



**VILLAGE OF SWANTON
FULTON COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2024

**VILLAGE OF SWANTON
FULTON COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Village of Swanton
Fulton County
219 Chestnut Street
Swanton, Ohio 43558-1303

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 Swanton, 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 December 15, 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

December 15, 2025

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Village of Swanton
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	\$205,107	\$104,667		\$309,774
Municipal Income Tax	2,548,690			2,548,690
Intergovernmental	147,446	264,576		412,022
Special Assessments	82,255			82,255
Charges for Services	28,478	1,115,221	\$63,000	1,206,699
Licenses, Permits and Fees	43,404			43,404
Fines, Forfeitures and Settlements	14,206	618		14,824
Earnings on Investments	248,422	65,195		313,617
Miscellaneous	60,600	17,706	15,782	94,088
<i>Total Cash Receipts</i>	<u>3,378,608</u>	<u>1,567,983</u>	<u>78,782</u>	<u>5,025,373</u>
Cash Disbursements				
Current:				
Security of Persons and Property	1,252,008	1,696,177		2,948,185
Leisure Time Activities	40,260	124,942		165,202
Community Environment	53,422	10,000		63,422
Basic Utility Services	26,800			26,800
Transportation	281,209	349,912		631,121
General Government	525,093			525,093
Capital Outlay			661,610	661,610
<i>Total Cash Disbursements</i>	<u>2,178,792</u>	<u>2,181,031</u>	<u>661,610</u>	<u>5,021,433</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,199,816</u>	<u>(613,048)</u>	<u>(582,828)</u>	<u>3,940</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets			115,000	115,000
Transfers In	1,183,000	360,000	323,830	1,866,830
Transfers Out	(2,080,330)			(2,080,330)
Other Financing Uses	(423)			(423)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(897,753)</u>	<u>360,000</u>	<u>438,830</u>	<u>(98,923)</u>
<i>Net Change in Fund Cash Balances</i>	<u>302,063</u>	<u>(253,048)</u>	<u>(143,998)</u>	<u>(94,983)</u>
<i>Fund Cash Balances, January 1</i>	<u>3,736,438</u>	<u>1,997,950</u>	<u>155,815</u>	<u>5,890,203</u>
<i>Fund Cash Balances, December 31</i>	<u>\$4,038,501</u>	<u>\$1,744,902</u>	<u>\$11,817</u>	<u>\$5,795,220</u>

See accompanying notes to the basic financial statements

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

	Proprietary Fund Types		
	Enterprise	Internal Service	Combined Total
Operating Cash Receipts			
Charges for Services	\$2,360,990	\$71,000	\$2,431,990
Operating Cash Disbursements			
Personal Services	622,018	41,119	663,137
Employee Fringe Benefits	211,163	12,164	223,327
Contractual Services	1,168,462	17,631	1,186,093
Supplies and Materials	332,999	996	333,995
Other	7,281		7,281
<i>Total Operating Cash Disbursements</i>	<u>2,341,923</u>	<u>71,910</u>	<u>2,413,833</u>
<i>Operating Income (Loss)</i>	<u>19,067</u>	<u>(910)</u>	<u>18,157</u>
Non-Operating Receipts (Disbursements)			
Intergovernmental Receipts	3,026,525		3,026,525
Loans Issued	5,630,594		5,630,594
Miscellaneous Receipts	13,077	6	13,083
Capital Outlay	(8,715,030)		(8,715,030)
Principal Retirement	(470,734)		(470,734)
Interest and Other Fiscal Charges	(68,296)		(68,296)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(583,864)</u>	<u>6</u>	<u>(583,858)</u>
<i>Loss before Transfers</i>	<u>(564,797)</u>	<u>(904)</u>	<u>(565,701)</u>
Transfers In	1,117,745		1,117,745
Transfers Out	(904,245)		(904,245)
<i>Net Change in Fund Cash Balances</i>	<u>(351,297)</u>	<u>(904)</u>	<u>(352,201)</u>
<i>Fund Cash Balances, January 1</i>	<u>1,640,042</u>	<u>25,552</u>	<u>1,665,594</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,288,745</u>	<u>\$24,648</u>	<u>\$1,313,393</u>
<i>See accompanying notes to the basic financial statements</i>			

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

Note 1 – Reporting Entity

The Village of Swanton, 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, police services and fire and rescue services.

