



**VILLAGE OF OTTOVILLE
PUTNAM COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2024-2023

**VILLAGE OF OTTOVILLE
PUTNAM COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Village of Ottoville
Putnam County
150 Park Drive
P.O. Box 488
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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 Ottoville, Putnam County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 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

October 2, 2025

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Village of Ottoville
Putnam 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	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$94,571	\$69,107		\$163,678
Municipal Income Tax	559,453			559,453
Intergovernmental	49,527	97,828		147,355
Charges for Services	649,776			649,776
Licenses, Permits and Fees	2,092			2,092
Fines, Forfeitures and Settlements		725		725
Earnings on Investments	11,484	410		11,894
Miscellaneous	12,564			12,564
<i>Total Cash Receipts</i>	<u>1,379,467</u>	<u>168,070</u>		<u>1,547,537</u>
Cash Disbursements				
Current:				
Security of Persons and Property	867,239	18,983		886,222
Transportation	28,616	209,755		238,371
General Government	249,378			249,378
Capital Outlay		66,679	\$21,750	88,429
Debt Service:				
Principal Retirement	72,810			72,810
Interest and Fiscal Charges	486			486
<i>Total Cash Disbursements</i>	<u>1,218,529</u>	<u>295,417</u>	<u>21,750</u>	<u>1,535,696</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>160,938</u>	<u>(127,347)</u>	<u>(21,750)</u>	<u>11,841</u>
Other Financing Receipts (Disbursements)				
Transfers In		195,893	34,500	230,393
Transfers Out	(242,393)			(242,393)
Advances In	49,884			49,884
Advances Out	(49,884)			(49,884)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(242,393)</u>	<u>195,893</u>	<u>34,500</u>	<u>(12,000)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(81,455)</u>	<u>68,546</u>	<u>12,750</u>	<u>(159)</u>
<i>Fund Cash Balances, January 1</i>	<u>804,508</u>	<u>138,489</u>	<u>2,500</u>	<u>945,497</u>
<i>Fund Cash Balances, December 31</i>	<u>\$723,053</u>	<u>\$207,035</u>	<u>\$15,250</u>	<u>\$945,338</u>

The notes to the financial statements are an integral part of this statement.

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

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$486,798
Miscellaneous	50
<i>Total Operating Cash Receipts</i>	<u>486,848</u>
Operating Cash Disbursements	
Personal Services	118,624
Fringe Benefits	44,300
Contractual Services	195,792
Supplies and Materials	29,538
Other	6,675
<i>Total Operating Cash Disbursements</i>	<u>394,929</u>
<i>Operating Income</i>	<u>91,919</u>
Non-Operating Receipts (Disbursements)	
Earnings on Investments	2,011
Principal Retirement	(57,198)
Interest and Other Fiscal Charges	(100)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(55,287)</u>
<i>Income Before Transfers and Advances</i>	36,632
Transfers In	12,000
Advances In	49,884
Advances Out	(49,884)
<i>Net Change in Fund Cash Balances</i>	48,632
<i>Fund Cash Balances, January 1</i>	<u>337,066</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$385,698</u></u>

The notes to the financial statements are an integral part of this statement.

Village of Ottoville
Putnam County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The Village of Ottoville, Putnam County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six- member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village appropriates General Fund money to support a volunteer fire department.

Public Entity Risk Pool

The Village participates in a public entity risk pool, the Ohio Plan Risk Management, Inc. (OPRM). Note 6 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

Police Fund This fund receives property tax money for police protection.

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

Other Capital Projects Fund This fund accounts for and reports proceeds from grants and loans for Village projects, as well as advances from the General Fund to help fund these projects.

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:

Village of Ottoville
Putnam County
Notes to the Financial Statements
For the Year Ended December 31, 2024
(Continued)

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

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

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. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2024 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

Village of Ottoville
Putnam County
Notes to the Financial Statements
For the Year Ended December 31, 2024
(Continued)

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.

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*.

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

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

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

Note 3 – Budgetary Activity

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

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,409,314	\$1,379,467	(\$29,847)
Special Revenue	341,403	363,963	22,560
Capital Projects	106,275	34,500	(71,775)
Enterprise	478,845	500,859	22,014
Total	<u>\$2,335,837</u>	<u>\$2,278,789</u>	<u>(\$57,048)</u>

Village of Ottoville
Putnam County
Notes to the Financial Statements
For the Year Ended December 31, 2024
(Continued)

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,696,630	\$1,460,922	\$235,708
Special Revenue	369,543	295,417	74,126
Capital Projects	106,275	21,750	84,525
Enterprise	564,256	452,227	112,029
Total	<u>\$2,736,704</u>	<u>\$2,230,316</u>	<u>\$506,388</u>

The General and Enterprise Funds actual receipts and disbursements will be lower on the budgetary statement in the amount of \$49,884 due to advances not being budgeted by the Village.

