



OHIO AUDITOR OF STATE
KEITH FABER



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Village of Stafford
Monroe County
P.O. Box 384
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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, Ohio (the Village), for the years ended December 31, 2018 and 2017.

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, 2018 and 2017.

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. In 2018, the Village paid both Clerk/Treasurer's a \$500 allowance to attend training for the computer system. The Clerk/Treasurers were not required to substantiate the expenses or return amounts in excess of the substantiated expenses.

If the Village continues to pay the Clerk/Treasurer a set allowance for training expenses, etc., the Village should check with the Internal Revenue Service to determine if this type of arrangement should be considered wages and included on the employees W-2 form.

2. 26 CFR § 3101 (b)(1) states "there is hereby imposed on the income of every individual a tax equal to 1.45 percent of the wages (as defined in section 3121(a)) received by him with respect to employment (as defined in section 3121(b))." The Village did not withhold Medicare taxes for employee and employer share of wages paid to the Clerk/Treasurer for 2018 and 2017.

The Village should withhold employer and employee share of Medicare taxes for all employees' wages.

Current Status of Matters Reported in our Prior Engagement

3. Ohio Rev. Code § 117.38 states each public office shall file a financial report for each fiscal year. The report shall be certified by the proper officer or board and filed with the Auditor of State within sixty days after the close of the fiscal year. The Auditor of State may extend the deadline for filing a financial report and establish terms and conditions for any such extension. The Village filed its 2018 and 2017 annual financial report on July 18, 2019 and May 7, 2019, respectively. No extension was obtained for either year. Our prior engagement noted the Village failed to file their 2016 annual financial report within the allotted 60 days.

The Village should submit the Annual Financial Report each year in accordance with the aforementioned requirements.

4. 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. During 2018 and 2017, the appointed Clerk/Treasurer did not contribute to the Ohio Public Employees Retirement System (OPERS). Our prior engagement noted that during 2016 the newly appointed Clerk/Treasurer did not contribute to OPERS.

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."



Keith Faber
Auditor of State
Columbus, Ohio

September 19, 2019

OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF STAFFORD

MONROE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
OCTOBER 1, 2019