Jointly Governed Organizations and Public Entity Risk Pools

The Village participates in jointly governed organizations and public entity risk pools. Notes 8, 13 and 17 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 and disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types 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 The street construction maintenance and repair 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.

Fire Operating Fund This fund receives property tax revenues and revenues from fire and rescue contracts with other governments for fire division operational costs.

EMS Operating Fund This fund receives revenues from an emergency medical services contract with Fulton County for Emergency EMS division operational costs.

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 Funds:

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

Capital Improvement Fund This fund receives transfers from general fund income tax revenue and state and federal grants for the purchase, improvement and construction of capital projects throughout the Village.

Fire Capital Fund This fund receives transfers from general fund income tax revenue and contributions from fire and rescue contracts with area townships for purchases and maintenance of fire department building, equipment, and vehicles.

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 Plant Operating Fund This fund accounts for the provision of water treatment and distribution to the residents and commercial users located in the Village limits and some outside Village limits. This fund receives charges for services from residents and commercial users to cover water service costs.

WRRF Plant Operating Fund This fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village. This fund receives charges for services from residents and commercial users to cover sewer service costs.

Internal Service Fund This fund accounts for services provided by one department to other departments of the government unit. The Village had the following Internal Service Fund:

Utility Billing Operating Fund This fund accounts for utility billing services provided to the Water, WRRF and Storm Water Enterprise funds. This fund receives transfers from Water, WRRF and Storm Water Enterprise funds.

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.

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

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.

A summary of 2024 budgetary activity appears in Note 4.

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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

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.

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

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 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 14.

Note 3 – Compliance

Contrary to Ohio law, budgetary appropriations exceeded the amount certified as available by the Budget Commission in the Fire Capital Fund and WRRF Capital Fund in the amounts of \$183,972 and \$2,935,502, respectively.

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	\$3,924,751	\$4,561,608	\$636,857
Special Revenue	1,990,553	1,927,983	(62,570)
Capital Projects	798,000	517,612	(280,388)
Enterprise	12,981,862	12,148,931	(832,931)
Internal Service	60,000	71,006	11,006
Total	<u>\$19,755,166</u>	<u>\$19,227,140</u>	<u>(\$528,026)</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,802,193	\$4,268,846	\$533,347
Special Revenue	2,952,333	2,192,583	759,750
Capital Projects	701,500	661,610	39,890
Enterprise	13,873,573	12,500,228	1,373,345
Internal Service	81,055	71,910	9,145
Total	<u>\$22,410,654</u>	<u>\$19,695,177</u>	<u>\$2,715,477</u>

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

Note 5 – Deposits and Investments

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 and investment accounts are as follows:

	<u>2024</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$6,976,932
STAR Ohio	<u>131,681</u>
Total Deposits and Investments	<u><u>\$7,108,613</u></u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the village is holding \$56,447 in unremitted employee payroll withholdings.

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.

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 6 – 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.

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

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 7 – Interfund Balances

Outstanding advances at December 31, 2024, consisted of \$345,000 and \$40,000 advanced to the WRRF Capital Fund and Local Fiscal Recovery Fund, respectively, to provide working capital for operations or projects.

Interfund Transfers

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
General Fund		\$2,080,330
Police Operating	\$1,183,000	
Special Revenue:		
Fire Operating	150,000	
EMS Operating	200,000	
Economic Development	10,000	
Capital Projects Funds:		
Capital Projects	58,000	
Fire Capital	265,830	
Enterprise Funds:		
Water		205,000
Water Distribution	135,000	
WRRF		699,245
WRRF Collections	123,500	
Water Capital	65,000	
WRRF Capital	421,500	
Water Debt Service	5,000	
WRRF Debt Service	367,745	
Total	<u>\$2,984,575</u>	<u>\$2,984,575</u>

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

Transfers are used to move revenues from the funds that statute or budget requires to collect them to provide additional funding to various departments and finance capital projects.

