



FAYETTE TOWNSHIP
LAWRENCE COUNTY

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INDEPENDENT AUDITOR'S REPORT

Fayette Township
Lawrence County
104 Fitzpatrick Street
South Point, Ohio 45680

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Fayette Township, Lawrence County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2024 and 2023, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2025, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink, reading "Tiffany L. Ridenbaugh". The signature is written in a cursive, flowing style.

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 8, 2025

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Fayette Township*Lawrence County, Ohio**Combined Statement of Receipts, Disbursements**and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2024*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$123,791	\$368,347		\$492,138
Licenses, Permits and Fees	52,395			\$52,395
Intergovernmental	25,257	168,809	32,650	\$226,716
Miscellaneous	13,061	24,179		\$37,240
<i>Total Cash Receipts</i>	<u>214,504</u>	<u>561,335</u>	<u>32,650</u>	<u>\$808,489</u>
Cash Disbursements				
Current:				
General Government	154,241	86,518		240,759
Public Safety		155,007		155,007
Public Works		279,899		279,899
Capital Outlay		145,971	32,650	178,621
Debt Service:				
Principal Retirement	16,700	93,200		109,900
Interest and Fiscal Charges	568	3,085		3,653
<i>Total Cash Disbursements</i>	<u>171,509</u>	<u>763,680</u>	<u>32,650</u>	<u>967,839</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>42,995</u>	<u>(202,345)</u>	<u>0</u>	<u>(159,350)</u>
<i>Fund Cash Balances, January 1</i>	<u>176,587</u>	<u>943,059</u>	<u>0</u>	<u>1,119,646</u>
<i>Fund Cash Balances, December 31</i>	<u>219,582</u>	<u>740,714</u>	<u>0</u>	<u>960,296</u>

See accompanying notes to the basic financial statements

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Fayette Township
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Fayette Township, Lawrence County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, and fire protection.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Township participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. This organization is the Ohio Township Association Risk Management Authority (OTARMA). This is a risk sharing pool available to all townships for property and casualty insurance coverage.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Road and Bridge Fund The road and bridge fund accounts for and reports fees restricted for maintenance and repair of roads within the Township.

Special Levy Fire Fund This fund receives property tax money for fire protection for Township residents.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project fund:

Fayette Township
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Ohio Public Works Commission (OPWC) Fund The Township received a grant from the state for capital improvements. The proceeds are restricted for capital improvement.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2024 budgetary activity appears in Note 4.

Deposits and Investments

The Township only had deposits during the year. This was a checking account and was reported on a cash basis.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Fayette Township
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Special Levy fund by \$43,959 for the year ended December 31, 2024.

Also, contrary to Ohio law, the Township's appropriations exceeded the amount certified as available by the budget commission in the Motor Vehicle License and Gasoline Tax Funds by \$35,780 and \$25,311, respectively.

Fayette Township
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$112,490	\$214,504	\$102,014
Special Revenue	583,465	561,335	(22,130)
Capital Projects	32,650	32,650	0
Total	<u>\$728,605</u>	<u>\$808,489</u>	<u>\$79,884</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$238,731	\$173,972	\$64,759
Special Revenue	1,141,969	764,857	377,112
Capital Projects	32,650	32,650	0
Total	<u>\$1,413,350</u>	<u>\$971,479</u>	<u>\$441,871</u>

Note 5 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

	2024
Demand Deposits	<u>\$960,296</u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the Township is holding \$0 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Township; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Note 6 – Property Taxes

Fayette Township
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Township.

Note 7 – Risk Management

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability
- Automobile Liability
- Automobile Physical Damage
- Public Officials Liability
- Property and Inland Marine
- Law enforcement liability
- Fidelity and Crime
- Employment Practices Liability
- Cyber Breach and Liability

The Pool reported the following summary of actuarially-measured liabilities and the assets available to pay those liabilities as of December 31:

	<u>2024</u>
Cash and investments	\$32,822,076
Actuarial liabilities	\$12,568,762

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

Fayette Township
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2024.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 10 – Debt

Debt outstanding at December 31, 2024, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Fire Equipment Loan	\$50,000	3.11%
Total	<u>\$50,000</u>	

In 2023, the Township entered into a promissory note with Liberty Federal for \$101,165 to help pay off an existing debt related to fire equipment. The Township's first payment was due on April 6, 2024 for a period of two years.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	Fire Equipment Loan
2025	<u>\$52,351</u>
Total	<u><u>\$52,351</u></u>

Note 11 – Contingent Liabilities

The Township is not currently party to legal proceedings.

