



**VILLAGE OF MAGNETIC SPRINGS
UNION COUNTY**

BASIC AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016



Dave Yost • Auditor of State



Dave Yost • Auditor of State

May 7, 2018

Village of Magnetic Springs
Union County
30 West Magnetic Street
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, Ohio (the Village) for the years ended December 31, 2017 and 2016.

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, 2017 and 2016.

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 Status of Matters Reported in Our Prior Engagement

1. Our prior basic audit for the years ended December 31, 2015 and 2014 included an exception for the Village treating all persons performing services for the Village as independent contractors, including the elected officials. Internal Revenue Code Section 3401(c) indicates that an officer, employee, or elected official of government is an employee for income tax purposes. As employees, the elected officials may elect to participate in the Ohio Public Employees Retirement System (OPERS) or opt out. The Village received further guidance from the Auditor of State's Office which provided that the Village should issue W-2's with appropriate withholdings if any member of council received more than \$600 per year. Both the Mayor and the Fiscal Officer received compensation of greater than \$600 for both 2015 and 2014. This matter has not been corrected for the years ended December 31, 2017 and 2016.
2. Our prior basic audit for the years ended December 31, 2015 and 2014 included an exception for the Village filing its 2014 financial report with the Auditor of State on April 7, 2015 rather than within 60 days after the close of the fiscal year as required by Ohio Rev. Code §117.38. This matter has been fully corrected for the years ended December 31, 2017 and 2016.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

May 7, 2018

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Dave Yost • Auditor of State

VILLAGE OF MAGNETIC SPRINGS

UNION 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
MAY 17, 2018