



OHIO AUDITOR OF STATE
KEITH FABER

A small, thin-lined map of the state of Ohio is positioned to the right of the text, showing the state's outline.

**VILLAGE OF PUT-IN-BAY
OTTAWA COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Village of Put-in-Bay
Ottawa County
435 Catawba Avenue
Put-in-Bay, Ohio 43456-0245

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 Put-in-Bay, Ottawa County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

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 the financial audit standards in the Comptroller General of the United States' *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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2024, 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
Auditor of State
Columbus, Ohio

November 14, 2024

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Village of Put-in-Bay
Ottawa County
Combined Statement of Receipts, Disbursements, and
Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2023

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$1,463,234				\$1,463,234
Intergovernmental	41,928	\$115,606			157,534
Charges for Services	418,054				418,054
Fines, Licenses and Permits	104,299	69,315			173,614
Earnings on Investments	81,358	9,525			90,883
Miscellaneous	<u>596,840</u>	<u>2,674</u>		<u>\$5,000</u>	<u>604,514</u>
<i>Total Cash Receipts</i>	<i>2,705,713</i>	<i>197,120</i>		<i>5,000</i>	<i>2,907,833</i>
Cash Disbursements					
Current:					
Security of Persons and Property	944,871	32,807			977,678
Leisure Time Activities	392,852	22,363			415,215
Community Environment	13,840				13,840
Transportation	112,407	29,820			142,227
General Government	489,335	3,182			492,517
Capital Outlay				553,618	553,618
Debt Service:					
Principal Retirement	213,264			897,519	1,110,783
Interest and Fiscal Charges	<u>140,315</u>				<u>140,315</u>
<i>Total Cash Disbursements</i>	<i>2,306,884</i>	<i>88,172</i>		<i>1,451,137</i>	<i>3,846,193</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>398,829</i>	<i>108,948</i>		<i>(1,446,137)</i>	<i>(938,360)</i>
Other Financing Receipts (Disbursements)					
Sale of Notes				897,519	897,519
Loans Issued				560,560	560,560
Transfers In				5,000	5,000
Transfers Out	<u>(5,000)</u>				<u>(5,000)</u>
<i>Total Other Financing Receipts (Disbursements)</i>	<i>(5,000)</i>			<i>1,463,079</i>	<i>1,458,079</i>
<i>Net Change in Fund Cash Balances</i>	<i>393,829</i>	<i>108,948</i>		<i>16,942</i>	<i>519,719</i>
<i>Fund Cash Balances, January 1</i>	<i>435,575</i>	<i>787,098</i>	<i>\$5,592</i>	<i>95,718</i>	<i>1,323,983</i>
<i>Fund Cash Balances, December 31</i>	<i><u>\$829,404</u></i>	<i><u>\$896,046</u></i>	<i><u>\$5,592</u></i>	<i><u>\$112,660</u></i>	<i><u>\$1,843,702</u></i>

See accompanying notes to the financial statements

Village of Put-in-Bay
Ottawa County
Combined Statement of Receipts, Disbursements, and
Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2023

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	<u>\$1,410,808</u>
Operating Cash Disbursements	
Personal Services	356,676
Employee Fringe Benefits	142,919
Contractual Services	291,268
Supplies and Materials	357,886
Other	<u>9,913</u>
<i>Total Operating Cash Disbursements</i>	<u>1,158,662</u>
<i>Operating Income</i>	<u>252,146</u>
Non-Operating Receipts (Disbursements)	
Special Assessments	60,262
Miscellaneous Receipts	17,794
Capital Outlay	(72,772)
Principal Retirement	(261,286)
Interest and Other Fiscal Charges	(49,524)
Other Financing Sources	<u>5,292</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(300,234)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(48,088)</u>
<i>Fund Cash Balances, January 1</i>	<u>2,448,048</u>
<i>Fund Cash Balances, December 31</i>	<u>\$2,399,960</u>

See accompanying notes to the financial statements

Village of Put-in-Bay
Ottawa County
Statement of Additions, Deductions, and
Change in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund
For the Year Ended December 31, 2023

	Custodial
	Other
	Custodial
Additions	
Fines, Licenses and Permits for Distribution	<u>\$10,356</u>
Deductions	
Other Distributions	<u>10,386</u>
<i>Net Change in Fund Cash Balance</i>	<i>(30)</i>
<i>Fund Cash Balance, January 1</i>	<i><u>16,760</u></i>
<i>Fund Cash Balance, December 31</i>	<i><u>\$16,730</u></i>

See accompanying notes to the financial statements

Village of Put-in-Bay
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 - Reporting Entity

The Village of Put-in-Bay, Ottawa 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 general government services, transportation, water and sewer utilities, public health services, park operations, and police services.

