



**VILLAGE OF FAYETTE
FULTON COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2024

VILLAGE OF FAYETTE
FULTON COUNTY
DECEMBER 31, 2024

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65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

Village of Fayette
Fulton County
P.O. Box 87
Fayette, Ohio 43521-0087

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Fayette, Fulton County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the year ended December 31, 2024, 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 as of and for the year ended December 31, 2024, 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 Village, as of December 31, 2024, or the changes in financial position or, where applicable, cash flows thereof for the year 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 Village, 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 Village 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 Village'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 Village'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 Village'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the Village's financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2025, on our consideration of the Village'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 Village'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 Village's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

November 4, 2025

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Village of Fayette
Fulton County
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	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$72,823	\$33,558		\$106,381
Municipal Income Tax	582,106		\$24,229	606,335
Intergovernmental	73,274	116,561	7,331,082	7,520,917
Charges for Services	73,820	2,000		75,820
Fines, Licenses and Permits	13,269	205		13,474
Earnings on Investments	19,252	4,396		23,648
Miscellaneous	56,513	1,243		57,756
<i>Total Cash Receipts</i>	<u>891,057</u>	<u>157,963</u>	<u>7,355,311</u>	<u>8,404,331</u>
Cash Disbursements				
Current:				
Security of Persons and Property	491,333	84,502		575,835
Leisure Time Activities		17,530		17,530
Community Environment	8,797			8,797
Transportation	37,369	94,504		131,873
General Government	267,491	43,967		311,458
Capital Outlay	54,780	4,016	7,332,286	7,391,082
Debt Service:				
Principal Retirement		789	61,950	62,739
Interest and Fiscal Charges			182	182
<i>Total Cash Disbursements</i>	<u>859,770</u>	<u>245,308</u>	<u>7,394,418</u>	<u>8,499,496</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>31,287</u>	<u>(87,345)</u>	<u>(39,107)</u>	<u>(95,165)</u>
Other Financing Receipts (Disbursements)				
Sale of Notes			46,898	46,898
Other Debt Proceeds			260	260
Transfers In		48,555	9,500	58,055
Transfers Out	(58,055)			(58,055)
Other Financing Uses	(4,067)			(4,067)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(62,122)</u>	<u>48,555</u>	<u>56,658</u>	<u>43,091</u>
<i>Net Change in Fund Cash Balances</i>	<u>(30,835)</u>	<u>(38,790)</u>	<u>17,551</u>	<u>(52,074)</u>
<i>Fund Cash Balances, January 1</i>	<u>351,192</u>	<u>337,319</u>	<u>265,082</u>	<u>953,593</u>
<i>Fund Cash Balances, December 31</i>	<u>\$320,357</u>	<u>\$298,529</u>	<u>\$282,633</u>	<u>\$901,519</u>

See accompanying notes to the financial statements.

Village of Fayette
Fulton County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2024

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$686,620
Fees. Licenses and Permits	825
Miscellaneous	17,990
<i>Total Operating Cash Receipts</i>	<u>705,435</u>
Operating Cash Disbursements	
Personal Services	327,694
Contractual Services	236,014
Supplies and Materials	66,245
<i>Total Operating Cash Disbursements</i>	<u>629,953</u>
<i>Operating Income</i>	<u>75,482</u>
Non-Operating Receipts (Disbursements)	
Earnings on Investments (proprietary funds only)	9,489
Other Debt Proceeds	146,377
Miscellaneous Receipts	350
Capital Outlay	(14,006)
Principal Retirement	(147,724)
Interest and Other Fiscal Charges	(27,411)
Other Financing Sources	3,936
Other Financing Uses	(2,721)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(31,710)</u>
<i>Income before Transfers</i>	43,772
Transfers In	20,000
Transfers Out	(20,000)
<i>Net Change in Fund Cash Balances</i>	43,772
<i>Fund Cash Balances, January 1</i>	<u>649,911</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$693,683</u></u>

See accompanying notes to the financial statements.

