



**VILLAGE OF KALIDA
PUTNAM COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2024	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2024	6
Notes to the Financial Statements For the Year Ended December 31, 2024	7
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2023	15
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2023	16
Notes to the Financial Statements For the Year Ended December 31, 2023	17
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	25
Schedule of Findings	27
Prepared by Management:	
Summary Schedule of Prior Audit Findings	30

This page intentionally left blank.



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

INDEPENDENT AUDITOR'S REPORT

Village of Kalida
Putnam County
205 West Main Street
P.O. Box 495
Kalida, Ohio 45853-0495

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 Kalida, 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 November 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

November 19, 2025

This page intentionally left blank.

Village of Kalida
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	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Taxes	\$159,787	\$22,916			\$182,703
Municipal Income Tax	747,868		\$126,642		874,510
Intergovernmental	71,000	717,892			788,892
Special Assessments		34,944			34,944
Charges for Services	86,743				86,743
Licenses, Permits and Fees	4,055				4,055
Fines, Forfeitures and Settlements	24				24
Earnings on Investments	94,310	1,884			96,194
Miscellaneous	50,696	37,291			87,987
<i>Total Cash Receipts</i>	<u>1,214,483</u>	<u>814,927</u>	<u>126,642</u>		<u>2,156,052</u>
Cash Disbursements					
Current:					
Security of Persons and Property	69,376	261,965			331,341
Leisure Time Activities		40,454			40,454
Transportation		29,624			29,624
General Government	479,591	25,486			505,077
Capital Outlay	4,000	1,146,755		\$7,000	1,157,755
Debt Service:					
Principal Retirement	64,259		278,536		342,795
Interest and Fiscal Charges			16,084		16,084
<i>Total Cash Disbursements</i>	<u>617,226</u>	<u>1,504,284</u>	<u>294,620</u>	<u>7,000</u>	<u>2,423,130</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>597,257</u>	<u>(689,357)</u>	<u>(167,978)</u>	<u>(7,000)</u>	<u>(267,078)</u>
Other Financing Receipts (Disbursements)					
Loans Issued		410,760			410,760
Sale of Capital Assets				34,575	34,575
Transfers In		170,000	125,000		295,000
Transfers Out	(295,000)				(295,000)
Advances In	47,018	57,018			104,036
Advances Out	(57,018)	(47,018)			(104,036)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(305,000)</u>	<u>590,760</u>	<u>125,000</u>	<u>34,575</u>	<u>445,335</u>
<i>Net Change in Fund Cash Balances</i>	<u>292,257</u>	<u>(98,597)</u>	<u>(42,978)</u>	<u>27,575</u>	<u>178,257</u>
<i>Fund Cash Balances, January 1</i>	<u>1,118,470</u>	<u>213,256</u>	<u>72,674</u>	<u>35,000</u>	<u>1,439,400</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,410,727</u>	<u>\$114,659</u>	<u>\$29,696</u>	<u>\$62,575</u>	<u>\$1,617,657</u>

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

Village of Kalida
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	\$455,308
Operating Cash Disbursements	
Personal Services	135,573
Fringe Benefits	67,304
Contractual Services	55,483
Supplies and Materials	61,484
<i>Total Operating Cash Disbursements</i>	319,844
<i>Operating Income</i>	135,464
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	393,063
Intergovernmental Receipts	589,539
Special Assessments	2,228
Miscellaneous Receipts	12,486
Capital Outlay	(887,650)
Principal Retirement	(14,466)
<i>Total Non-Operating Receipts (Disbursements)</i>	95,200
<i>Net Change in Fund Cash Balances</i>	230,664
<i>Fund Cash Balances, January 1</i>	1,624,611
<i>Fund Cash Balances, December 31</i>	\$1,855,275

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

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

Note 1 – Reporting Entity

The Village of Kalida, 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 7 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.

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

Other Debt Service Fund This fund accounts for and reports a portion of revenues derived from the Village's one percent income tax that are used to repay the promissory note for the Village's new Town Hall.

