



OHIO AUDITOR OF STATE
KEITH FABER



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BASIC AUDIT REPORT

Village of Magnetic Springs
Union County
Magnetic Springs, Ohio 43036

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Village of Magnetic Springs, Union County, (the Village) for the years ended December 31, 2023 and 2022.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 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, 2023 and 2022.

The Village's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 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 was unable to provide written documentation that the Village's records custodian/manger acknowledged receipt of the copy of the Village's Public Records Policy. Additionally, we noted a poster describing the Village's Public Records Policy was not conspicuously displayed at the Village's office. Ohio Rev. Code § 149.43(E)(2) 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 and must create and display in a conspicuous place in all locations where the public office has branch offices a poster describing the public records policy. The Village should distribute its Public Records Policy to the records custodian/manager and obtain a written acknowledgement of receipt from the records custodian/manager. Furthermore, the Village should display a poster describing its public records policy conspicuously at the Village Office.
2. We noted the Village did not complete monthly bank reconciliations for the months of January and February 2024 until March 20, 2024. The Village should ensure that bank reconciliations are being performed timely.

Current Year Observations (Continued)

3. We noted that during 2023 and 2022, the Village treated all persons performing services for the Village as independent contractors, including elected or appointed officials. No evidence was provided that a determination of employee versus independent contractor was made. IRS Publication 15-A states generally an employer must withhold and pay federal income tax, social security and Medicare taxes, and pay unemployment taxes on wages paid to an employee. This is generally not the case with an independent contractor. However, to determine whether an individual is an employee or an independent contractor, under common law, the relationship of the worker and the business must be examined. Facts that provide the evidence of the degree of control and degree of independence must be considered. The Village should review the guidance noted in IRS Publication 15-A before declaring any worker as an employee or independent contractor upon soliciting their services. In the event that such worker is considered an independent contractor, the Village should have evidence to support the determination in line with the criteria as defined in IRS Publication 15-A. This matter will be referred to the Internal Revenue Service.



Keith Faber
Auditor of State
Columbus, Ohio

May 2, 2024

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VILLAGE OF MAGNETIC SPRINGS

UNION 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 5/16/2024

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