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, a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) for all proprietary fund types, and a statement of additions, deductions and change in fund balance (regulatory cash basis) for the fiduciary fund 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.

Law Enforcement Foundation Fund The Law Enforcement Foundation Fund accounts for and reports donations that are restricted to fund law enforcement supplies and materials.

Community Playground Fund The Community Playground Fund accounts for and reports donations that are restricted to fund construction and upkeep of the park.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Village of Put-in-Bay
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Special Assessment Debt-Bayview Avenue Fund The Special Assessment Debt-Bayview Avenue Fund receives special assessments to pay the debt accumulated for this project.

Capital Projects 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 Projects Funds:

Bond Retirement Fund The Bond Retirement Fund is used to account for the bond anticipation note proceeds and rollovers to be used for the purchase of real estate.

Elevated Water Storage Tank Rehab. Imp. Fund The Village received a loan from the state for capital improvements. The proceeds are restricted for an elevated water storage tank rehabilitation project.

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

Sewer Operating Fund The Sewer Operating Fund accounts for the provision of wastewater treatment services to the residents and commercial users within the Village.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria. The Village does not have any trust funds.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for the activity of the mayor's court.

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 each fund (except certain custodial funds) be budgeted annually.

Village of Put-in-Bay
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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.

A summary of 2023 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.

The Village's 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.

Leases

The Village is the lessor in a lease (as defined by GASB 87) related to vehicles under a noncancelable lease. Lease disbursements are recognized when they are 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.

Village of Put-in-Bay
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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.

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 ended December 31, 2023 follows:

Fund Type	2023 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$1,903,060	\$2,705,713	\$802,653
Special Revenue	127,150	197,120	69,970
Capital Projects	1,563,649	1,468,079	(95,570)
Enterprise	1,335,500	1,494,156	158,656
Total	\$4,929,359	\$5,865,068	\$935,709

Village of Put-in-Bay
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2023

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Expenditures	
General	\$2,331,687	\$2,318,309	\$13,378
Special Revenue	766,236	89,793	676,443
Debt Service	5,592		5,592
Capital Projects	1,639,999	1,451,137	188,862
Enterprise	2,456,664	1,545,292	911,372
Total	\$7,200,178	\$5,404,531	\$1,795,647

Note 4 - 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. The Village also has segregated accounts that are not part of this pool. A summary of the Village's deposit and investment accounts are as follows:

	2023
<i>Cash Management Pool (the Pool):</i>	
Demand deposits	\$3,709,047
STAR Ohio	534,615
Total carrying amount of deposits and investments held in the Pool	\$4,243,662
 <i>Segregated Accounts - Not held in the Pool:</i>	
Mayor's court accounts (Not held in Pool)	\$16,730

The Village has mayor's court accounts that are held outside of the deposit pool where monies are held in accordance with the mayor's court. The balance in the mayor's court accounts represent unremitted monies and open bonds.

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the village is holding \$11,093 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 are not evidenced by securities that exist in physical or book-entry form.

Village of Put-in-Bay
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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.

Resort Tax

The Village levies a resort tax of one and a half percent on income arising from business activities conducted within the Village. Businesses submit the tax to the Ohio Department of Taxation. The Ohio Department of Taxation remits the tax to the Village's General Fund monthly.

Note 6 - Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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, 2023.

Village of Put-in-Bay
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Ohio Police and Fire Retirement System

The Village's 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, 2023.

Social Security

Other 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, 2023.