Fayette Township
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 12 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	2,463	1,177	3,640
Total	\$2,463	\$1,177	\$3,640

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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Fayette Township*Lawrence County, Ohio**Combined Statement of Receipts, Disbursements**and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2023*

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$124,559	\$370,042	\$494,601
Licenses, Permits and Fees	56,818		56,818
Intergovernmental	41,107	158,581	199,688
Miscellaneous	4,045	21,615	25,660
<i>Total Cash Receipts</i>	<u>226,529</u>	<u>550,238</u>	<u>776,767</u>
Cash Disbursements			
Current:			
General Government	152,912	77,726	230,638
Public Safety		173,863	173,863
Public Works		175,853	175,853
Conservation-Recreation	4,492		4,492
Capital Outlay		29,853	29,853
Debt Service:			
Principal Retirement	16,100	219,682	235,782
Interest and Fiscal Charges	1,115	6,772	7,887
<i>Total Cash Disbursements</i>	<u>174,619</u>	<u>683,749</u>	<u>858,368</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>51,910</u>	<u>(133,511)</u>	<u>(81,601)</u>
Other Financing Receipts (Disbursements)			
Loans Issued		100,000	100,000
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>100,000</u>	<u>100,000</u>
<i>Net Change in Fund Cash Balances</i>	51,910	(33,511)	18,399
<i>Fund Cash Balances, January 1</i>	<u>124,677</u>	<u>976,570</u>	<u>1,101,247</u>
<i>Fund Cash Balances, December 31</i>	<u><u>176,587</u></u>	<u><u>943,059</u></u>	<u><u>1,119,646</u></u>

See accompanying notes to the basic financial statements

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Fayette Township
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Fayette Township, Lawrence County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, and fire protection.

Public Entity Risk Pools and Related Organizations

The Township participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. This organization is the Ohio Township Association Risk Management Authority (OTARMA). This is a risk sharing pool available to all townships for property and casualty insurance coverage.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

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Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Road and Bridge Fund The road and bridge fund accounts for and reports fees restricted for maintenance and repair of roads within the Township.

Special Levy Fire Fund This fund receives property tax money for fire protection for Township residents.

Fayette Township
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Basis of Accounting

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These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2023 budgetary activity appears in Note 4.

Deposits and Investments

The Township only had deposits during the year. This was a checking account and was reported on a cash basis.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Fayette Township
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Note 3 – Compliance

Contrary to Ohio law, the Township's appropriations exceeded the amount certified as available by the budget commission in the Gasoline Tax Fund by \$51,352.

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the following funds for the year ended December 31, 2023:

Fund	Appropriations	Expenditures	Variance
General	\$121,360	\$184,450	(\$63,090)
Road & Bridge	\$20,000	\$35,866	(\$15,866)
Special Levy Fire Fund	\$204,509	\$410,466	(\$205,957)

Fayette Township
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$86,793	\$226,529	\$139,736
Special Revenue	300,191	650,238	350,047
Total	<u>\$386,984</u>	<u>\$876,767</u>	<u>\$489,783</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$121,360	\$184,450	(\$63,090)
Special Revenue	619,288	692,513	(73,225)
Total	<u>\$740,648</u>	<u>\$876,963</u>	<u>(\$136,315)</u>

Note 5 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

	2024
Demand Deposits	<u>\$1,119,646</u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Township is holding \$0 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Township; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Note 6 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State

Fayette Township
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2023

pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Township.

Note 7 – Risk Management

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability
- Public Officials Liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of actuarially-measured liabilities and the assets available to pay those liabilities as of December 31:

	<u>2023</u>
Cash and investments	\$33,494,457
Actuarial liabilities	\$10,885,549

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

Note 9 – Postemployment Benefits

Fayette Township
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2023

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 10 – Debt

Debt outstanding at December 31, 2023, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2019 Bonds	\$16,700	3.40%
2021 Bonds	\$43,200	1.70%
2023 Fire Equipment Loan	\$100,000	3.11%
Total	<u>\$159,900</u>	

In 2019, the Township issued general obligation bonds to finance the purchase of fire equipment needed by Township's Fire Department. The Township's taxing authority collateralized the bonds. The Township's first payment was due on April 1, 2019 for a period of five years.

