



OHIO AUDITOR OF STATE
KEITH FABER



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65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

BASIC AUDIT REPORT

Village of Fairview
Guernsey County
290 Fair Avenue
Quaker City, Ohio 43773

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Village of Fairview, Guernsey County, (the Village) for the years ended December 31, 2022 and 2021.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code § 117.11(A). Because our procedures were not designed to opine on the Village's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Village's financial statements, transactions or balances for the years ended December 31, 2022 and 2021.

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

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

Current Year Observations

1. We noted the Village had \$30 in late fees on utility bills which were included in the December 2022 outstanding payments. The Village should ensure payments for the utilities are made in a timely manner to eliminate late fees. Payments related to late fees may not be considered a proper public purpose.
2. We noted Local Fiscal Recovery Fund receipts in 2022 totaling \$8,519 that were posted to the General Fund instead of a Special Revenue Fund. Ohio Rev. Code § 5705.09 states each subdivision must establish a special fund 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, Auditor of State Bulletin 2021-004 provides accounting guidance regarding Local Fiscal Recovery Funds. We brought this to management's attention. The Village had spent the local fiscal recovery funds in 2022; therefore, no fund balance adjustment was required, as the fund balance would be \$0.
3. We noted in 2022, auto registration funds in the amount of \$203 were posted to the Permissive Motor Vehicle License Tax Fund instead of the Street Construction, Maintenance and Repair Fund and permissive motor vehicle license tax receipts in the amount of \$18 and \$13 were posted to the Street Construction, Maintenance and Repair Fund and General Fund, respectively, instead of the Permissive Motor Vehicle License Tax Fund.

Current Year Observations (Continued)

We noted in 2021 auto registration funds in the amount of \$211 and \$27 were posted to the Permissive Motor Vehicle License Tax Fund and General Fund, respectively, instead of the Street Construction, Maintenance and Repair Fund. Ohio Rev. Code § 5705.10(D) provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose. The Permissive Motor Vehicle License Tax Fund should be decreased by \$383, the General Fund should be decreased by \$40, and the Street Construction, Maintenance and Repair Fund should be increased by \$423. The Village has made this adjustment.

4. We noted the Fiscal Officer did not certify to the County Auditor the total amount from all sources available for expenditures from each fund or obtain a certificate of estimated resources from the Budget Commission in 2022. Ohio Rev. Code § 5705.36(A)(1) provides, in part, on or about the first day of each fiscal year, the fiscal officer of each subdivision and other taxing unit shall certify to the county auditor the total amount from all sources available for expenditures from each fund set up in the tax budget or, if adoption of a tax budget was waived under section 5705.281 of the Revised Code, from each fund created by or on behalf of the taxing authority. The budget commission, taking into consideration the balances and revenues to be derived from taxation and other sources, shall revise its estimate of the amounts that will be credited to each fund from such sources, and shall certify to the taxing authority of each subdivision an amended official certificate of estimated resources. The Fiscal Officer should, on or about the first day of each fiscal year, certify to the County Auditor the total amount from all sources available for expenditures from each fund and obtain the approved amended certificate of estimated resources.
5. We noted the Village properly withheld \$37 and \$30 of state taxes for 2022 and 2021, respectively; however, the Village did not remit these monies to the State of Ohio. Ohio Rev. Code § 5747.07(B) requires every employer required to deduct and withhold any state income tax under § 5747.06 of the Revised Code to file a return and pay the amount required by law. The Village should make a complete filing with the State of Ohio as soon as possible. Our prior basic audit also reported the Village did not remit \$5 and \$8 in state tax withholdings for 2020 and 2019, respectively, and there was no evidence provided that these payments were made in 2022 or 2021.
6. We noted the Village properly withheld \$594 and \$545 of employee Medicare and social security taxes for 2022 and 2021, respectively; however, these withholdings were not remitted to the Internal Revenue Service. We also noted the Village did not remit \$594 and \$545 of employer Medicare and social security taxes for 2022 and 2021, respectively, to the Internal Revenue Service. Further, we noted the Village properly withheld \$695 and \$367 of federal income taxes during 2022 and 2021, respectively; however, these withholdings were not remitted to the Internal Revenue Service. 26 U.S. Code § 3403 states the employer shall be liable for the payment of the tax required to be deducted and withheld under 26 U.S. Code § 3402 and shall not be liable to any person for the amount of any such payment. The Village should make a complete filing with the Internal Revenue Service as soon as possible. Our prior basic audit also reported the Village did not remit \$187 and \$352 in federal employer and employee share of federal tax withholdings for 2020 and 2019, respectively, and there was no evidence provided that these payments were made in 2022 or 2021.