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 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

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Village of Put-in-Bay
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 - Debt

Debt outstanding at December 31, 2023 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority		
Water Plan Renovation Loan #4312	\$15,096	4.00%
Ground Level Storage Project Loan #4735	596,906	1.50%
Phase I, Phase II WWTP Imp. Effluent Discharge Loan #5039	586,982	1.50%
Water Intake Improvements Loan #5897	474,917	1.50%
WTP & Intake Phase II Loan #6122	499,590	2.00%
WTP Ozone Improvements HAB Loan #8439	1,433,508	0.00%
Sybil Blvd. Low Pressure Sanitary Sewer Improvements Loan #9729	413,939	0.00%
WWP Open Air Dried Sludge Pad Loan #8897	7,320	0.00%
WTP Generator Improvements Loan #9259	108,111	0.00%
Elevated Water Storage Tank Rehab Improvements Loan #10322	535,923	2.00%
 Ohio Public Works Commission		
Wastewater Treatment Plant Improvements Loan #CE55H	13,333	0.00%
South Bass Island Water System Improvements Loan #CU05K	10,831	0.00%
Waste Water Treatment Plant Effluent Storm Sewer Loan #CE26L	74,714	0.00%
Waste Water Treatment Plant Storm Sewer Loan #CE38K	102,607	0.00%
Water Treatment Raw Water Intake Replacement Loan #CE46O	200,417	0.00%
WTP Improvement Loan #CT14T	159,844	0.00%
 Municipal Dock Improvement Project Bonds, Series 2014	 3,196,377	 1.5 - 4%
 Bond Anticipation Note	 905,000	 7.25%
 Lease - Police cruiser - 2023 Ford Expedition	 39,393	 8.00%
 Total	 <u><u>\$9,374,808</u></u>	 <u><u></u></u>

The Ohio Water Development Authority (OWDA) and Ohio Public Works Commission (OPWC) loans relate to various water and sewer projects. The Village will repay the loans in semiannual installments through the year 2042. Water and sewer receipts collateralize the loans. The Village Council has also elected to use a portion of the General Fund's resort tax receipts for the repayment of debt related to capital improvements. OWDA loan #10322 is still open and the project is not yet complete. The amortization schedule is not yet available for this loan and is not included in the amortization information below.

Municipal Dock Improvement Project Bonds, Series 2014 were issued in 2014. The proceeds of the bonds were used to provide new money for dock improvements and redeem notes originally issued to finance the construction and improvements for the municipal dock. Revenues derived from the operation of the municipal dock are pledged for the repayment of the bonds. The Village will repay the bonds in semiannual installments through the year 2044.

Village of Put-in-Bay
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2023

A Bond Anticipation Note was issued in 2018. The proceeds of this note were used to acquire real estate in the Village. The Village repaid the note in 2023 and issued another Bond Anticipation Note, which matures in November, 2024.

Financed Purchases

The Village has entered into a financed purchase agreement for vehicles where ownership of the underlying asset transfers to the Village by the end of the contract. The Village disbursed \$11,893 to pay these costs for the year ended December 31, 2023.

Amortization

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

Year Ending December 31:	OWDA Loans	OPWC Loans	Municipal Dock Improvement Project Bonds	Bond Anticipation Note	Lease
2024	\$344,314	\$46,635	\$232,025	\$950,937	\$11,893
2025	339,080	46,635	228,875		11,893
2026	333,844	43,968	229,675		11,893
2027	331,407	41,301	230,275		11,893
2028	331,405	41,301	230,675		
2029-2033	1,424,828	165,085	1,007,375		
2034-2038	936,325	129,077	1,304,425		
2039-2043	323,592	47,744	1,150,150		
2044			170,177		
Total	<u>\$4,364,795</u>	<u>\$561,746</u>	<u>\$4,783,652</u>	<u>\$950,937</u>	<u>\$47,572</u>

Note 10 - Contingent Liabilities

The Village is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

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

Note 11 - Related Party Transactions

The Fiscal Officer's father-in-law is the owner of a company in which the Village conducted various construction business during the year. The Village paid \$80,549 for this business.

A Village Council Member is the owner of Put-in-Bay Gazette in which the Village conducted business with during the year. The Village paid \$1,194 for this business.

Village of Put-in-Bay
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2023

A Village Council Member's family owns the Miller Boat Line in which the Village conducted business with during the year. The Village paid \$11,501 for this business.