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:

Permanent Improvement Fund This fund accounts for and reports receipts and expenditures restricted for capital improvement projects.

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

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

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

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

Enterprise Improvement Fund This fund accounts for a portion of revenues derived from the Village's one percent income tax to fund water and sewer related projects.

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 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.

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.

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

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.

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*. For regulatory purposes, assigned fund balance in the General Fund is limited to encumbrances outstanding at year end.

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

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

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

Note 3 – Budgetary Activity

Budgetary activity for the years ending 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$880,716	\$1,214,483	\$333,767
Special Revenue	160,312	1,395,687	1,235,375
Debt Service	90,000	251,642	161,642
Capital Projects		34,575	34,575
Enterprise	663,400	1,452,624	789,224
Total	<u>\$1,794,428</u>	<u>\$4,349,011</u>	<u>\$2,554,583</u>

Village of Kalida
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	\$1,104,486	\$923,722	\$180,764
Special Revenue	323,211	1,505,992	(1,182,781)
Debt Service	80,000	294,620	(214,620)
Capital Projects	35,000	7,000	28,000
Enterprise	1,866,812	1,228,235	638,577
Total	<u>\$3,409,509</u>	<u>\$3,959,569</u>	<u>(\$550,060)</u>

The General and Special Revenue Funds actual receipts will be lower on the budgetary statement in the amounts of \$47,018 and \$57,018, respectively, and actual disbursements will be lower on the budgetary statement in the General and Special Revenue Funds in the amounts of \$57,018 and \$47,018, respectively, 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:

Cash Management Pool:	2024
Demand deposits	\$93,316
Other time deposits	49,892
Certificates of deposit	3,329,724
Total deposits	<u>\$3,472,932</u>

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

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

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 Kalida
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 59 percent to the General Fund, 10 percent to the Other Debt Service Fund, and 31 percent to the Enterprise Improvement Fund.

Note 6 – Interfund Balances

Advances

During 2024, the Village advanced \$57,018 from the General Fund to the Parks and Recreation and VFD Reimbursement Grant Funds in the amounts of \$28,000 and \$29,018, respectively. In addition, the Parks and Recreation and VFD Reimbursement Grant Funds advanced \$18,000 and \$29,018, respectively, to the General Fund.

Outstanding advances at December 31, 2024, consisted of \$10,000 advanced from the General Fund to the Parks and Recreation Fund to provide funding for the park walking path and creek stabilization project.

Note 7 – 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.

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

Note 8 – 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.

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 9 – Postemployment Benefits

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

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

Note 10 – Debt

Debt outstanding at December 31, 2024 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loans	\$1,803,639	0.0%
Promissory Note - Village Hall Construction	233,301	2.5%
Total	<u>\$2,036,940</u>	

Ohio Public Works Commission Loans

The Ohio Public Works Commission (OPWC) loans relate to a sanitary sewer lift station replacement, sewer force main replacement, Front, Plum, and Second Streets sewer improvements, wastewater expansion and improvements, Ralph and Dray Streets storm sewer improvements, and Fifth Street, Third Street, and Walnut Drive reconstructions. The loans will be repaid in semiannual installments over terms ranging from 20 to 30 years.

During 2024, the Village entered into an agreement with OPWC for the Oak Parkway Improvement project. The 20-year loan is for \$180,000. The Village will begin making semiannual payments of \$4,500 in 2025 with final maturity in 2044. In addition, the Village entered into an agreement with OPWC for the Northland Drive Improvement project. The 20-year loan is for up to \$250,000. As of December 31, 2024, OPWC had disbursed \$230,760. This project was not completed at December 31, 2024, and no final amortization schedule has been provided by OPWC. Therefore, this loan is not included in the amortization table below.