Note 4 – Deposits

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

	2024
Cash Management Pool:	
Demand deposits	\$322,394
Certificates of deposit	1,008,642
Total deposits	<u>\$1,331,036</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus any remitted payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

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.

Village of Ottoville
Putnam County
Notes to the Financial Statements
For the Year Ended December 31, 2024
(Continued)

Income Taxes

The Village levies a municipal income tax of one 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. Income tax receipts are credited to the General Fund.

Note 6 – Risk Management

Risk Pool Membership

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

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

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

Assets	\$ 24,456,615
Liabilities	(16,692,162)
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 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Village of Ottoville
Putnam County
Notes to the Financial Statements
For the Year Ended December 31, 2024
(Continued)

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, 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 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2024 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission #CM08Q	\$212,516	0.00%
Ohio Water Development Authority #4324	52,273	0.00%
Ohio Water Development Authority #4592	44,220	0.00%
Ohio Public Works Commission #CM24S	169,162	0.00%
Ohio Public Works Commission #CM21W	363,235	0.00%
Ohio Public Works Commission #CM21X	89,542	0.00%
Paulding Putnam Electric Co-op Loan	288,000	0.00%
Total	<u>\$1,218,948</u>	

Village of Ottoville
Putnam County
Notes to the Financial Statements
For the Year Ended December 31, 2024
(Continued)

Ohio Public Works Commission (OPWC) loan #CM08Q was entered into in 2013, for the purpose of providing revenues for the Auglaize Street Reconstruction. The 30 year loan is for \$311,000. The Village began making semiannual payments of \$5,183 in 2013, with final maturity of 2044.

Ohio Water Development Authority (OWDA) loan #4324 was entered into in 2005, for the purpose of providing revenues for phase II of a wastewater treatment plant sludge handling improvement. The 20 year loan is for \$522,737. The Village began making annual installments of \$26,137 in 2007, with final maturity in 2027.

Ohio Water Development Authority (OWDA) loan #4592 was entered into in 2006, for the purpose of providing revenues for phase III of a wastewater treatment plant sludge handling improvement. The 20 year loan is for \$353,762. The Village began making semiannual payments of \$8,844 in 2008, with final maturity in 2027.

Ohio Public Works Commission (OPWC) loan #CM24S was entered into in 2016 for the purpose of providing revenues for storm sewer improvements on Bendele Street. The 30 year loan is for \$220,647. The Village began making semiannual installments of \$3,677 in 2017 with final maturity in 2047.

Ohio Public Works Commission (OPWC) loan #CM21W was entered into in 2019 for the purpose of providing revenues for improvements on the storm sewer main line. The 28 year loan is for \$394,060. The Village began making semiannual payments of \$6,985 in 2020 with final maturity in 2050.

Ohio Public Works Commission (OPWC) loan #CM21X was entered into in 2021 for the purpose of providing revenues for storm sewer improvements on Max Street. The 20 year loan is for up to \$192,752. As of December 31, 2022, OPWC had disbursed \$102,334 of the total available, and the Village began making payments in 2022, with final maturity in 2042.

The Paulding Putnam Electric Co-op (PPEC) loan was entered into in 2022 for the purpose of the expansion of the industrial park on Progressive Drive. The 10 year loan is for \$360,000. The Village began making annual payments of \$36,000 in 2023, with final maturity in 2032. This is a 0 percent loan, however, starting in 2024, there is an annual fee charged which is not included in the following amortization schedule. In 2024, the annual fee paid was \$486.