Note 8 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the Plan), a 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.

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 has remain unchanged. OPRM had 801 members as of December 31, 2023.

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.

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.

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Several 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.

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

Ohio Police and Fire Retirement System

The Village's full-time certified Fire Fighters and 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 and 24 percent of full-time fire fighters' wages. The Village has paid all contributions required through December 31, 2024.

Social Security

Several Village employees 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 10 – 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.

Note 11 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loans	\$464,434	0%
Ohio Water Development Authority Loans	12,584,485	0 - 2.78%
Total	<u><u>\$13,048,919</u></u>	

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

The Village has received the following loans from Ohio Water Development Authority (OWDA):

In 2007, a sewer separation project was mandated by OEPA. The OWDA approved \$525,545 in loans to the Village for the Broadway Street CSO Separation. The Village will repay the loan in semiannual installments of \$17,169, including interest over 20 years. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. This will be fully repaid as of January 2, 2024.

In 2010, a wastewater treatment plant improvement project was mandated by OEPA. The OWDA approved \$378,151 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$12,354, including interest over 20 years. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

In 2012 and 2013, two loans of \$594,785 and \$618,430 were received from OWDA for the Fulton Street sewer separation project mandated by the OEPA. The Village repays the loan in variable semiannual installments, including interest, over 20 years. The Village will repay the loan in semiannual installments of \$19,485 and \$18,906 respectively.

Also, in 2013, OWDA approved a loan up to \$1,930,871 for the Granular Activated Carbon (GAC) improvement project to improve the Village's water plant. This loan includes \$333,586 in debt forgiveness. The end disbursement totaled to \$1,786,720, reduced by the debt forgiveness totals to \$1,453,134. The Village will repay this loan in semiannual installments of \$31,885.

In 2016, OWDA approved a loan of up to \$741,234 for the Clark Street sewer separation project mandated by the OEPA. The Village will repay the loan in variable semiannual installments, including interest, over 20 years. The end disbursement totaled to \$684,227. The Village will repay this loan in semiannual installments of \$19,066.

In 2018, OWDA approved a loan up to \$1,174,286 for sewer separation Project 7. The Village will repay the loan in variable semiannual installments, including interest, over 20 years. The loan is to be repaid in semiannual installations over 20 years. The end disbursement totaled to \$917,996. The Village will repay this loan in semiannual installments of \$27,038.

In 2019, OWDA approved a loan of up \$1,065,731 for Project 10 Combined Sewer Separation. The Village will repay the loan in semiannual installments, including interest, over 20 years. The amortization schedule is not complete as of this report date. The end disbursement totaled to \$1,009,910. The Village will repay this loan in semiannual installments of \$26,831.

In 2021, OWDA approved a loan up to \$2,265,149 for Project 8&9 Combined Sewer Separation. The project began in 2021 and completed in 2022. No amortization schedule is available as of this report date. The end disbursement totaled to \$1,449,211. The Village will repay this loan in semiannual installments, due to recalculation using the new end disbursement total the amount has yet to be seen.

In 2022, OWDA approved a loan up to \$1,904,275 for improvements to the water treatment plant. The project began in 2022 and was completed in 2023. The first payment for this loan will occur on January 2, 2024. No amortization schedule is available as of this report date.

In 2023, OWDA approved a loan up to \$4,673,805 for the final sewer separation projects 3, 11, & 12. The project began in 2023, and is not complete as of this report date.

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

In 2024, OWDA approved a loan up to \$3,850,436 for the improvements to be made to the WRRF. The relevant project is expected to be completed in mid-late 2025.

The Village has the following interest free loans with OPWC:

In 2013, loans of \$64,299 for wastewater treatment improvements and \$80,000 for phase 2 of the Fulton Street Sewer Separation project were received. These are to be repaid in semiannual installments, waterline over 15 years and sewer separation over 20 years in the amount of \$1,071.64 and \$2,000 respectively.