Promissory Note

On December 29, 2021, the Village obtained a promissory note totaling \$835,000 at an interest rate of 2.5 percent through The Union Bank Company for the purpose of constructing a new Village Town Hall. The Village Council approved to reallocate 10 percent of the Village income tax revenue to the Debt Service Fund to repay this note. Starting in 2023, the Village will remit monthly payments of \$7,885 over a 10-year period to repay the note.

Amortization

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

Year ending December 31:	OPWC Loans	Promissory Note	Total
2025	\$99,524	\$94,621	\$194,145
2026	99,524	94,621	194,145
2027	99,523	51,905	151,428
2028	99,524		99,524
2029	99,524		99,524
2030-2034	495,743		495,743
2035-2039	403,202		403,202
2040-2044	168,918		168,918
2045-2047	7,397		7,397
Total	<u>\$1,572,879</u>	<u>\$241,147</u>	<u>\$1,814,026</u>

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

Note 11 – Interfund Transfers

During 2024, the following transfers were made:

<u>Fund</u>	<u>Amount</u>
General Fund Transfer Out to:	
Special Revenue Funds:	
Street Construction Maintenance and Repair Fund	\$90,000
Parks and Recreation Fund	40,000
Special Levy Police Protection Fund	40,000
Debt Service Fund:	
Other Debt Service Fund	125,000
Total	<u>\$295,000</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 12 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	<u>\$11,496</u>	<u>\$1,708</u>	<u>\$13,204</u>

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

Note 13 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Street Construction Maintenance and Repair, Parks and Recreation, VFD Reimbursement Grant, Special Assessment, and Other Debt Service Funds in the amounts of \$1,016,122, \$81,846, \$146,440, \$25,017, and \$214,620, respectively.

Note 14 – Subsequent Events

In January 2025, the Village was approved to receive a federal grant from the Ohio Department of Development in the amount of \$1,700,000 for the Pedestrian Loop project.

Village of Kalida
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	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Taxes	\$144,629	\$25,882			\$170,511
Municipal Income Tax	665,764		\$112,815		778,579
Intergovernmental	63,017	335,228			398,245
Charges for Services	93,318				93,318
Fines, Licenses and Permits	1,714				1,714
Earnings on Investments	64,986	2,316			67,302
Miscellaneous	56,585	100,862			157,447
Total Cash Receipts	1,090,013	464,288	112,815		1,667,116
Cash Disbursements					
Current:					
Security of Persons and Property	110,168	47,715			157,883
Public Health Services		101,217			101,217
Leisure Time Activities		19,912			19,912
Transportation	1,500	27,306			28,806
General Government	520,568				520,568
Capital Outlay	43,508	207,051			250,559
Debt Service:					
Principal Retirement	64,259		319,072		383,331
Interest and Fiscal Charges			19,436		19,436
Total Cash Disbursements	740,003	403,201	338,508		1,481,712
Excess of Receipts Over (Under) Disbursements	350,010	61,087	(225,693)		185,404
Other Financing Receipts (Disbursements)					
Transfers In		4,000	200,000		204,000
Transfers Out	(204,000)				(204,000)
Advances In	407,900				407,900
Advances Out		(407,900)			(407,900)
Total Other Financing Receipts (Disbursements)	203,900	(403,900)	200,000		
Net Change in Fund Cash Balances	553,910	(342,813)	(25,693)		185,404
Fund Cash Balances, January 1	564,560	556,069	98,367	\$35,000	1,253,996
Fund Cash Balances, December 31	\$1,118,470	\$213,256	\$72,674	\$35,000	\$1,439,400

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

Village of Kalida
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	\$431,509
Operating Cash Disbursements	
Personal Services	133,088
Fringe Benefits	65,465
Contractual Services	84,667
Supplies and Materials	63,215
<i>Total Operating Cash Disbursements</i>	346,435
<i>Operating Income</i>	85,074
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	349,786
Intergovernmental Receipts	434,051
Loans Issued	330,000
Miscellaneous Receipts	21,760
Capital Outlay	(1,250,799)
Principal Retirement	(6,216)
<i>Total Non-Operating Receipts (Disbursements)</i>	(121,418)
<i>Net Change in Fund Cash Balances</i>	(36,344)
<i>Fund Cash Balances, January 1</i>	1,660,955
<i>Fund Cash Balances, December 31</i>	\$1,624,611

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

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

Note 1 – Reporting Entity

The Village of Kalida, 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 7 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.