Amortization

Amortization of the above debt, is scheduled as follows:

Year Ending December 31:	OPWC Loans	OWDA Loans	PPEC Loan
2025	\$34,250	\$21,913	\$36,000
2026	36,809	43,825	36,000
2027	36,809	30,755	36,000
2028	36,809		36,000
2029	36,809		36,000
2030-2034	184,045		108,000
2035-2039	184,045		
2040-2044	173,811		
2045-2049	97,096		
2050	13,972		
Total	<u>\$834,455</u>	<u>\$96,493</u>	<u>\$288,000</u>

Village of Ottoville
Putnam County
Notes to the Financial Statements
For the Year Ended December 31, 2024
(Continued)

Note 10 – Interfund Transfers

During 2024, the following transfers were made:

Fund	Amount
General Fund Transfer Out to:	
Special Revenue Funds:	
Street Construction Maintenance and Repair Fund	\$125,000
Police Fund	70,893
Capital Project Fund:	
Other Capital Projects Fund	34,500
Enterprise Funds:	
Sewer Reserve Fund	8,000
Water Reserve Fund	4,000
Total	<u>\$242,393</u>

Transfers are used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

Note 11 – Interfund Advances

During 2024, the Village advanced \$49,884 from the General Fund to the Sewer Operating Fund. This advance was returned during 2024.

Note 12 – Fund Balances

The fund balance of Special Revenue Funds is restricted. The fund balance of the Capital Project Fund is committed.

Village of Ottoville
Putnam 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	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$82,024	\$69,397		\$151,421
Municipal Income Tax	661,776			661,776
Intergovernmental	83,630	87,113	\$133,345	304,088
Charges for Services	86,380			86,380
Fines, Licenses and Permits	901	630		1,531
Earnings on Investments	5,951	238		6,189
Miscellaneous	12,544			12,544
<i>Total Cash Receipts</i>	<u>933,206</u>	<u>157,378</u>	<u>133,345</u>	<u>1,223,929</u>
Cash Disbursements				
Current:				
Security of Persons and Property	339,068	24,263	133,345	496,676
Basic Utility Services		59,693		59,693
Transportation	25,094	193,311		218,405
General Government	248,067			248,067
Capital Outlay		41,628		41,628
Debt Service:				
Principal Retirement	72,810			72,810
<i>Total Cash Disbursements</i>	<u>685,039</u>	<u>318,895</u>	<u>133,345</u>	<u>1,137,279</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>248,167</u>	<u>(161,517)</u>		<u>86,650</u>
Other Financing Receipts (Disbursements)				
Transfers In		130,000		130,000
Transfers Out	(142,000)			(142,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(142,000)</u>	<u>130,000</u>		<u>(12,000)</u>
<i>Net Change in Fund Cash Balances</i>	<u>106,167</u>	<u>(31,517)</u>		<u>74,650</u>
<i>Fund Cash Balances, January 1</i>	<u>698,341</u>	<u>170,006</u>	<u>2,500</u>	<u>870,847</u>
<i>Fund Cash Balances, December 31</i>	<u>\$804,508</u>	<u>\$138,489</u>	<u>\$2,500</u>	<u>\$945,497</u>

The notes to the financial statements are an integral part of this statement.

Village of Ottoville
Putnam 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	\$460,817
Miscellaneous	5,584
<i>Total Operating Cash Receipts</i>	<u>466,401</u>
Operating Cash Disbursements	
Personal Services	118,215
Fringe Benefits	43,553
Contractual Services	211,526
Supplies and Materials	21,721
Other	1,950
<i>Total Operating Cash Disbursements</i>	<u>396,965</u>
<i>Operating Income</i>	<u>69,436</u>
Non-Operating Receipts (Disbursements)	
Earnings on Investments	820
Principal Retirement	(57,065)
Interest and Other Fiscal Charges	(233)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(56,478)</u>
<i>Income Before Transfers</i>	12,958
Transfers In	12,000
<i>Net Change in Fund Cash Balances</i>	24,958
<i>Fund Cash Balances, January 1</i>	<u>312,108</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$337,066</u></u>

The notes to the financial statements are an integral part of this statement.

Village of Ottoville
Putnam County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of Ottoville, Putnam County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six- member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village appropriates General Fund money to support a volunteer fire department.

Public Entity Risk Pool

The Village participates in a public entity risk pool, the Ohio Plan Risk Management, Inc. (OPRM). Note 6 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

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

FEMA Fund This fund accounts for federal funding which was used for FEMA projects in the Village.

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

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

Village of Ottoville
Putnam County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

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

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. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

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.

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.

Village of Ottoville
Putnam County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

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.

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*.