In 2021, the Township issued general obligation bonds to finance the purchase of a rescue truck. The Township's taxing authority collateralized the bonds. The Township's first payment was due on May 1, 2022 for a period of three years.

In 2023, the Township entered into a promissory note with Liberty Federal for \$101,165 to help pay off an existing debt related to fire equipment. The Township's first payment was due on April 6, 2024 for a period of two years.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	2019 General Obligation Bond	2021 General Obligation Bond	2023 Fire Equipment Loan
2024	\$17,268	\$43,934	\$52,351
2025			\$52,351
Total	<u>\$17,268</u>	<u>\$43,934</u>	<u>\$104,702</u>

Fayette Township
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – Contingent Liabilities

The Township is not currently party to legal proceedings.

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 12 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	9,831	8,764	18,595
Total	<u>\$9,831</u>	<u>\$8,764</u>	<u>\$18,595</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
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800-282-0370

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Fayette Township
Lawrence County
104 Fitzpatrick Street
South Point, Ohio 45680

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements of the Fayette Township, Lawrence County, Ohio (the Township) and have issued our report thereon dated December 8, 2025 wherein we noted the Township followed financial reporting provisions Ohio Rev. Code 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2024-001 thru 2024-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings as items 2024-004 and 2024-005.

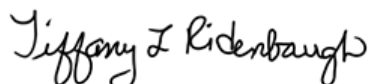
Township's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Township's responses to the findings identified in our audit and described in the accompanying schedule of findings. The Township's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 8, 2025

**FAYETTE TOWNSHIP
LAWRENCE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2024-001

Material Weakness

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Township Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board of Trustees are responsible for reviewing the reconciliations and related support.

Due to a lack of internal controls over financial recording, reconciling, and reporting, monthly bank to book reconciliations were not prepared accurately for any month of 2024 and 2023. Failure to reconcile monthly increases the possibility that the Township will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

We identified the following conditions related to the 2024 reconciliation:

- A Gasoline Tax Receipt of \$1,109 was deposited into the bank account but not posted to the UAN System.
- A Gasoline Tax Receipt of \$1,204 was deposited into the bank account but not posted to the UAN System.
- A Permissive Motor Vehicle License Receipt of \$3,157 was deposited into the bank account but not posted to the UAN System.
- A check for \$14,370 from the General Fund was indicated as voided in the UAN System but cleared the bank account.
- A Fire Receipt of \$2,303 was deposited into the bank account but not posted to the UAN System.
- A check for \$1,700 from the ARPA Fund was indicated as voided in the UAN System but cleared the bank account.
- A check for \$11,588 from the Road and Bridge Fund was indicated as voided in the UAN System but cleared the bank account.
- A check for \$5,947 from the Road and Bridge Fund as voided in the UAN System but cleared the bank account.

FINDING NUMBER 2024-001
(Continued)

- A Gasoline Tax Receipt of \$2,864 was posted two times to the UAN System and only deposited once into the bank account.

In addition to the specific items identified above, the following items were noted in varying amounts for both 2024 and 2023 that did not net out to any type of material adjustment, but they did cause the system to be out of balance with the bank:

- Numerous checks were identified that were either incorrectly voided or cleared in the UAN System.
- The outstanding check listing maintained by the Township Fiscal Officer was inaccurate.
- Certain revenue amounts recorded in the accounting system were different amounts than what was deposited into the bank account or were not recorded at all.
- Withholding payments for retirement and tax payments were recorded in the accounting system for amounts which were different than the amounts which cleared the bank account.

The Township Fiscal Officer should establish and implement internal controls over financial recording, reconciling, and reporting to help ensure the recording of all transactions and preparation of monthly bank to book cash reconciliation, which includes all bank accounts, and all fund balances. Variances should be investigated documented and corrected in a timely manner. In addition, the Board of Trustees should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

Officials' Response:

We will strive to correct this in the future.

FINDING NUMBER 2024-002

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Due to deficiencies in internal control related to financial reporting, the Township misclassified various line items in the annual financial report submitted to the Auditor of State for fiscal years 2024 and 2023.