Village of Fayette
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The Village of Fayette, Fulton County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with Gorham Township to receive fire protection services.

Jointly Governed Organizations and Public Entity Risk Pools

The Village participates in a jointly governed organization and public entity risk pools. Notes 6, 11 and 13 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type which are all organized on a fund type basis.

Fund Accounting

The Village 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 Village 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 Village 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 Village had the following significant Special Revenue funds:

Street Construction Maintenance and Repair This fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Park Fund This fund receives tax levy monies and charges for services monies for the purpose of providing leisure time activities for the general public and maintaining and repairing park grounds and facilities.

COPS Hiring Grant Fund This fund receives money and transfers from the General Fund to account for the wages and benefits of the new career law enforcement officer hired under the CHP program to increase community policing capacity and crime prevention efforts.

Village of Fayette
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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 Village had the following significant Capital Project fund:

Water Distribution System Project Fund This fund receives municipal income tax and a capital grant from the Ohio Department of Development to be used for the improvement, construction or maintenance of the water or sewer utilities.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise funds:

Water Fund The Water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The Sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Water Enhancement Fund The fund receives charges for services from residents for future construction, repair, or maintenance of the Village's Water System.

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 Village 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 Village Council 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 Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

Village of Fayette
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2024

A summary of 2024 budgetary activity appears in Note 3.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

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

Accumulated Leave

Village employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Leases

The Village is the lessee in a lease (as defined by GASB 87) related to a postage machine under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

Fund Balance

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

Nonspendable The Village 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 Village and the nonexpendable 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 Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends 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.

Village of Fayette
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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 Village 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 – 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	\$688,995	\$891,057	\$202,062
Special Revenue	199,176	206,518	7,342
Capital Projects	9,911,280	7,411,969	(2,499,311)
Enterprise	872,998	885,587	12,589
Total	<u>\$11,672,449</u>	<u>\$9,395,131</u>	<u>(\$2,277,318)</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,015,915	\$943,257	\$72,658
Special Revenue	402,524	294,037	108,487
Capital Projects	10,104,312	9,379,258	725,054
Enterprise	1,371,474	903,512	467,962
Total	<u>\$12,894,225</u>	<u>\$11,520,064</u>	<u>\$1,374,161</u>

Note 4 – Deposits

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

	2024
Cash Management Pool:	
Demand deposits	\$1,489,797
Certificates of deposit	105,405
Total deposits	<u>\$1,595,202</u>

The Village uses a separate payroll clearing account, but the daily balance is rolled into the Sweep Account.

Village of Fayette
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2024

The expenditures included in the accompanying financial statement reflect gross payroll plus all remitted payroll withholdings. At December 31, 2024, the Village is holding \$16,424 in unremitted employee payroll withholdings and liabilities.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; 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 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council 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 Village.

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

Income Taxes

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

The Regional Income Tax Agency administers and collects income taxes for the Village. Payments are remitted monthly net of collection fees of approximately 3.0 percent.

Note 6 – Risk Management

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the Plan), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management programs and other administrative services to Ohio governments (Members). The Plan is legally separate from its member governments.

Village of Fayette
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated, and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remained the same through October 31, 2022. Effective November 1, 2022, the property loss corridor was eliminated. OPRM had 847 members as of December 31, 2024.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2024. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2024.

	<u>2024</u>
Assets	\$24,456,615
Liabilities	<u>(\$16,692,162)</u>
Members' Equity	<u>\$7,764,453</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Risk Pool Membership

The Village participates in the Buckeye Ohio Risk Management Agency, Inc., (BORMA, Inc.) which is a public entity shared risk pool consisting of several government entities in northern Ohio. The Village pays monthly premiums for health care coverage for its employees to BORMA. BORMA is responsible for the management and operations of the health insurance programs. Member entities agree to share in coverage of losses and pay all premiums necessary for the specified health insurance coverage. Member entities are subject to supplemental assessments.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Most Village 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 Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

Village of Fayette
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Ohio Police and Fire Retirement System

The five full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F 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. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2024.