Coronavirus Relief Fund This fund accounts for and reports Local Fiscal Recovery and American Rescue Plan grant activity.

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

Other Debt Service Fund This accounts for and reports a portion of revenues derived from the Village's one percent income tax that are used to repay the promissory note for the Village's new Town Hall.

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:

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

Permanent Improvement Fund This fund accounts for and reports receipts and expenditures restricted for capital improvement 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:

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

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

Enterprise Improvement Fund This fund accounts for a portion of revenues derived from the Village's one percent income tax to fund water and sewer related projects.

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 level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

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

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

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

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

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

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

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

Note 3 – Budgetary Activity

Budgetary activity for the years ending 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$300,000	\$1,090,013	\$790,013
Special Revenue	443,000	468,288	25,288
Debt Service	100,000	312,815	212,815
Enterprise	725,000	1,567,106	842,106
Total	<u>\$1,568,000</u>	<u>\$3,438,222</u>	<u>\$1,870,222</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,203,430	\$948,489	\$254,941
Special Revenue	672,039	404,412	267,627
Debt Service		338,508	(338,508)
Enterprise	1,857,089	1,606,262	250,827
Total	<u>\$3,732,558</u>	<u>\$3,297,671</u>	<u>\$434,887</u>

General Fund actual receipts and Special Revenue Fund actual disbursements will be lower on the budgetary statement in the amount of \$407,900, 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:

Cash Management Pool:	2023
Demand deposits	\$160,584
Other time deposits	43,875
Certificates of deposit	2,859,552
Total deposits	<u>\$3,064,011</u>

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

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 5 – Interfund Balances

Advances

During 2023, the Village returned a prior period advance from the Parks and Recreation Fund to the General Fund in the amount of \$407,900.

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

Note 6 – Taxes

Property Taxes

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

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

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

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 59 percent to the General Fund, 10 percent to the Other Debt Service Fund, and 31 percent to the Enterprise Improvement Fund.

Note 7 – 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.

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

Assets	\$ 23,113,696
Liabilities	(16,078,587)
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 8 – 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.

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 9 – 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.

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

Note 10 – Debt

Debt outstanding at December 31, 2023 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loans	\$1,475,154	0.0%
Promissory Note - Village Hall Construction	515,928	2.5%
Total	<u>\$1,991,082</u>	

Ohio Public Works Commission Loans

The Ohio Public Works Commission (OPWC) loans relate to a sanitary sewer lift station replacement, sewer force main replacement, Front, Plum, and Second Streets sewer improvements, Ralph and Dray Streets storm sewer improvements, and Fifth Street, Third Street, and Walnut Drive reconstructions. The loans will be repaid in semiannual installments over terms ranging from 20 to 30 years.

During 2023, the Village entered into an agreement with OPWC for the wastewater expansion and improvement project. The 20-year loan is for \$330,000. The Village will begin making semiannual payments of \$8,250 in 2025 with final maturity in 2044.

Promissory Note

On December 29, 2021, the Village obtained a promissory note totaling \$835,000 at an interest rate of 2.5 percent through The Union Bank Company for the purpose of constructing a new Village Town Hall. The Village Council approved to reallocate 10 percent of the Village income tax revenue to the Debt Service Fund to repay this note. Starting in 2023, the Village will remit monthly payments of \$7,885 over a 10-year period to repay the note.

