



OHIO AUDITOR OF STATE
KEITH FABER



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BASIC AUDIT REPORT

Village of Stafford
Monroe County
P.O. Box 384
Stafford, Ohio 43786

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 Stafford, Monroe 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 federal taxes and Medicare were not withheld from employees' wages in 2022 and 2021 for the employee and employer share of these taxes. Section 278, Public Law 97-248, H. R. 4961 states that Medicare should be deducted from employees' compensation for all employees hired after March 31, 1986. Furthermore, employers are liable for reporting and remitting these taxes. 26 U.S.C. § 3402(a)(1) states in general, except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables or computational procedures prescribed by the Secretary. 26 U.S.C. § 3403 states that the employer shall be liable for the payment of the tax required to be deducted and withheld under this chapter and shall not be liable to any person for the amount of any such payment. The Village should withhold and remit employee and employer share of federal taxes and Medicare for all employees' wages. Our prior audit also reported this deficiency.
2. We noted in 2022 and 2021 the Clerk/Treasurer did not contribute to the Ohio Public Employees Retirement System (OPERS). Ohio Rev. Code § 145.01(R)(1) states "earnable salary" means all salary, wages, and other earnings paid to a contributor by reason of employment in a position covered by the retirement system. The salary, wages, and other earnings shall be determined prior to determination of the amount required to be contributed to the employees' savings fund under § 145.47 of the Revised Code and without regard to whether any of the salary, wages, or other earnings are treated as deferred income for federal income tax purposes. The Village should withhold and remit OPERS contributions to OPERS each pay period for those salaries and wages that meet the definition of "earnable salary". Our prior audit also reported this deficiency.

Current Year Observations (Continued)

3. We noted the Village did not adopt appropriations for 2022. This caused General Fund expenditures of \$9,860 to exceed appropriations by \$9,860 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.
4. We noted four Council members did not attend public records training for their term ended December 31, 2021. Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1) require all state and local elected officials, or their designees, to attend 3 hours of training on Ohio's Public Records Laws during each term of office. The training received must be certified by the Ohio Attorney General. Proof of completion of training must include documentation either from the Attorney General's Office or from another entity certified by the Attorney General to provide the training to the elected official or his/her designee. The Village's elected officials should attend public records training during their term of office. Our prior audit also reported this deficiency.
5. 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 audit also reported this deficiency.
6. 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 Historical 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 audit also reported this deficiency.
7. We noted the Village paid \$164 in penalties and interest charges in 2022 for not filing federal withholding payments in 2020 until June 29, 2021. The Village should ensure federal taxes are remitted timely in order to eliminate late fees and penalties. Payments related to fees and interest may not be considered a proper public purpose.

Current Year Observations (Continued)

8. We noted the Clerk/Treasurer did not obtain the required six hours of training during her first year in office. Ohio Rev. Code § 733.81(C) states a newly elected or appointed fiscal officer shall complete at least six hours of initial education programs before commencing, or during the first year of, office. The Clerk/Treasurer should complete the required training. Our prior audit also reported this deficiency.
9. We noted the Clerk/Treasurer 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 Clerk/Treasurer 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.
10. 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 audit also reported this deficiency.
11. We noted in 2022 gasoline excise tax receipts in the amount of \$4,051 were incorrectly posted to the General Fund instead of 92.5% to the Street Construction, Maintenance and Repair Fund or \$3,747 and 7.5% to the State Highway Fund or \$304. We noted in 2022 auto registration receipts in the amount of \$45 were incorrectly posted to the State Highway Fund instead of the Street Construction, Maintenance and Repair Fund. We noted in 2021 gasoline excise tax receipts in the amount of \$2,358 were incorrectly posted to the General Fund instead of 92.5% to the Street Construction, Maintenance and Repair Fund or \$2,181 and 7.5% to the State Highway Fund or \$177. We noted in 2021 gasoline excise tax receipts in the amount of \$1,195 and auto registration receipts in the amount of \$219 were incorrectly posted to the State Highway Fund instead of the Street Construction, Maintenance and Repair Fund. Ohio Rev. Code § 5735.28 provides wherever a municipal corporation is on the line of the state highway system as designated by the director of transportation as an extension or continuance of the state highway system, seven and one-half percent of the amount paid to any municipal corporation pursuant to Ohio Rev. Code §§ 4501.04 and 5735.27 shall be paid into the State Highway Fund. The General Fund should be decreased by \$6,409, the State Highway Fund should be decreased by \$978, and the Street Construction, Maintenance and Repair Fund should be increased by \$7,387. The Village has made this adjustment.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

December 13, 2023

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF STAFFORD

MONROE 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 1/16/2024

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