Some of these errors were not material and as such, are not listed below and were not adjusted on the financial statements. The amounts of these errors ranged from approximately \$25 to \$23,000. However, due to the same control deficiencies, the following misstatements occurred and as approved by management were adjusted on the financial statements:

As of December 31, 2024, in the General Fund Type:

- A General Fund debt payment of \$17,268 was posted as General Government instead of Principal and Interest.
- A General Fund General Government expenditure of \$12,528 was posted as Park and Recreation instead of General Government.

FINDING NUMBER 2024-002
(Continued)

- A General Fund General Government expenditure of \$14,370 marked void in the system but cleared the bank, resulting in the expenditure being understated.

As of December 31, 2024, in the Special Revenue Fund Type:

- A Fire Fund debt payment of \$52,351 was posted as Public Safety instead of Principal and Interest.
- A Fire Fund debt payment of \$43,934 was posted as Public Safety instead of Principal and Interest.
- ARPA Fund General Government expenditures of \$65,491 were posted as Capital Outlay instead of General Government.
- ARPA Fund Public Works expenditures of \$83,252 was posted as Capital Outlay instead of Public Works.

As of December 31, 2024, in the Capital Projects Fund Type:

- An Ohio Public Works on behalf of grant and related payment were not recorded. As a result, the Capital Project Fund Intergovernmental Receipts and Capital Outlay Disbursement were understated by \$32,650.

As of December 31, 2023, in the Special Revenue Fund Type:

- A Fire Fund Loan Issued and related payment to pay off old debt were not recorded, resulting in the Fire Fund Loan Issued and Principal and Interest Disbursements to be understated by \$100,000.
- ARPA Fund General Government expenditures of \$71,257 were posted as Capital Outlay instead of General Government.

The Township, as approved by management, has adjusted the financial statements, footnotes, and accounting system, where appropriate to correct these errors.

To ensure the Township's financial statements and notes to the financial statements are complete and accurate, the Township should adopt and implement policies and procedures, including a final review of the statements and footnotes by the Township Fiscal Officer and Board of Trustees to identify and correct errors and omissions. The Township Fiscal Officer should also refer to the Ohio Township Handbook and also take due care in posting transactions in order to ensure the annual financial statements reflect the appropriate activity for the Township's receipts and disbursements.

Officials' Response:

We will strive to correct this in the future.

FINDING NUMBER 2024-003

Material Weakness

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

FINDING NUMBER 2024-003
(Continued)

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Township, and the appropriation ledger provides the process by which the Township controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Township and the receipts ledger provides the process by which the Township controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

Due to a lack of controls over the budgetary cycle, the following items were noted for 2024 and 2023:

Variances between approved budgetary appropriation amounts and amounts recorded in the Uniform Accounting Network (UAN) system at December 31, 2024:

Fund:	Approved Appropriations	Appropriations in UAN System	Difference
General Fund (#1000)	\$228,900	\$266,400	(\$37,500)
Gasoline Tax Fund (#2021)	\$167,000	\$170,000	(\$3,000)
Road & Bridge Fund (#2031)	\$80,000	\$83,000	(\$3,000)
Special Levy Fund (#2191)	\$215,000	\$286,715	(\$71,715)
American Rescue Plan act Fund (#2274)	\$286,524	\$436,524	(\$150,000)

Variances between estimated receipt amounts from the Amended Certificate of Estimated Resources and amounts recorded in the UAN system at December 31, 2024:

Fund:	Estimated Receipts from Amended Certificate of Estimated Resources	Estimated Receipts in UAN System	Difference
General Fund (#1000)	\$112,490	\$150,000	(\$37,510)
Motor Vehicle License Tax Fund (#2021)	\$0	\$47,000	(\$47,000)
Gasoline Tax Fund (#2021)	\$0	\$100,000	(\$100,000)
Road & Bridge Fund (#2031)	\$62,137	\$160,000	(\$97,863)
Special Levy Fund (#2191)	\$521,328	\$212,000	\$309,328
Permissive Motor Vehicle Tax Fund (#2231)	\$0	\$37,000	(\$37,000)
American Rescue Plan Act Fund (#2274)	\$0	\$258,853	(\$283,853)