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

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

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

Note 3 – Budgetary Activity

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

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,317,388	\$933,206	(\$384,182)
Special Revenue	276,570	287,378	10,808
Capital Projects	133,345	133,345	
Enterprise	446,225	479,221	32,996
Total	<u>\$2,173,528</u>	<u>\$1,833,150</u>	<u>(\$340,378)</u>

Village of Ottoville
Putnam County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,821,002	\$827,039	\$993,963
Special Revenue	373,393	318,895	54,498
Capital Projects	133,345	133,345	0
Enterprise	564,360	454,263	110,097
Total	<u>\$2,892,100</u>	<u>\$1,733,542</u>	<u>\$1,158,558</u>

Note 4 – Deposits

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

	2023
Cash Management Pool:	
Demand deposits	\$236,565
Certificates of deposit	1,045,998
Total deposits	<u>\$1,282,563</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus any remitted payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

Note 5 – Taxes

Property Taxes

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

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

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

Income Taxes

The Village levies a municipal income tax of one 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.

Village of Ottoville
Putnam County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

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. Income tax receipts are credited to the General Fund.

Note 6 – Risk Management

Risk Pool Membership

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

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 percent and 75 percent. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65 percent and 70 percent. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60 percent and 67.5 percent 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, 2023. 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, 2023.

Assets	\$ 23,113,696
Liabilities	<u>(16,078,587)</u>
Members' Equity	<u>\$ 7,035,109</u>

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The majority of 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.

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.

Village of Ottoville
Putnam County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

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

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, 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.

Note 9 – Debt

Debt outstanding at December 31, 2023 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission #CT51F	\$13,373	1.00%
Ohio Public Works Commission #CM08Q	222,883	0.00%
Ohio Water Development Authority #4324	78,410	0.00%
Ohio Water Development Authority #4592	61,909	0.00%
Ohio Public Works Commission #CM24S	176,516	0.00%
Ohio Public Works Commission #CM21W	377,206	0.00%
Ohio Public Works Commission #CM21X	94,659	0.00%
Paulding Putnam Electric Co-op Loan	324,000	0.00%
Total	<u>\$1,348,956</u>	

Ohio Public Works Commission (OPWC) loan #CT51F was entered into in 2002, for the purpose of providing revenues for a wastewater treatment plant sludge handling improvement. The 20 year loan is for \$243,683. The Village began making semiannual installments of \$6,737 in 2004, with final maturity in 2024.

Ohio Public Works Commission (OPWC) loan #CM08Q was entered into in 2013, for the purpose of providing revenues for the Auglaize Street Reconstruction. The 30 year loan is for \$311,000. The Village began making semiannual payments of \$5,183 in 2013, with final maturity of 2044.

Village of Ottoville
Putnam County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Ohio Water Development Authority (OWDA) loan #4324 was entered into in 2005, for the purpose of providing revenues for phase II of a wastewater treatment plant sludge handling improvement. The 20 year loan is for \$522,737. The Village began making annual installments of \$26,137 in 2007, with final maturity in 2027.

Ohio Water Development Authority (OWDA) loan #4592 was entered into in 2006, for the purpose of providing revenues for phase III of a wastewater treatment plant sludge handling improvement. The 20 year loan is for \$353,762. The Village began making semiannual payments of \$8,844 in 2008, with final maturity in 2027.

Ohio Public Works Commission (OPWC) loan #CM24S was entered into in 2016 for the purpose of providing revenues for storm sewer improvements on Bendele Street. The 30 year loan is for \$220,647. The Village began making semiannual installments of \$3,677 in 2017 with final maturity in 2047.

Ohio Public Works Commission (OPWC) loan #CM21W was entered into in 2019 for the purpose of providing revenues for improvements on the storm sewer main line. The 28 year loan is for \$394,060. The Village began making semiannual payments of \$6,985 in 2020 with final maturity in 2050.

Ohio Public Works Commission (OPWC) loan #CM21X was entered into in 2021 for the purpose of providing revenues for storm sewer improvements on Max Street. The 20 year loan is for up to \$192,752. As of December 31, 2022, OPWC had disbursed \$102,334 of the total available, and the Village began making payments in 2022, with final maturity in 2042.

The Paulding Putnam Electric Co-op (PPEC) loan was entered into in 2022 for the purpose of the expansion of the industrial park on Progressive Drive. The 10 year loan is for \$360,000. The Village began making annual payments of \$36,000 in 2023, with final maturity in 2032.