Social Security

Four Village council members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer 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. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. 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. OP&F contributes 0.5 percent to fund these benefits.

Village of Fayette
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Loan #CE20N	\$6,709	0.00%
OPWC Loan #CE47P	15,052	0.00%
OPWC Loan #CE15L	6,088	0.00%
OPWC Loan #CE32N	21,233	0.00%
OWDA Loan #10257	844,678	1.88%
OWDA Loan #10260	254,966	3.86%
OWDA Loan #10409	27,527	0.00%
OWDA Loan #3731	30,794	5.14%
OWDA Loan #4573	4,374	2.00%
OWDA Loan #4706	11,616	2.00%
OWDA Loan #5137	23,805	0.00%
OWDA Loan #6347	727,648	0.00%
OWDA Loan #7928	123,006	0.58%
OWDA Loan #9453	14,638	1.79%
Total	<u>\$2,112,134</u>	

The Ohio Public Works Commission (OPWC) loan #CE20N relates to the Gamble Road Widening project. OPWC has approved up to \$125,000 in loans to the Village; however, the Village only borrowed \$15,785 for this project. The Village will repay the loan in semiannual installments of \$395 over 20 years. Property tax receipts collateralize the loan.

The Ohio Public Works Commission (OPWC) loan #CE47P relates to the Village-Wide Street Resurfacing project. OPWC has approved up to \$208,000 in loans to the Village; however, the Village only borrowed \$150,518 for this project. The Village will repay the loan in semiannual installments of \$7,526 over 10 years. Property tax receipts collateralize the loan.

The Ohio Public Works Commission (OPWC) loan #CE15L relates to Phase 1 of the long-term control plan which consists of upgrades to the sewer system's lagoon and main pumping station. OPWC has approved up to \$50,391 in loans to the Village; however, the Village only borrowed \$18,732 for this project. The Village will repay the loan in semiannual installments of \$468 over 20 years. Sewer receipts collateralize the loan.

The Ohio Public Works Commission (OPWC) loan #CE32N relates to the New Fulton Street Lift Station project. OPWC has approved up to \$56,610 in loans to the Village; however, the Village has only borrowed \$47,184 for this project. The Village will repay the loan in semiannual installments of \$1,180 over 20 years. Sewer receipts collateralize the loan.

Ohio Water Development Authority (OWDA) loan #10257 is the permanent financing for the engineering on Phase I of the Water Distribution System replacement project. This loan is a refinancing of OWDA loan #9485. The OWDA approved \$877,861 in loans to the Village. The Village will repay the loan in semiannual installments of \$19,210, including interest, over 20 years. Water receipts collateralize the loan.

Village of Fayette
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2024

The Ohio Water Development Authority (OWDA) loan #10260 relates to a planning loan for the engineering for Phase II of the water distribution system replacement project. OWDA has approved up to \$245,000 in loans; however, the Village has only borrowed \$149,401.76 to date on this project. The current loan balance includes the loan origination fee and capitalized interest. The loan agreement calls for semi-annual installments of \$6,146.45 to begin on July 1, 2024, and continue for 5 years with a balloon clause at the end of the 5-year period. The Village expects to roll the balance of the planning loan into the larger construction project before the end of the 5-year period. This project was not completed at December 31, 2024, and no final amortization schedule has been provided by OWDA. Therefore, this loan is not included in the amortization table below.

Ohio Water Development Authority (OWDA) Loan #10409 relates to lead service replacement for Phase I of the Villages current water project. The total amount financed is \$196,540 with a loan forgiveness of \$217,830. The loan is for 20 years with amortization from January 1, 2026 through July 1, 2045. This project was not completed at December 31, 2024, and no final amortization schedule has been provided by OWDA. Therefore, this loan is not included in the amortization table below.