In 2015, loans of \$85,500 for Holiday Lane Sanitary Sewer improvements and \$175,000 for Phosphorous Removal improvements at the wastewater treatment plant were received. These are to be repaid in semiannual installments, sanitary sewer over 13 years and phosphorous removal over 21 years, in the amounts of \$3,563 and \$4,375 respectively.

In 2016, a loan of \$87,500 for Clark Street Sewer Separation was received. The loan is to be repaid in semiannual installments over 20 years in the amount of \$2,188.

In 2018, a loan of \$86,007 for Project 7 (Church, Harrison, and Lawrence streets) sewer separation was received. The loan is to be repaid in semiannual installations over 20 years in the amount of \$2,150.

In 2020, a loan of \$100,000 for Project 10 Combined Sewer Separation was received. The loan is to be repaid in semiannual installations over 20 years in the amount of \$2,500.

In 2021, a loan of \$87,500 for Project 8&9 Combined Sewer Separation was approved. The loan is to be repaid in semiannual installations over 20 years in the amount of \$2,188.

Amortization

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

Year Ending December 31:	OWDA Loans	OPWC Loans
2025	\$482,432	\$40,069
2026	519,674	40,069
2027	502,505	36,506
2028	485,336	32,944
2029	485,336	32,944
2030-2034	2,198,241	160,718
2035-2039	1,842,960	96,630
2040-2044	1,089,517	24,554
Total	<u>\$7,606,001</u>	<u>\$464,434</u>

For the OWDA Loans, there are two loans currently in process that have not yet begun paying. These loans are for projects not yet completed and payments have not commenced. These loans are noted above.

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

Note 12 – Construction and Contractual Commitments

In fiscal year 2023, the Village of Swanton entered into a contractual agreement with Jones and Henry Engineers and Hillabrand & Sons Construction for engineering and construction services for Projects 3, 11, and 12 Sewer Separation. Construction is expected to be completed in 2024. Final pieces of the project are to be completed in early 2025.

Note 13 – 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. 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 14 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years. 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>Total</u>
Nonspendable:			
Unclaimed Monies	\$805		\$805
Outstanding Encumbrances	9,301	\$11,552	20,853
<i>Total</i>	<u>\$10,106</u>	<u>\$11,552</u>	<u>\$21,658</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects fund 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 15 – 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 \$75,686 for income tax collection services.

**VILLAGE OF SWANTON
FULTON COUNTY**

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Department of Development</i>			
COVID-19 Coronavirus Sate and Local Fiscal Recovery Funds	21.027	DEV--2021181309	<u>\$3,026,525</u>
Total U.S. Department of Treasury			<u>3,026,525</u>
Total Expenditures of Federal Awards			<u>\$3,026,525</u>

The accompanying notes are an integral part of this schedule.

**VILLAGE OF SWANTON
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 Swanton, 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 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – MATCHING REQUIREMENTS

Certain Federal programs require the Village to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Village has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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OHIO AUDITOR OF STATE KEITH FABER



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

Village of Swanton
Fulton County
219 Chestnut Street
Swanton, Ohio 43558-1303

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 of and for the year ended December 31, 2024 and the related notes to the financial statements of the Village of Swanton, Fulton County, Ohio (the Village) and have issued our report thereon dated December 15, 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 items 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2024-002.

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 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 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

December 15, 2025



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**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 Swanton
Fulton County
219 Chestnut Street
Swanton, Ohio 43558-1303

To the Village Council:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Village of Swanton, 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 Swanton's major federal program for the year ended December 31, 2024. The Village of Swanton's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the Village of Swanton complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on the Major Federal Program

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 opinion 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.

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.

Report on Internal Control Over Compliance

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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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

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 15, 2025

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**VILLAGE OF SWANTON
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)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(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	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(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

Financial Reporting - 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.