Current Year Observations (Continued)

7. We noted the Village did not have a formal records retention schedule. Ohio Rev. Code § 149.43(B)(2) states, in part, a public office shall have available a copy of its current records retention schedule at a location readily available to the public. Ohio Rev. Code § 149.381 states, in part, when a records commission has approved a schedule of records retention, the records commission shall send that schedule of records retention to the Ohio History Connection for its review. Upon completion of its review, the Ohio History Connection shall forward the schedule of records retention to the auditor of state for the auditor of state's approval or disapproval. The Village should adopt a formal records retention schedule and send it to the Ohio History Connection for review. Our prior basic audit also reported this deficiency.

8. We noted the Village has not adopted a public records policy. Ohio Rev. Code § 149.43(E)(2) provides that every public office must have a policy in place for responding to public records requests. Generally, a public records policy cannot: (1) limit the number of public records the office will make available to a single person; (2) limit the number of public records the office will make available during a fixed period of time; and (3) establish a fixed period of time before the office will respond to a request for inspection/copying of public records unless that period is less than eight hours. However, pursuant to Ohio Rev. Code § 149.43(B)(7)(c), the policy may limit the number of public records the public office will physically deliver by U.S. Mail or other delivery service to ten per month unless the person certifies to the office in writing that the person does not intend to use or forward the requested records, or the information contained in them, for commercial purposes. "Commercial" is narrowly construed and does not include reporting or gathering news, reporting or gathering information to assist citizen oversight or understanding of the operation or activities of government, or nonprofit educational research. Ohio Rev. Code § 149.43(E)(2) further requires all public offices take certain actions with regard to their public record policy. Public offices must distribute their Public Records Policy to the employee who is the records custodian/manager or otherwise has custody of the records of that office and have that employee acknowledge receipt of the Public Records Policy; create and display in a conspicuous place in all locations where the public office has branch offices a poster describing the public records policy; and, if the public office has a manual or handbook of its general policies and procedures for all employees, include the public records policy in that manual or handbook. The Village should establish a public records policy in accordance with the aforementioned Ohio Revised Code Sections. Our prior basic audit also reported this deficiency.

9. We noted the Village does not have a method to notify the public or news media of meeting dates and times of all regularly scheduled meetings. Ohio Rev. Code § 121.22(F) requires every public body to, by rule, establish a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings. A public body shall not hold a special meeting unless it gives at least twenty-four hours' advance notice to the news media that have requested notification, except in the event of an emergency requiring immediate official action. In the event of an emergency, the member or members calling the meeting shall immediately notify the news media that have requested notification. The Village should establish a reasonable method to notify the public of all regularly scheduled meetings and also any special meetings, if applicable. Our prior basic audit also reported this deficiency.

Current Year Observations (Continued)

10. We noted the Village did not adopt appropriations for 2022. This caused General Fund expenditures to exceed appropriations by \$40,965 for the year ended December 31, 2022. Ohio Rev. Code § 5705.38 states on or about the first day of each fiscal year, an appropriation measure is to be passed. Further, Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority from expending money unless it has been appropriated. The Village should pass an appropriation measure and ensure expenditures do not exceed appropriations. Our prior basic audit also reported this deficiency.

Current Status of Matters Reported in our Prior Engagement

In addition to the matters reported in items 5 through 10 above, our prior basic audit for the years ended December 31, 2020 and 2019 also identified:

1. Noncompliance with Ohio Rev. Code § 733.81 as the Fiscal Officer did not complete the required Fiscal Integrity Act Training. This was not reissued in the current engagement.
2. Noncompliance with Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1) as the elected officials did not provide a certificate or proof of attendance of the Ohio Public Records Laws training. This was not reissued in the current engagement.



Keith Faber
Auditor of State
Columbus, Ohio

June 10, 2024

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF FAIRVIEW

GUERNSEY 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 6/20/2024

65 East State 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
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