





VILLAGE OF OTTAWA  
PUTNAM COUNTY

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Village of Ottawa  
Putnam County  
136 North Oak Street  
Ottawa, Ohio 45875-1810

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 Ottawa, 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 year ended December 31, 2024, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

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

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

#### ***Basis for Opinions***

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

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

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

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

KEITH FABER  
Ohio Auditor of State



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

December 19, 2025

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

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$360,844	\$97,687		\$458,531
Municipal Income Tax		2,775,285		2,775,285
Intergovernmental	137,771	474,306	\$442,834	1,054,911
Charges for Services	88,515	22,547		111,062
Licenses, Permits and Fees	45,836			45,836
Fines, Forfeitures and Settlements	8,244	526		8,770
Earnings on Investments	470,753	11,257		482,010
Miscellaneous	152,281	475,621		627,902
<i>Total Cash Receipts</i>	<u>1,264,244</u>	<u>3,857,229</u>	<u>442,834</u>	<u>5,564,307</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	188,334	1,144,462		1,332,796
Leisure Time Activities	230,453	3,007		233,460
Community Environment	123,225			123,225
Basic Utility Services	10,462			10,462
Transportation		253,854		253,854
General Government	344,965	365,264		710,229
Capital Outlay	139,242	1,588,390	770,804	2,498,436
Debt Service:				
Principal Retirement		714,602		714,602
Interest and Fiscal Charges		47,698		47,698
<i>Total Cash Disbursements</i>	<u>1,036,681</u>	<u>4,117,277</u>	<u>770,804</u>	<u>5,924,762</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>227,563</u>	<u>(260,048)</u>	<u>(327,970)</u>	<u>(360,455)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Notes			337,972	337,972
Sale of Capital Assets		248	68,253	68,501
Transfers In	100,000			100,000
Transfers Out		(40,000)		(40,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>100,000</u>	<u>(39,752)</u>	<u>406,225</u>	<u>466,473</u>
<i>Net Change in Fund Cash Balances</i>	327,563	(299,800)	78,255	106,018
<i>Fund Cash Balances, January 1</i>	<u>1,193,503</u>	<u>2,605,110</u>	<u>2,344,637</u>	<u>6,143,250</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,521,066</u>	<u>\$2,305,310</u>	<u>\$2,422,892</u>	<u>\$6,249,268</u>

See accompanying notes to the basic financial statements

Village of Ottawa  
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

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$4,492,179
Miscellaneous	25,794
	4,517,973
<i>Total Operating Cash Receipts</i>	<i>4,517,973</i>
<b>Operating Cash Disbursements</b>	
Personal Services	1,056,054
Employee Fringe Benefits	516,912
Contractual Services	791,181
Supplies and Materials	614,858
Other	24,821
	3,003,826
<i>Total Operating Cash Disbursements</i>	<i>3,003,826</i>
<i>Operating Income</i>	<i>1,514,147</i>
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental Receipts	33
Special Assessments	15,870
Sale of Capital Assets	2,639
Capital Outlay	(315,957)
Principal Retirement	(696,093)
Interest and Other Fiscal Charges	(65,521)
	(1,059,029)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(1,059,029)</i>
<i>Income before Transfers</i>	<i>455,118</i>
Transfers Out	(60,000)
	395,118
<i>Net Change in Fund Cash Balances</i>	<i>395,118</i>
<i>Fund Cash Balances, January 1</i>	<i>2,368,750</i>
	\$2,763,868
	\$2,763,868

See accompanying notes to the basic financial statements

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

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**Note 1 – Reporting Entity**

The Village of Ottawa, 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. Beginning January 1, 2000, the Village's form of government was changed from statutory to a charter form of government. A publicly elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services, fire protection, street maintenance and repairs, and general government services. The Village appropriates general fund money to support a volunteer fire department.

***Jointly Governed Organizations and Public Entity Risk Pools***

The Village participates in a jointly governed organization, the Regional Income Tax Agency, and public entity risk pools, the Public Entities Pool of Ohio and the Ohio Association of Public Treasurers'. Notes 6, 12 and 17 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Income Tax*** The income tax fund accounts for and reports revenues derived mainly from the Village's one percent income tax. It is used primarily to fund capital improvements. Its use is committed by Village ordinance.