Ohio Water Development Authority (OWDA) Loan #3731 relates to the combined sewer separation project. OWDA approved up to \$117,582 in loans to the Village; however, the Village only borrowed \$68,711 for this project. The Village will repay the loan in semiannual installments of \$2,259 including interest, over 30 years. The Village has agreed to set sewer rates sufficient to cover OWDA debt service requirements.

Ohio Water Development Authority (OWDA) Loan #4573 relates to the water treatment plant repairs project. OWDA approved up to \$53,344 in loans to the Village; however, the Village only borrowed \$48,837 for this project. The Village will repay the loan in semiannual installments of \$1,488, including interest, over 20 years. The Village has agreed to set water enhancement rates sufficient to cover OWDA debt service requirements.

Ohio Water Development Authority (OWDA) Loan #4706 relates to wastewater treatment plant repairs project. OWDA approved up to \$78,692 in loans to the Village; however, the Village only borrowed \$78,588 for this project. The Village will repay the loan in semiannual installments of \$2,394, including interest, over 20 years. The Village has agreed to set water enhancement rates sufficient to cover OWDA debt service requirements.

Ohio Water Development Authority (OWDA) Loan #5137 relates to Phase I of the long term control plan which consists of upgrades to the sewer system's lagoon and main pumping station. OWDA approved up to \$98,500 in loans to the Village; however, the Village only borrowed \$79,350 for this project. The Village will repay the loan in semiannual installments of \$1,984 over 20 years. The Village has agreed to set sewer enhancement rates sufficient to cover OWDA debt service requirements.

Ohio Water Development Authority (OWDA) Loan #6347 relates to the long term control plan related to the combined sewer separation project undertaken by the Village. The OWDA approved up to \$5,774,056 in loans to the Village; however, the Village only borrowed \$5,697,427 for this project. This Project is funded through the Water Pollution Control Loan Fund, of which \$4,080,432 of the commitment is principal forgiveness and \$1,616,995 is to be repaid by the Village. The Village will repay the loan in semiannual installments of \$40,425 over 20 years with no interest. Sewer receipts collateralize the loans.

Ohio Water Development Authority (OWDA) Loan #7928 relates to the purchase of a building for a sewer lab and general maintenance. OWDA approved up to \$178,623 in loans to the Village; however, the Village borrowed \$178,887 (including capitalized interest) for this project.

Village of Fayette
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2024

The Village will repay the loan in semiannual installments of \$4,743, including interest, over 20 years. Sewer and General receipts collateralize the loans.

Ohio Water Development Authority (OWDA) Loan #9453 relates to the purchase of 10 acres along Industrial Parkway to facilitate future water and wastewater system improvements, including a new bulk water station, sewer upgrades, and electrical improvements for supply wells and treatment lagoons. OWDA approved up to \$25,400 in loans to the village; however the current loan balance also includes capitalized interest. The Village will repay the loan in semiannual installments of \$635, including interest, over 5 years with a balloon clause at the end of the 5-year term. The Village has agreed to set water rates sufficient to cover OWDA debt service requirements. This project was not completed at December 31, 2024, and no final amortization schedule has been provided by OWDA. Therefore, this loan is not included in the amortization table below.

Amortization

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

Year Ending December 31:	OWDA Loans	OPWC Loans
2025	\$145,002	\$19,137
2026	143,514	4,085
2027	139,633	4,085
2028	137,420	4,085
2029	137,420	4,085
2030-2034	582,704	13,605
2035-2039	225,298	
2040-2044	192,096	
2045-2049	192,096	
2050-2054	134,467	
Total	<u>\$2,029,650</u>	<u>\$49,082</u>

Leases

The Village leased a postage machine under noncancelable leases. The Village disbursed \$730 to pay lease costs for the year ended December 31, 2024.

Note 10 – Construction and Contractual Commitments

The Water Distribution and Planning project for Phase I was completed in 2023. The maximum loan amount approved by OWDA is \$195,683 but it is uncertain how much of that will actually be used due to the change in the scope and nature of the project to actual design of a new water distribution system. The Village has received an award of \$10 million for the construction of a new water distribution system which began in late 2023 and is expected to be completed by 2025.