We identified the following errors requiring adjustments to the financial statements and notes to the financial statements:

- Charges for services receipts in the Capital Project Fund were incorrectly recorded as miscellaneous receipts in the amount of \$63,000;
- Enterprise Fund OWDA loans issued in the amount of \$5,365,876 were not recorded by the Village in the financial statements as loans issued and capital outlay expenditures;
- Enterprise Fund contractual services expenditures in the amount of \$71,000 were incorrectly recorded as transfers out; and
- Internal Service Fund charges for services receipts in the amount of \$71,000 were incorrectly recorded as transfers in.

These errors were not identified and 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. Failing to prepare accurate financial statements and notes to the financial statements could lead the Village Council to make misinformed decisions. The accompanying financial statements have been adjusted to correct these errors. In addition to the adjustments noted above, we also identified additional misstatements ranging from \$10,509 to \$152,000, which 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 Finance Director and Village Council to help identify and correct errors and omissions.

Officials' Response:

See corrective action plan.

FINDING NUMBER 2024-002

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 deficiencies in policies and procedures over budgetary compliance, at December 31, 2024, the Village's appropriations exceeded the amount certified as available by the budget commission in the Fire Capital Fund and WRRF Capital Fund by \$183,972 and \$2,935,502, respectively.

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

The Village should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Village 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 Village Council to reduce the appropriations.

Officials' Response:

See corrective action plan.

3. FINDINGS FOR FEDERAL AWARDS

None

4. OTHER – FINDINGS FOR RECOVERY

In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS or Single Audit Compliance and Controls reports.

FINDING NUMBER 2024-003

Finding for Recovery Repaid Under Audit

Holden Benfield is the Village's Fiscal Officer from March 5, 2023, to present. Due to Mr. Benfield's negligence, during his tenure there were several federal, Ohio Public Employees Retirement System, and required reporting and PNC Bank credit card payments not made timely.

Federal tax:

The law requires employers to withhold taxes from employees' paychecks and remit those taxes to the government. The United States Internal Revenue Code, for example, requires employers to deduct from wages paid to employees the employees' share of FICA taxes and individual income taxes. See 26 U.S.C. §§ 3102(a) and 3402(a). Those withholdings are considered to be held in "a special fund in trust for the United States." 26 U.S.C. § 7501(a). The employer is liable for the withheld portion of the employee's wages and must pay over the full amount to the government each quarter. See *United States v Farr*, 536 F.3d 1174, 1176 (10th Circ. 2008).

The Internal Revenue Service (IRS) assessed and the Village paid penalties and interest due to failures to properly remit federal tax withholdings in the amount of \$2,276.97.

Ohio Public Employees Retirement System:

Ohio Rev. Code § 145.47 states the head of each state department and the fiscal officer of each local authority subject to this chapter shall transmit promptly to the public employees retirement system a report of contributions at such intervals and in such form as the system shall require, showing thereon all deductions for the system made from the earnable salary of each contributor employed, together with warrants or checks covering the total of such deductions within thirty days after the last day of such reporting period.

The Ohio Public Employees Retirement System (OPERS) assessed and the Village paid penalties in the amount of \$131.89, due to failures to properly remit OPERS pension withholdings.

Late Fees and Finance Charges:

Due to Mr. Benfield's negligence, PNC Bank assessed and the Village paid late fees and finance charges in the amount of \$71.26 on monthly credit card billings.

Per Ohio Rev. Code § 733.82, a village fiscal officer shall be held liable for loss of public funds when the loss results from the officer's negligence or other wrongful act.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.24, a Finding for Recovery for public monies illegally expended is hereby issued in the amount of \$2,480.12 against Holden Benfield and in favor of Village of Swanton's General Fund in the amount of \$2,480.12.

Village Council should establish procedures to verify withholdings and payments are made in a timely manner to avoid interest and penalties delinquent submissions. Failure to do so could result in potential findings for recovery being issued in future audits.

On November 12, 2025, Holden Benfield repaid the Village of Swanton \$2,480.12. This finding for recovery is considered repaid under audit.