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

***WTP Improvements Fund*** The WTP Improvements Fund accounts for and reports proceeds of an OWDA grant/loan. The proceeds are restricted for improvements at the water treatment plant.

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

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**ODOD Water Grant** The Ohio Department of Defense (ODOD) Water Grant fund accounts for proceeds from the Water and Wastewater Infrastructure Grant. The proceeds are restricted for improvements to the Water Treatment Plant.

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

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

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

***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 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 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.

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.

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

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**Capital Assets**

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

**Accumulated Leave**

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

**Leases**

The Village is the lessee in various leases (as defined by GASB 87) related to vehicles and other equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

**Settlement Monies**

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2024, distributions of \$469 are reflected as miscellaneous revenue in the General Fund in the accompanying financial statements.

**Fund Balance**

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

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

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

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

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

**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.

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

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 13.

**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	\$1,020,969	\$1,364,244	\$343,275
Special Revenue	3,054,784	3,857,477	802,693
Capital Projects	778,079	849,059	70,980
Enterprise	3,933,599	4,536,515	602,916
<b>Total</b>	<b>\$8,787,431</b>	<b>\$10,607,295</b>	<b>\$1,819,864</b>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,781,656	\$1,189,959	\$591,697
Special Revenue	5,809,895	4,753,332	1,056,563
Capital Projects	3,122,716	3,090,450	32,266
Enterprise	6,302,349	4,885,497	1,416,852
<b>Total</b>	<b>\$17,016,616</b>	<b>\$13,919,238</b>	<b>\$3,097,378</b>

**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. A summary of the Village's deposit and investment accounts are as follows:

	2024
Demand deposits	\$317,343
Certificates of deposit	5,150,000
Other time deposits (savings and NOW accounts)	3,040,764
Total deposits	8,508,107
STAR Ohio	505,029
Total investments	505,029
<b>Total Deposits and Investments</b>	<b>\$9,013,136</b>

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

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The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the village is holding no unremitted employee payroll withholdings.

***Deposits***

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

***Investments***

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

**Note 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.

The Villages utilizes a third party, the Regional Income Tax Agency (R.I.T.A), to collect income taxes on behalf of the Village. Employers within the Village withhold income tax on employee compensation and remit the tax to R.I.T.A either monthly or quarterly, as required. R.I.T.A remits these collections to the Village on a monthly basis, less a fee for collection services. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**Note 6 – Risk Management**

***Workers' Compensation***

The Village participates in the Ohio Association of Public Treasurers (OAPT) Group Rating Plan (GRP) for worker's compensation (see Note 12). The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP.

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

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**Risk Pool Membership**

The Village is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the Village of Ottawa's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

	<u>2024</u>
Cash and investments	\$48,150,572
Actuarial liabilities	\$22,652,556

**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, 2024.

**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.



**Village of Ottawa**  
*Putnam County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended 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>
General Obligation Bonds 2014	\$205,000	2.39%
General Obligation Bonds 2021	498,000	1.11%
State Infrastructure Bank Loan (Villa Drive)	61,535	3.00%
OPWC Loan - Pohl Sewer	60,175	0.00%
OPWC Loan - Oak Street Pump Station	57,629	0.00%
OPWC Loan - W. Ottawa Pump Station	188,255	0.00%
OPWC Loan - S. Perry Pump Station	145,000	0.00%
OPWC Loan - Clearwell Bypass	80,000	0.00%
OPWC Loan - Lincoln, Jackson, Buckeye	156,783	0.00%
OPWC Loan - Oak Street Reconstruction	31,036	0.00%
OPWC Loan - Agner St. Improvements Phase I	148,453	0.00%
OPWC Loan - Agner St. Improvements Phase II	44,732	0.00%
OWDA Loan #4380 (Pohl Water)	98,685	2.75%
OWDA Loan #4381 (Pohl Sewer)	70,948	2.75%
OWDA Loan #4570 (Tank Rehab)	68,895	2.84%
OWDA Loan #4783 (Bluffton Waterline)	354,828	2.75%
OWDA Loan #6065 (Waterline/Meters)	513,079	2.00%
OWDA Loan #8402 (WWTP Headworks Screening)	2,435,704	1.00%
OWDA Loan #9503 (WTP Improvements HAB)	4,908,593	0.00%
Financed Purchase - Vacuum Truck	73,440	3.42%
Financed Purchase - Hydraulic Excavator	8,686	3.349%
Financed Purchase - Fire Engine and Equipment	441,208	2.974%
Financed Purchase - Rescue Truck	189,115	2.99%
Financed Purchase - Plow with Spreader	95,897	5.432%
Total	<u>\$10,935,676</u>	