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

Year ending		Promissory	
December 31:	OPWC Loans	Note	Total
2024	\$82,274	\$294,621	\$376,895
2025	90,524	94,621	185,145
2026	90,524	94,621	185,145
2027	90,523	51,904	142,427
2028	90,524		90,524
2029-2033	452,619		452,619
2034-2038	381,644		381,644
2039-2043	178,410		178,410
2044-2047	18,112		18,112
Total	<u>\$1,475,154</u>	<u>\$535,767</u>	<u>\$2,010,921</u>

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

Note 11 – Interfund Transfers

During 2023, the following transfers were made:

<u>Fund</u>	<u>Amount</u>
General Fund Transfer Out to:	
Special Revenue Fund:	
Parks and Recreation Fund	\$4,000
Debt Service Fund:	
Other Debt Service Fund	200,000
Total	<u>\$204,000</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 12 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	<u>\$4,486</u>	<u>\$1,211</u>	<u>\$5,697</u>

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

Note 13 – Miscellaneous Revenues

Miscellaneous receipts in the General and Special Revenue Funds primarily consisted of reimbursements, farm rental, payments in lieu of taxes, and community reinvestment area receipts

Note 14 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the VFD Reimbursement Grant and Other Debt Service Funds in the amounts of \$4,986 and \$338,508, respectively. Also contrary to Ohio law, appropriations exceeded the amount certified as available by the budget commission in the Street Construction Maintenance and Repair and VFD Reimbursement Grant Funds in the amounts of \$67,776 and \$26,500, respectively.

Note 15 – Subsequent Events

In January 2025, the Village was approved to receive a federal grant from the Ohio Department of Development in the amount of \$1,700,000 for the Pedestrian Loop project.



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 Kalida
Putnam County
205 West Main Street
P.O. Box 495
Kalida, Ohio 45853-0495

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 Kalida, Putnam County, Ohio (the Village) and have issued our report thereon dated November 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 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 2024-002 and 2024-003.

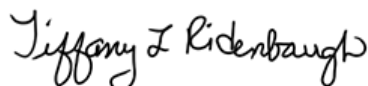
Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's responses to the findings identified in our audit and described in the accompanying schedule of findings. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

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

KEITH FABER
Ohio Auditor of State



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

November 19, 2025

VILLAGE OF KALIDA
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

Material Weakness – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

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

- In 2024, budgeted receipts in the budgetary activity note to the financial statements did not agree to amounts certified by the County Budget Commission. Budgeted receipts were overstated in the General, Special Revenue, Debt Service, Capital Projects, and Enterprise Funds in the amounts of \$331,506, \$1,243,336, \$161,642, \$32,575, and \$789,222, respectively.
- In 2024, appropriation authority in the budgetary activity note to the financial statements did not agree to amounts approved by Village Council. Appropriation authority was overstated in the Special Revenue and Debt Service Funds in the amounts of \$1,228,585 and \$214,621, respectively; and understated in the General, Capital Projects, and Enterprise Funds in the amounts of \$118,227, \$28,000, and \$641,390, respectively.
- In 2023, budgeted receipts in the budgetary activity note to the financial statements did not agree to amounts certified by the County Budget Commission. Budgeted receipts were overstated in the General, Special Revenue, Capital Projects, and Enterprise Funds in the amounts of \$1,199,058, \$1,227,274, \$75,000, and \$73,009, respectively; and understated in the Debt Service Fund in the amount of \$100,000.
- In 2023, actual receipts in the budgetary activity note to the financial statements were overstated in the General, Special Revenue, and Capital Projects Funds in the amounts of \$409,045, \$1,201,986, and \$75,000, respectively; and understated in the Debt Service and Enterprise Funds in the amounts of \$312,815 and \$769,097, respectively.
- In 2023, appropriation authority in the budgetary activity note to the financial statements did not agree to amounts approved by Village Council. Appropriation authority was understated in the General, Special Revenue, and Enterprise Funds in the amounts of \$1,203,430, \$672,039, and \$1,857,089, respectively.
- In 2023, budgetary expenditures in the budgetary activity note to the financial statements were understated in the General, Special Revenue, Debt Service, and Enterprise Funds in the amounts of \$948,489, \$404,412, \$338,508, and \$1,606,262, respectively.
- In 2023, intergovernmental receipts, security of persons and property, and general government disbursements were overstated in the amounts of \$101,218, 94,302, and \$490, respectively; and miscellaneous receipts were understated in the amount of \$6,426 in the Special Levy Police Protection Fund.