Note 11 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms.

Village of Fayette
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2024

The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 12 – Fund Balances

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:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	<u>\$21,365</u>	<u>\$48,729</u>	<u>\$1,984,840</u>	<u>\$2,116,631</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds is restricted, committed or assigned. These restricted, committed and assigned amounts in the special revenue and capital projects funds would include the outstanding encumbrances. In the General fund, outstanding encumbrances are considered assigned.

Note 13 – Jointly Governed Organization

Regional Income Tax Agency The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration, RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2024, the Village paid RITA \$17,929 for income tax collection services.

**VILLAGE OF FAYETTE
FULTON COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Pas
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Department of Development</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	DEV-2021-180400	\$7,377,972
<i>Passed Through Ohio Office of Budget and Management</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		43,967
Total U.S. Department of Treasury			7,421,939
U.S. DEPARTMENT OF JUSTICE			
<i>Passed Through Ohio Office of Criminal Justice Services</i>			
Public Safety Partnership and Community Policing Grants	16.710	2020UMWX0315	25,667
Total U.S. Department of Justice			25,667
Total Expenditures of Federal Awards			\$7,447,606

The accompanying notes are an integral part of this schedule.

**VILLAGE OF FAYETTE
FULTON COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR § 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Village of Fayette, Fulton County, Ohio (the Village) under programs of the federal government for the year ended December 31, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the fund balances or changes in fund balances of the Village.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Village has elected not to use the 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

Village of Fayette
Fulton County
P.O. Box 87
Fayette, Ohio 43521-0087

To the Village Council:

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 and proprietary fund type as and for the year ended December 31, 2024, and the related notes to the financial statements of the Village of Fayette, Fulton County, Ohio (the Village) and have issued our report thereon dated November 4, 2025, wherein we noted the Village 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 Village'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 Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village'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 Village'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 a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's responses to the findings identified in our audit and described in the accompanying schedule of findings and corrective action plan. The Village's response was 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 Village'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 Village'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

November 4, 2025



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Village of Fayette
Fulton County
P.O. Box 87
Fayette, Ohio 43521-0087

To the Village Council:

Report on Compliance for the Major Federal Program

Qualified Opinion

We have audited the Village of Fayette, Fulton County, Ohio's, (the Village) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Village of Fayette's major federal program for the year ended December 31, 2024. The Village of Fayette's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

Qualified Opinion on the Coronavirus State and Local Fiscal Recovery Funds

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* section of our report, the Village of Fayette complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Coronavirus State and Local Fiscal Recovery Funds for the year ended December 31, 2024.

Basis for Qualified Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with 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 qualified and unmodified opinions on compliance for the major federal program. Our audit does not provide a legal determination of the Village's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on Coronavirus State and Local Fiscal Recovery Funds

As described in finding 2024-002 in the accompanying schedule of findings, the Village did not comply with requirements regarding procurement and suspension and debarment applicable to its AL #21.027 Coronavirus State and Local Fiscal Recovery Funds major federal program.

Compliance with such requirements is necessary, in our opinion, for the Village to comply with requirements applicable to that program.

Responsibilities of Management for Compliance

The Village's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Village's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and corrective action plan. The Village's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2024-002, to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and/or corrective action plan. The Village's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



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

November 4, 2025

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**VILLAGE OF FAYETTE
FULTON COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2024**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Adverse under GAAP; Unmodified under the regulatory basis
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list):	Coronavirus State and Local Fiscal Recovery Funds – AL #21.027
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

FINDING NUMBER 2024-001

Material Weakness

Financial Reporting

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.

The following errors were noted in the financial statements and notes to the financial statements:

- An OWDA loan payment made from the Village's Water and Sewer funds on December 30, 2024 in the amount of \$79,934 was not posted in the Village's accounting system until January 2025. This caused Principal Retirement and Interest and Fiscal Charges to be understated for Enterprise funds in the amount of \$70,678 and \$9,256, respectively.
- Appropriation authority for Special Revenue funds reported in the Budgetary Activity note to the financial statements was overstated in the amount of \$80,693 from authorized amounts.