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:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	<u>\$6,425</u>	<u>\$1,621</u>	<u>\$8,046</u>

The fund balance of Special Revenue funds is either restricted or committed. The fund balance of Debt Service funds and Capital Projects fund are restricted committed or assigned. These restricted amounts in the Special Revenue funds would include the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned.

Note 13 - Miscellaneous Receipts

General Fund miscellaneous cash receipts consisted primarily of a settlement agreement for AP Wireless buying out the remaining wireless company lease.

Note 14 - Subsequent Events

The Village's Bond Anticipation Note will roll over on November 14, 2024 for \$905,000.

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OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215
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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 Put-in-Bay
Ottawa County
435 Catawba Avenue
Put-in-Bay, Ohio 43456-0245

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*, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2023 and the related notes to the financial statements of the Village of Put-in-Bay, Ottawa County, Ohio (the Village), and have issued our report thereon dated November 14, 2024, 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 2023-001 that we consider to be a material weakness.

Village of Put-in-Bay
Ottawa County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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 Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the finding identified in our audit and described in the accompanying schedule of findings. 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 response.

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
Auditor of State
Columbus, Ohio

November 14, 2024

**VILLAGE OF PUT-IN-BAY
OTTAWA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023**

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

FINDING NUMBER 2023-001

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 requiring adjustment to the financial statements and notes to the financial statements were identified:

- Special Revenue Fund Type appropriation authority was decreased in the amount of \$157,070 in order to bring the amount reported in the Budgetary Activity note to the financial statements in line with the authorized budget amount;
- Debt Service Fund Type appropriation authority was increased in the amount of \$5,592 in order to bring the amount reported in the Budgetary Activity note to the financial statements in line with the authorized budget amount;
- Capital Projects Fund Type loans issued receipts and capital outlay disbursements were each increased in the amount of \$501,626 in order to properly account for the Village's Ohio Water Development Authority project paid directly to the vendor(s) on behalf of the Village. As part of these adjustments, actual receipts and budgetary expenditures were also increased by the same amount in order to bring the amounts reported in the Budgetary Activity note to the financial statements in line with actual amounts;
- Enterprise Fund Type appropriation authority and budgetary expenditures were increased in the amounts of \$473,871 and \$226,770, respectively, in order to bring the amounts reported in the Budgetary Activity note to the financial statements in line with actual and authorized budget amounts;
- Custodial Fund Type fund cash balance, January 1 (\$16,760), fines, licenses and permits for distribution additions (\$10,356), other distributions deductions (\$10,386), and fund cash balance, December 31 (\$16,730) related to the mayor's court were omitted from the Village's annual financial report; and
- The total carrying value of deposits and investments held in the pool was overstated in the amount of \$1,648,715 in the Cash and Investments note to the financial statements. The note also omitted \$16,730 in segregated accounts associated with the mayor's court.

These errors were the result of inadequate policies and procedures in reviewing the financial statements and notes to the financial statements. 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 errors. In addition to the adjustments noted above, we also identified misstatements ranging from \$30 to \$61,038 that we have brought to the Village's attention.

The Village should adopt policies and procedures, 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.

FINDING NUMBER 2023-001
(Continued)

Officials' Response:

The Village of Put-in-Bay identified, acknowledged, and will be working on correcting the errors listed in the Schedule of Finding. The Fiscal Officer will work to correct the notes from the end of the fiscal year 2023 with help from local and county auditors; ensuring Mayors Court financials are included.



Village of Put-in-Bay

435 Catawba Ave. P.O. Box 245 - Put-in-Bay, Ohio 43456,
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	Finding was first issued in the 2013 audit. Material weakness due to errors in financial reporting.	Not corrected and reissued as Finding 2023-001 in this report.	This matter is being repeated due to deficiencies in the Village's internal controls over financial reporting. The Village of Put-in-Bay identified, acknowledged, and will be working on correcting the error listed in the Schedule of Finding. The fiscal officer will work to correct the notes from the end of the fiscal year 2023 with help from local and county auditors; ensuring Mayors Court financials are included.
2022-002	Noncompliance with Ohio Rev. Code § 5705.39 for appropriations exceeding certified resources.	Fully corrected.	

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF PUT-IN-BAY

OTTAWA 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 11/26/2024

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