Variances between approved budgetary appropriation amounts and amounts recorded in the UAN system at December 31, 2023:

Fund:	Approved Appropriations	Appropriations in UAN System	Difference
General Fund (#1000)	\$116,057	\$302,057	(\$186,000)
Gasoline Tax Fund (#2021)	\$106,500	\$126,500	(\$20,000)
Road & Bridge Fund (#2031)	\$20,000	\$39,000	(\$19,000)
Special Levy Fire Fund (#2191)	\$198,700	\$362,657	(\$163,957)

Variances between estimated receipt amounts from the Amended Certificate of Estimated Resources and amounts recorded in the UAN system at December 31, 2023:

FINDING NUMBER 2024-003
(Continued)

Fund:	Estimated Receipts from Amended Certificate of Estimated Resources	Estimated Receipts in UAN System	Difference
General Fund (#1000)	\$86,793	\$227,503	(\$140,710)
Motor Vehicle License Fund (#2011)	\$0	\$14,699	(\$14,699)
Gasoline Tax Fund (#2021)	\$0	\$60,000	(\$60,000)
Road & Bridge Fund (#2031)	\$47,733	\$12,000	\$35,733
Special Levy Fire Fund (#2191)	\$252,458	\$40,000	\$212,458
Permissive Motor Vehicle Tax Fund (#2231)	\$0	\$44,000	(\$44,000)
American Rescue Plan Act Fund (#2274)	\$0	\$100,000	(\$100,000)

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations approved by Board were not properly posted to the accounting system. Additionally, the estimated receipts from the approved Amended Certificate of Estimated Resources was not posted to the accounting system.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the footnotes.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Township should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Board. The Township should establish and implement internal controls over the budgetary cycle to help ensure the monitoring of budget versus actual reports and help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

Officials' Response:

We will strive to correct this in the future.

FINDING NUMBER 2024-004

Noncompliance

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as "estimated resources" because it includes unencumbered fund balances.

Due to a lack of controls over the budgetary cycle, the following noncompliance was noted for 2024 and 2023:

At December 31, 2024 the Township's appropriations exceeded the amount certified as available by the budget commission in the Motor Vehicle License and Gasoline Tax Funds by \$35,780 and \$25,311, respectively.

FINDING NUMBER 2024-004
(Continued)

At December 31, 2023 the Township's appropriations exceeded the amount certified as available by the budget commission in the Gasoline Tax Fund by \$51,352.

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Township's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The Township should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Township should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Board of Township Trustees to reduce the appropriations.

Officials' Response:

We will strive to correct this in the future.

FINDING NUMBER 2024-005

Noncompliance

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Township had expenditures in excess of appropriations in the following funds at December 31, 2024:

Fund:	Appropriation Authority	Total Budgetary Expenditures	Difference
Special Levy Fund (#2191)	\$216,819	\$260,778	(\$43,959)

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Township had expenditures in excess of appropriations in the following funds as December 31, 2023 :

Fund:	Appropriation Authority	Total Budgetary Expenditures	Difference
General Fund (#1000)	\$121,360	\$184,450	(\$63,090)
Road & Bridge Fund (#2031)	\$20,000	\$35,866	(\$15,866)
Special Levy Fund (#2191)	\$204,509	\$410,466	(\$205,957)

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Board of Trustees should establish and implement internal controls to closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

Officials' Response:

We will strive to correct this in the future.

**FAYETTE TOWNSHIP
LAWRENCE COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2024 AND 2023**

Finding Number	Finding Summary	Status	Additional Information
2022-001	Material Weakness - Bank Reconciliation	Not Corrected	Reissued as Finding Number 2024-001.
2022-002	Material Weakness – Sound Financial Reporting	Not Corrected	Reissued as Finding Number 2024-002.
2022-003	Material Weakness – Budgetary System	Not Corrected	Reissued as Finding Number 2024-003.
2022-004	Noncompliance – Ohio Rev. Code § 5705.14-16	Corrected	
2022-005	Noncompliance – Ohio Rev. Code § 5705.41(B)	Not Corrected	Reissued as Finding Number 2024-005.

OHIO AUDITOR OF STATE KEITH FABER



FAYETTE TOWNSHIP

LAWRENCE 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 12/23/2025

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
www.ohioauditor.gov