2020-002

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 2020-003

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.

VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020
(Continued)

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

FINDING NUMBER 2020-003 (Continued)

Noncompliance/Significant Deficiency (Continued)

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.

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 2020. 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.

VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020
(Continued)

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

FINDING NUMBER 2020-004

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.

FINDING NUMBER 2020-005

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.

During 2020 monthly bank to book reconciliations were not prepared or reviewed each month. At December 31, 2020, the Mayor's Court Fund had a reconciled bank balance of \$3,894, the Law Enforcement Trust Fund had a reconciled bank balance of \$8,567, and the Payroll Clearing account had a reconciled bank balance of \$5,553, however, the Village's bank reconciliation balances and accounting system balances were \$3,048, \$11,980, and \$532, respectively. The Village's reconciled bank balance exceeded the adjusted book balance by \$2,454. 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.

VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020
(Continued)

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

FINDING NUMBER 2020-005 (Continued)

Material Weakness (Continued)

Cash Reconciliation (Continued)

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.

FINDING NUMBER 2020-006

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:

- A debt service payment in the General Fund was incorrectly posted as Interest and Fiscal Charges rather than Principal Retirement.
- County Auto License distribution revenue was not properly allocated between the General, Street Construction, Maintenance and Repair, and State Highway Funds.
- Activity was not posted for the payroll clearing account.
- EMS receipts were not posted in the proper year.
- Intergovernmental grant revenue was posted as Other Debt Proceeds and Miscellaneous.
- Capitalized interest was not posted.
- Capital Outlay and Other Debt Proceeds were not posted for all debt activity.
- Capital Outlay and Intergovernmental grant revenue was not posted.
- Other Debt Proceeds were recorded as Charges for Services in the Debt Service Fund.
- Transfers In were recorded as Charges for Services in the Debt Service Fund.
- Interest and Fiscal Charges were posted as Principal Retirement in the Debt Service Fund.
- Interest and Fiscal Charges were posted as Principal Retirement in the Water Fund.
- A Transfer Out was recorded as a reduction in Charges for Services in the Sewer Fund.
- Principal forgiveness in the Water Fund was not recorded.
- 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.

VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020
(Continued)

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

FINDING NUMBER 2020-006 (Continued)

Material Weakness (Continued)

Financial Reporting (Continued)

- 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 \$60,000 and overstated General Government expenditures by \$60,000. Other Financing Sources in the Special Revenue Funds were overstated by \$60,000 and Transfers In were understated by \$60,000.

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:

- Income tax revenue was recorded at net instead of gross for 3 months during 2020.
- 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 2020-007

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 2020. 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.

VILLAGE OF WEST ALEXANDRIA
PREBLE COUNTY

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020
(Continued)

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

FINDING NUMBER 2020-007 (Continued)

Material Weakness (Continued)

Review of EMS Reports (Continued)

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.

FINDING NUMBER 2020-008

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.

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, 2020
(Continued)

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

FINDING NUMBER 2020-009

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 2020-010

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 \$428 in 2020.

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, 2020**

Finding Number	Finding Summary	Status	Additional Information
2019-001	Destruction of Records	Not Corrected	Repeated as Finding 2020-001
2019-002	Appropriations Exceeding Estimated Resources	Corrected	N/A
2019-003	Records Retention Policy	Not Corrected	Repeated as Finding 2020-002
2019-004	Purchase Orders	Not Corrected	Repeated as Finding 2020-003
2019-005	Mayor's Court	Not Corrected	Repeated as Finding 2020-004
2019-006	Cash Reconciliation	Not Corrected	Repeated as Finding 2020-005
2019-007	Financial Reporting	Not Corrected	Repeated as Finding 2020-006
2019-008	Review of EMS Reports	Not Corrected	Repeated as Finding 2020-007
2019-009	Posting Budgetary Data in the Accounting System	Not Corrected	Repeated as Finding 2020-008
2019-010	Law Enforcement Trust Fund	Not Corrected	Repeated as Finding 2020-009
2019-011	Late Fees, Penalties, Interest	Not Corrected	Repeated as Finding 2020-010

WEST ALEXANDRIA

Village Offices
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CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) For the Year Ended December 31, 2020

Finding Number:	2020-001
Planned Corrective Action:	We adopted a record retention schedule 12/18/2020.
Anticipated Completion Date:	01/31/2021
Responsible Contact Person:	Shaylie Hawkins
Finding Number:	2020-002
Planned Corrective Action:	We adopted a record retention schedule 12/18/2020.
Anticipated Completion Date:	01/31/2021
Responsible Contact Person:	Shaylie Hawkins
Finding Number:	2020-003
Planned Corrective Action:	Purchase order request / purchase order process has been corrected.
Anticipated Completion Date:	12/31/2022
Responsible Contact Person:	Shaylie Hawkins
Finding Number:	2020-004
Planned Corrective Action:	We no longer have a Mayor's Court as of August 2022.
Anticipated Completion Date:	12/31/2022
Responsible Contact Person:	Shaylie Hawkins
Finding Number:	2020-005
Planned Corrective Action:	Bank reconciliation is done monthly and sent to council in a timely manner.
Anticipated Completion Date:	12/31/2022
Responsible Contact Person:	Shaylie Hawkins
Finding Number:	2020-006
Planned Corrective Action:	There was a transition period between Fiscal Officers.
Anticipated Completion Date:	12/31/2022
Responsible Contact Person:	Shaylie Hawkins

CORRECTIVE ACTION PLAN (Continued)
2 CFR § 200.511(c)
For the Year Ended December 31, 2020

Finding Number:	2020-007
Planned Corrective Action:	Change Healthcare is no longer a vendor used by the Village.
Anticipated Completion Date:	12/31/2022
Responsible Contact Person:	Shaylie Hawkins
Finding Number:	2020-008
Planned Corrective Action:	Appropriations are posted in the accounting software.
Anticipated Completion Date:	12/31/2022
Responsible Contact Person:	Shaylie Hawkins
Finding Number:	2020-009
Planned Corrective Action:	The LETF is recorded monthly as part of the bank reconciliation process.
Anticipated Completion Date:	12/31/2022
Responsible Contact Person:	Shaylie Hawkins
Finding Number:	2020-010
Planned Corrective Action:	Invoices are paid timely – reports are also submitted on time.
Anticipated Completion Date:	12/31/2022
Responsible Contact Person:	Shaylie Hawkins

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 5/4/2023

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