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

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**General Obligation Bonds**

Proceeds from the 2014 bonds were used for the purpose of advance refunding general obligation 2005 bonds and for future roadway improvements. The 2014 advance refunding bonds were issued for a total of \$1,900,000. This advance refunding was undertaken to reduce total debt service payments over the next eleven years by \$69,398, resulting in an economic gain of \$79,870.

Proceeds from the 2021 bonds were used for the purpose of advance refunding of general obligation 2011 bonds. The 2021 advance refunding bonds were issued for a total of \$1,233,000. This advance refunding was undertaken to reduce total debt service payments over the next six years, resulting in a savings of \$75,660.

**State Infrastructure Bank Loan**

The State Infrastructure Bank loan was obtained through the Ohio Department of Transportation. This loan was for Villa Drive road improvements. The loan will be repaid in semiannual installments over eight years beginning in 2017. Income tax revenues are the dedicated source of repayment.

**Ohio Public Works Commission (OPWC) Loans**

The Ohio Public Works Commission (OPWC) loans relate to the following projects: Pohl Road sewer extension, Oak Street pump station, West Ottawa pump station, South Perry pump station, Clearwell bypass for water treatment, Lincoln, Jackson & Buckeye Streets reconstruction, Oak Street reconstruction, Agner Street Improvements Phase I, and Agner Street Improvements Phase II. The Pohl Road sewer extension loan will be repaid in semiannual installments of \$8,596 over 20 years. Sewer revenues are the dedicated source of repayment for this loan. The Oak Street Pump Station loan will be repaid in semiannual installments of \$2,881 over 20 years. Sewer revenues are the dedicated source of repayment for this loan. The West Ottawa pump station loan will be paid in semiannual installments of \$8,185 over 20 years. Sewer revenues are the dedicated source of repayment for this loan. The South Perry Street Pump Station loan will be repaid in semiannual payments of \$5,000 over 20 years. Sewer revenues are the dedicated source of repayment for this loan. The Clearwell Bypass loan will be paid in semiannual installments of \$2,500 over 20 years. Water revenues are the dedicated source of repayment for this loan. The Lincoln, Jackson, and Buckeye Streets Reconstruction loan will be paid in semiannual installments of \$3,408 over 25 years. Income tax revenues are the dedicated source of repayment for this loan. The Oak Street Reconstruction Project loan will be paid in semiannual installment payments of \$647 over 25 years. Income tax revenues are the dedicated source of repayment for this loan. The Agner Street Improvement Project Phase I loan, when finalized, will be paid in semiannual installment payments of \$3,891 over 20 years. Income tax revenues are the dedicated source of repayment for this loan. The Agner Street Improvement Project Phase II loan, when finalized, will be paid in semiannual installment payments of \$1,250 over 20 years. Income tax revenues are the dedicated source of repayment for this loan. The Agner Street Improvement Project Phase I and Phase II loans, were not completed at December 31, 2024, and no final amortization schedule has been provided by OPWC. Therefore, these loans were not included in the amortization table below.

**Ohio Water Development Authority (OWDA) Loans**

The Ohio Water Development Authority (OWDA) loan #4380 for the Pohl Road area water line extension was to service a recently annexed area. The loan will be repaid in semiannual installments over 20 years. This loan will be repaid with water receipts.