Officials' Response:

See corrective action plan.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
DECEMBER 31, 2024

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Finding Number	Finding Summary	Status	Additional Information
2023-001	Finding was first issued in the 2007 audit. Material weakness due to errors in financial reporting.	Not corrected and reissued as Finding 2024-001 in this report.	This finding reoccurred due to inadequate policies and procedures in reviewing the financial statements prior to filing the Village's annual report. The Village is implementing procedures to correct these errors for the future.
2023-002	Noncompliance with Ohio Rev. Code § 5705.41(B) for expenditures in excess of appropriations.	Fully corrected.	
2023-003	Finding for Recovery for monies illegally expended.	Not correct and reissued as Finding 2024-003 in this report.	This finding reoccurred due to inadequate policies and procedures in reviewing the submission deadline requirements.



MAYOR
 Neil Toeppe

COUNCIL MEMBERS
 Samantha Disbrow
 Noah Kreuz
 Derek Kania
 Patrick Messenger
 John Schmidt
 Dianne Westhoven

ADMINISTRATOR
 Shannon Shulters

FISCAL OFFICER
 Holden Benfield

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2024

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MAYOR
 Neil Toeppe

COUNCIL MEMBERS
 Samantha Disbrow
 Noah Kreuz
 Derek Kania
 Patrick Messenger
 John Schmidt
 Dianne Westhoven

ADMINISTRATOR
 Shannon Shulters

FISCAL OFFICER
 Holden Benfield

Finding Number:	2024-001
Planned Corrective Action:	<p>- \$63,000 An account line was created: 4902-511-0082 {Township Contracts}. The employee in charge of entering these receipts has been instructed to alter their process to utilize the new line.</p> <p>- \$5,365,876 Repeat finding from 2022-2023 Audit. 2024 was not corrected due to timing of end of audit. Knowledge issue. Process has been altered to correct. OWDA Loan going forward to be issued in their respective Receipts & Appropriation lines, even if funds do not pass through Village controlled bank accounts.</p> <p>- \$71,000 Recording error. Knowledge issue. Transfers from 5101/5201/5601 {Water/Sewer/Storm} to 6901 {Utility Billing} should be in the form of payments to 6901, not internal transfers. This will be a repeat finding on the 2025 audit.</p>
Anticipated Completion Date:	Process will be corrected for the 2026 budget and future budgets.
Responsible Contact Person:	Holden Benfield, Fiscal Officer

Finding Number:	2024-002
Planned Corrective Action:	Repeat finding from 2022-2023 Audit. 2024 was not corrected due to timing of end of audit. Process has been altered to correct. We have contacted Fulton County Auditor's Office to verify the required documentation for amended certificates to be issued.
Anticipated Completion Date:	Process will establish to send documentation to County's Office prior to end of year (at minimum, if not more frequently) to be approved by County Budget Commission.
Responsible Contact Person:	Holden Benfield, Fiscal Officer

Finding Number:	2024-003
Planned Corrective Action:	<p>- Federal Tax Late Fees Process error exacerbated by timing. Initially resultant to lack of knowledge. Village was made aware of issue in September of 2024 by IRS. Process was corrected immediately thereafter. Issue has not re-occurred since process correction. Fiscal Officer now submits payments to the IRS' EFTPS portal prior to 5 days, if not sooner, after the payment reaches employee's bank accounts.</p> <p>- OPERS Late Fee Process error resultant to minutia of payment portal. Error was recognized immediately after and process was adjusted to correct. One-time issue has not re-occurred since process correction. Fiscal Officer now submits payments to the OPERS portal prior to one day before the last business day of any given month, if not sooner.</p> <p>- PNC Credit Card Process error. Credit cards will be switched to F&M cards in late 2025 – early 2026, after which auto-pay will be enabled to prevent issue from re-occurring.</p>
Anticipated Completion Date:	Late 2025, early 2026
Responsible Contact Person:	Holden Benfield, Fiscal Officer

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF SWANTON

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 12/30/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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