These errors were not identified or corrected prior to the Village preparing its financial statements and notes to the financial statements due to deficiencies in the Village's internal controls over financial statement monitoring. Failure to complete accurate financial statements and notes to the financial statements could lead to the Village Council making misinformed decisions. The accompanying financial statements and notes to the financial statements have been adjusted to correct these and other errors. In addition to the adjustment noted above, we also identified additional misstatements ranging from \$31 to \$46,898 that we have brought to the Village's attention.

The Village should adopt policies and procedures over financial reporting, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and Village Council, to help identify and correct errors and omissions.

Officials' Response:

See Corrective Action Plan.

3. FINDINGS FOR FEDERAL AWARDS

Procurement and Suspension and Debarment

Finding Number:	2024-002
Assistance Listing Number and Title:	AL #21.027 – Coronavirus State and Local Fiscal Recovery Funds
Federal Award Identification Number / Year:	DEV-2021-180400 / 2024
Federal Agency:	U.S. Department of Treasury
Compliance Requirement:	Procurement, Suspension and Debarment
Pass-Through Entity:	Ohio Department of Development
Repeat Finding from Prior Audit?	No

Noncompliance and Material Weakness

2 CFR 1000.10 gives regulatory effect to the U.S. Department of Treasury for **2 CFR § 200.318 through 200.327** which describe specific procedures non-Federal entities must follow when entering into procurement transactions using Federal funds.

2 CFR § 200.320(b) provides formal procurement methods are required when the value of the procurement transaction under a Federal award exceeds the simplified acquisition threshold of the recipient or subrecipient. Formal procurement methods are competitive and require public notice. **2 CFR § 200.320(b)** outlines two formal methods of procurement that are used for procurement transactions above the simplified acquisition threshold, which are (1) sealed bids and (2) competitive proposals.

Further, **2 CFR § 200.318(i)** indicates the non-Federal entity must maintain records sufficient to detail the history of procurement transaction. These records must include, but are not necessarily limited to, the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

Due to inadequate controls over the procurement process, one out of three (33%) vendors examined during testing of the Coronavirus State and Local Fiscal Recovery Funds, the Village did not obtain sealed bids or competitive proposals before contracting with Arcadis G & M of Ohio to provide engineering services. Expenditures for these services funded with Coronavirus State and Local Fiscal Recovery Funds during 2024 totaled \$403,969.

Failure to obtain proposals from a variety of vendors may result in the Village not utilizing the most qualified vendor as well as further noncompliance with federal requirements.

The Village should adopt procedures to help ensure records are maintained to document the history of the procurement, including the rationale for the purchase method, selection of vendors, cost/price analysis (if applicable) and the reason for limiting competition (if applicable).

Officials' Response:

See Corrective Action Plan.



THE VILLAGE OF FAYETTE
102 W. MAIN STREET, PO Box 87
FAYETTE OH 43521

Ph# 419 237 2116

FAX# 419 237 2541

CORRECTIVE ACTION PLAN

2 CFR § 200.511(c)

DECEMBER 31, 2024

Finding Number: 2024-001

Planned Corrective Action: The Village will implement policies and procedures to ensure financial reporting errors are identified and corrected prior to the Village preparing its financial statements and notes to the financial statements.

Anticipated Completion Date: December 31, 2025

Responsible Contact Person: Jessica Swander, Fiscal Officer

Finding Number: 2024-002

Planned Corrective Action: The Village will ensure that proposals be submitted for architectural and engineering professional services, and that documentation will be maintained for the proposals obtained as well as the Village's determination of the most qualified vendor.

Anticipated Completion Date: December 31, 2025

Responsible Contact Person: Jessica Swander, Fiscal Officer

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF FAYETTE

FULTON 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 11/18/2025

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