The OWDA loan #4381 for the Pohl Road area sanitary sewer extension was mandated by the Ohio Environmental Protection Agency. The loan will be repaid in semiannual installments over 20 years. This loan will be repaid with sewer receipts.

**Village of Ottawa**  
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The OWDA loan #4570 is for rehabilitation of two water storage tanks. The loan will be repaid in semiannual installments over 20 years. Water receipts secure this loan.

The OWDA loan #4783 is for construction of a waterline to supply water to a neighboring village. The increased consumption is essential in stabilizing water rates for all users of the water system. This loan will be repaid in semiannual installments over 20 years and will be repaid with water receipts.

The OWDA loan #6065 is for waterline and meter replacement. The loan will be repaid in semiannual installments over 20 years and will be repaid with water receipts.

The OWDA loan #8402 is for construction of a headworks screening facility at the wastewater treatment plant. This loan will be repaid in semiannual installments including interest, over 30 years. Sewer receipts secure the loan.

The OWDA loan #9503 is for construction of Water Treatment Plant Improvements mandated by the Environmental Protection Agency (EPA) to address issues related to Harmful Algal Blooms (HAB). This project is not yet complete and the loan is not yet finalized. However, semiannual installment payments of \$89,632 have started, and will be made over a period of 30 years. Water receipts secure this loan.

***Financed Purchases***

The Village entered into a financed purchase agreement with Leasing 2, Inc. for an Aquatech Model B-10-1450 Combination Vacuum Truck valued at \$407,385. The Village will pay this lease in six annual installments of \$75,949, with payments beginning in 2020.

The Village entered into a financed purchase agreement with Caterpillar Financial Services Corporation for a Caterpillar Hydraulic Excavator valued at \$80,366. The Village will pay this lease over sixty monthly payments of \$1,46,6, beginning in July of 2020.

The Village entered into a financed purchase agreement with Republic First National for a Spartan Custom Engine with Loose Equipment for Apparatus valued at \$695,073. The Village will pay this lease in ten annual installments of \$81,376 beginning in July of 2021.

The Village entered into a financed purchase agreement with Republic First National in the amount of \$258,947 for a Spartan Custom Rescue Truck. The Village will pay this lease with ten annual installments of \$30,348 beginning in March of 2022.

The Village entered into a financed purchase agreement with Santander Bank in the amount of \$159,415 for a 2023 International HV507 Front Plow with Spreader. The Village will pay this lease with five annual installments of \$35,500 beginning in July of 2023.

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

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**Amortization**

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

Year Ending December 31:	Financed Purchases	OWDA Loans	General Obligation Bonds	OPWC Loans	SIB Loan
2025	\$231,967	\$566,383	\$461,427	\$62,435	\$42,259
2026	147,224	566,383	254,797	62,435	21,130
2027	147,223	464,260		62,435	
2028	111,723	449,889		53,839	
2029	111,723	355,606		45,243	
2030-2034	142,071	1,638,584		226,212	
2035-2039		1,429,418		135,104	
2040-2044		1,429,418		45,549	
2045-2049		1,429,418		25,623	
2050-2052		644,412			
Total	<u>\$891,931</u>	<u>\$8,973,771</u>	<u>\$716,224</u>	<u>\$718,875</u>	<u>\$63,389</u>

**Village of Ottawa**  
*Putnam County, Ohio*  
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**Note 10 – Construction and Contractual Commitments**

<u>Vendor/Project</u>	<u>Contract Amount</u>	<u>Balance Outstanding 12/31/24</u>
Utility Services TRS System (Annual Tank Maintenance)	\$ 132,706	\$ 768
Peterson Construction Company WTP HAB Project	\$ 10,676,643	\$ 2,319,646
Eagle Site Services Miscellaneous Concrete Project	\$ 131,008	\$ 75,032
Kuhlman Builders, Inc. Municipal Building Renovations	\$ 74,645	\$ 32,577
Miller Builders Salt Shed	\$ 28,270	\$ 28,270
Choice One Engineering Downtown Streetscape Plan	\$ 69,600	\$ 69,600
FET Construction Taft & Perry Signal Improvements	\$ 145,890	\$ 145,890
Fremont Fence & Guard Rail Co. Pool Fencing	\$ 36,085	\$ 36,085
Jones & Henry Engineers Sludge Handling Improvement Study	\$ 26,000	\$ 25,000