Amortization

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

Year Ending December 31:	OPWC Loans	OWDA Loans	PPEC Loan
2024	\$47,624	\$21,913	\$36,000
2025	36,809	43,825	36,000
2026	36,809	43,825	36,000
2027	36,809	30,756	36,000
2028	36,809		36,000
2029-2033	184,045		144,000
2034-2038	184,045		
2039-2043	178,928		
2044-2048	114,817		
2049-2050	27,942		
Total	<u>\$884,637</u>	<u>\$140,319</u>	<u>\$324,000</u>

Village of Ottoville
Putnam County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 10 – Interfund Transfers

During 2023, the following transfers were made:

Fund	Amount
General Fund Transfer Out to:	
Special Revenue Fund:	
Street Construction Maintenance and Repair Fund	\$125,000
Police Fund	5,000
Enterprise Funds:	
Sewer Reserve Fund	8,000
Water Reserve Fund	4,000
Total	<u>\$142,000</u>

Transfers are used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

Note 11 – Compliance

Contrary to Ohio Rev. Code § 5705.10, the Village inappropriately recorded grant receipts and disbursements in the wrong fund. Also contrary to Ohio Law, the Village did not complete the competitive bidding process for road work.

Note 12 – Fund Balances

The fund balance of Special Revenue Funds is restricted. The fund balance of the Capital Project Fund is committed.



65 East State Street
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800-282-0370

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

Village of Ottoville
Putnam County
150 Park Drive
P.O. Box 488
Ottoville, Ohio 45876-0488

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 years ended December 31, 2024 and 2023 and the related notes to the financial statements of the Village of Ottoville, Putnam County, Ohio (the Village) and have issued our report thereon dated October 2, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2024-001 and 2024-002.

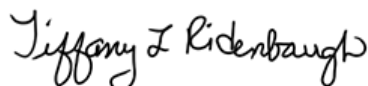
Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the findings 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
Ohio Auditor of State



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

October 2, 2025

**VILLAGE OF OTTOVILLE
PUTNAM COUNTY**

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

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

FINDING NUMBER 2024-001

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.10(D) provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

In 2023, the Village inappropriately recorded \$133,345 of FEMA grant receipts and disbursements in the General Fund. Given the source of the revenue and the purpose of the disbursement, this should have been recorded in a separate Capital Projects Fund.

Audit adjustments are reflected in the financial statements and in the accounting records correcting the misstatement.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Village should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

FINDING NUMBER 2024-002

Noncompliance

Ohio Rev. Code § 731.14 states, all contracts made by the legislative authority of a village shall be executed in the name of the village and signed on its behalf by the Mayor and Clerk. Except where the contract is for equipment, services, materials, or supplies to be purchased under division (D) of section 713.23 or section 125.04 or 5513.01 of the Revised Code, available from a qualified nonprofit agency pursuant to sections 4115.31 to 4115.35 of the Revised Code, or required to be purchased from a qualified nonprofit agency under sections 125.60 to 125.6012 of the Revised Code, when any expenditure, other than the compensation of persons employed in the village, exceeds the amount specified in section 9.17 of the Revised Code, such contracts shall be in writing and made with the lowest and best bidder after advertising once a week for not less than two consecutive weeks in a newspaper of general circulation within the village.

Due to a lack of controls over disbursements, the Village did not complete the competitive bidding process for the road work contract with Ward Construction in the amount of \$68,445 in 2023. This contract was greater than the \$50,000 Ohio Rev. Code bidding threshold in place at this time.

Failure to comply with the competitive bidding process could result in the Village potentially not receiving the lowest and best price on projects.

The Village should implement policies and procedures to ensure they are completing the bidding process properly and in compliance with the Ohio Rev. Code.

Officials' Response:

The Village has a better understanding of these issues and will make improvements where needed.

Village of Ottoville

P.O. Box 488, 150 Park Drive
Ottoville, OH 45876-0488
P: (419) 453-3636 F: (419) 453-4636

Ronald N. Miller
Mayor



Michelle T. Weyrauch
Fiscal Officer

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

Finding Number	Finding Summary	Status	Additional Information
2022-001	This finding was first reported in 2006. Material weakness for lack of monitoring of financial transactions resulting in errors in the financial statements.	Partially corrected and reissued in the Management Letter.	An effort was made to correct errors in the financial statements. The Village now has a better understanding of the posting and reporting issues and will continue to make improvements where needed.
2022-002	This finding was first reported in 2021. Material weakness and noncompliance with Ohio Rev. Code § 5705.10(D) for posting receipts and disbursements in the wrong fund.	Not corrected and reissued as Finding 2024-001 in this report.	Additional errors occurred and were not detected. The Fiscal Officer will make an effort to fully correct this finding.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF OTTOVILLE

PUTNAM 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 10/16/2025

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

This report is a matter of public record and is available online at
www.ohioauditor.gov