These errors were the result of inadequate policies and procedures in reviewing the financial statements and notes to the financial statements. Failure to complete accurate financial statements and notes to the financial statements could lead to Village Council making misinformed decisions. The accompanying financial statements and notes to the financial statements have been adjusted to correct these and other errors in amounts ranging from \$1,211 to \$11,496. In addition to the adjustments noted above, we also identified additional misstatements in amounts ranging from \$1,140 to \$5,181 which we have brought to the Village's attention.

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

Officials' Response:

Fiscal Officer has a better understanding on the procedures to prepare accurate financial statements.

FINDING NUMBER 2024-002

Noncompliance

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the following Village funds had expenditures in excess of appropriations:

- Street Construction Maintenance and Repair, Parks and Recreation, VFD Reimbursement Grant, Special Assessment, and Other Debt Service Funds in the amounts of \$1,016,122, \$81,846, \$146,440, \$25,017, and \$214,620, respectively, as of December 31, 2024.
- VFD Reimbursement Grant and Other Debt Service Funds in the amounts of \$4,986 and \$338,508, respectively, as of December 31, 2023.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Village Council should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

Officials' Response:

Fiscal Officer has a better understanding of monitoring expenditures and appropriations.

FINDING NUMBER 2024-003

Noncompliance

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as "estimated resources" because it includes unencumbered fund balances.

At December 31, 2023, the Village's appropriations exceeded the amount certified as available by the budget commission in the Street Construction Maintenance and Repair and VFD Reimbursement Grant Funds in the amounts of \$67,776 and \$26,500, respectively.

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

The Village should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Village should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Village Council to reduce the appropriations.

Officials' Response:

Fiscal Officer has a better understanding of monitoring estimated resources and appropriations.

Village of Kalida

205 W. Main Street

P. O. Box 495

Kalida, OH 45853

Jason Birkemeier, Mayor
Rita Schroeder, Fiscal Officer

Phone 419-532-3899
Fax 419-532-3852

Council Members

Pat Trentman, Pres
Christopher Miller
Logan Hanneman
Britteny Morrison
John Hopkins
Christopher Fortman

Board of Public Affairs

John Schimmoeller, Pres.
Roger Dickman
Ronald Knueve

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 2015. Material weakness and noncompliance on Village Ordinance 2010-01-01 for prior audit findings for adjustments to post water collection monies to the Water Tower Fund.	Partially corrected and reissued in the Management Letter.	The Village has passed Ordinance #2023-11-20 to state the finding amount will not be paid. 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 2005. Material weakness for lack of monitoring of financial transactions resulting in errors in the financial statements.	Not corrected and reissued as Finding 2024-001 in this report.	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.
2022-003	This finding was first reported in 2020. Material weakness and noncompliance with Ohio Rev. Code § 5705.10(D) for posting receipts and disbursements in the wrong fund.	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.
2022-004	This finding was first reported in 2017. Ohio Rev. Code § 5705.41(B) for expenditures exceeding appropriations.	Not corrected and reissued as Finding 2024-002 in this report.	The Audit Committee reviews appropriations along with disbursement and revenue reports. Council reviews a monthly Cash Summary by Fund Report. The Village will utilize this information to more closely monitor disbursements and appropriations.
2022-005	This finding was first reported in 2021. Ohio Rev. Code § 5705.39 for appropriations exceeding the amount certified as available by the budget commission.	Not corrected and reissued as Finding 2024-003 in this report.	The Audit Committee reviews appropriations and estimated resources reports. The Village will utilize this information to more closely monitor appropriations and estimated resources.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF KALIDA

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 12/2/2025

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