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, *(if* 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 12 – Public Entity Risk Pool**

The Village participates in the Ohio Association of Public Treasurers (OAPT) Group Rating Plan (GRP) for worker's compensation, which is administered by Sedgwick. OAPT's business and affairs are conducted by a Board of Directors with an Executive Committee handling matters between meetings of the Directors. Directors are elected at the annual meeting of members with each Director holding a term of three years. The current Board of Directors consists of nine Directors employed by villages and cities across Ohio. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

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

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**Note 13 – 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	Capital Projects	Total
Outstanding Encumbrances	\$ 153,278	\$ 596,055	\$ 2,319,646	\$ 3,068,979

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

**Note 14 – Subsequent Events**

The Village was awarded an Ohio Department of Development Water and Wastewater Infrastructure Grant totaling \$4,428,844. The grant period is January 1, 2023 through December 31, 2024. An extension was filed for and granted until June 30, 2025, and a second extension was filed and granted extending the deadline for expending the funds to December 31, 2025. The funds have been encumbered for water treatment plant improvements.

**Note 15 – Miscellaneous Receipts**

Miscellaneous receipts in the General and Special Revenue funds primarily consisted of donations, refunds, payments in lieu of taxes, and rental income.

**Note 16 – Interfund Transfers**

During 2024, transfers of \$10,000 from the Street Construction Maintenance and Repair fund, \$30,000 from the Income Tax fund, \$30,000 from the Water Operating fund and \$30,000 from the Sewer Operating fund were transferred to the General Fund (totaling \$100,000), for upcoming retirements, per Village resolution.

**Note 17 – Jointly Governed Organization**

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2024, the Village paid RITA \$110,509 for income tax collection services.

**Note 18 – Compliance**

Contrary to Ohio Rev. Code § 5705.10, the Village inappropriately recorded the sale of a fixed asset receipt in the wrong fund.

# OHIO AUDITOR OF STATE KEITH FABER



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

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

Village of Ottawa  
Putnam County  
136 North Oak Street  
Ottawa, Ohio 45875-1810

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the year ended December 31, 2024 and the related notes to the financial statements of the Village of Ottawa, Putnam County, Ohio (the Village) and have issued our report thereon dated December 19, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

### ***Report on Internal Control Over Financial Reporting***

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

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

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

***Report on Compliance and Other Matters***

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

***Purpose of this Report***

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

KEITH FABER  
Ohio Auditor of State



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

December 19, 2025



VILLAGE OF OTTAWA  
PUTNAM COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2024

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(F)** requires revenue received from the sale of a permanent improvement to be paid into the sinking fund, the bond retirement fund, or a special fund for the construction or acquisition of permanent improvements. **Ohio Rev. Code § 5705.01(E)** defines "permanent improvement" or "improvement" to mean "any property, asset, or improvement with an estimated life or usefulness of five years or more, including land and interests therein, and reconstructions, enlargements, and extensions thereof having an estimated life or usefulness of five years or more."

Due to a deficiency in the implementation of controls over the sale of assets and recording of assets, in 2024, the Village inappropriately recorded \$3,500 from the sale of a vehicle and \$64,753 from the sale of lots, in the Income Tax Special Revenue fund as sale of capital assets. Given the source of the revenue, the proceeds should have been recorded in a Permanent Improvement fund, as sale of capital assets.

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 accompanying financial statements, as well as the Village's accounting records, have been adjusted to correct these errors.

The Village should implement controls to help ensure all transactions are reviewed and posted to the proper funds.

**Officials' Response:**

We did not receive a response from Officials to this finding.

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF OTTAWA**

**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 1/8/2026**

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](http://www.ohioauditor.gov)