

Village of Ottawa Hills, Lucas County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2025  
Unaudited

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This discussion and analysis of the Village of Ottawa Hills's financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2025, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

### **Highlights**

Key highlights for 2025 are as follows:

- In 2025, roadway improvements included the resurfacing of Miner Rd, sections of Indian Rd and Talmadge Rd.
- The Village reconstructed the tennis courts and two walk paths.
- The Village continued using the Regional Income Tax Agency (RITA) for our income tax services.
- The Village's general receipts are primarily income and property taxes. These receipts represent 60 and 19 percent respectively of the total cash received for governmental activities during the year. Income tax receipts increased by \$252,785 and property taxes increased by \$208,505 versus 2024.

### **Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

#### **Report Components**

The statement of net position and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

#### **Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion

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within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the Village as a Whole**

The statement of net position and the statement of activities reflect how the Village did financially during 2025, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the Village at year end. The Village has no business-type activities. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other non-financial factors as well, such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net position and the statement of activities, all Village transactions are categorized as Governmental activities:

Governmental activities - Basic government services, including police, fire, streets and parks are reported here. Income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Village's Most Significant Funds**

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are all governmental.

Governmental Funds - All of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village's major governmental funds are the General Fund, Capital Project Fund, Street Construction and Road Levy Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

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**The Village as a Whole**

Table 1 provides a summary of the Village's net position for 2025 compared to 2024 on a cash basis.

(Table 1)  
**Net Position**

	Governmental Activities	
	2025	2024
<b>Assets</b>		
Cash and Cash Equivalents	\$9,222,672	\$8,175,022
<b>Net Position</b>		
Restricted for:		
Capital Projects	2,344,435	1,965,053
Other Purposes	1,959,378	1,734,132
Unrestricted	4,918,859	4,475,837
Total Net Position	\$9,222,672	\$8,175,022

The net position of governmental activities increased by \$1,047,650 in 2025.

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Table 2 reflects the changes in net position for the year ended December 31, 2025 compared to 2024.

(Table 2)  
**Changes in Net Position**

	Governmental Activities		
	2025	2024	Change
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$233,267	\$230,168	\$3,099
Operating Grants and Contributions	561,826	1,088,655	(526,829)
Capital Grants and Contributions	36,230	300,000	(263,770)
Total Program Receipts	<u>831,323</u>	<u>1,618,823</u>	<u>(787,500)</u>
General Receipts:			
Property and Other Local Taxes	1,435,524	1,227,019	208,505
Income Taxes	4,553,130	4,300,345	252,785
Other Taxes	0	0	0
Grants and Entitlements Not Restricted to Specific Programs	344,693	465,073	(120,380)
Interest	318,682	281,020	37,662
Miscellaneous	171,346	296,224	(124,878)
Total General Receipts	<u>6,823,375</u>	<u>6,569,681</u>	<u>253,694</u>
Total Receipts	<u>7,654,698</u>	<u>8,188,504</u>	<u>(533,806)</u>
Disbursements:			
General Government	\$804,904	\$1,074,243	(269,339)
Security of Persons and Property:	2,586,105	2,480,405	105,700
Public Health Services	42,230	39,016	3,214
Leisure Time Activities	722,263	616,180	106,083
Basic Utilities	697,483	634,083	63,400
Transportation	633,834	692,095	(58,261)
Capital Outlay	1,094,129	2,343,057	(1,248,928)
Principal Retirement	26,100	52,200	(26,100)
Total Disbursements	<u>6,607,048</u>	<u>7,931,279</u>	<u>(1,324,231)</u>
Increase in Net Position	1,047,650	257,225	790,425
Net Position Beginning of Year	<u>8,175,022</u>	<u>7,917,797</u>	<u>257,225</u>
Net Position End of Year	<u>\$9,222,672</u>	<u>\$8,175,022</u>	<u>\$1,047,650</u>

Program receipts represent 11 percent of total receipts in 2025 and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, recreation program fees and state grants.

Due to the Village being almost completely residential, our income tax collections fluctuate year-to-year.

General receipts represent 89 percent of the Village's total receipts for 2025, and, of this amount, 78 percent are local income and property taxes. State and federal grants and entitlements and interest make up the

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balance of the Village's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of Council, and the manager, finance, as well as internal services such as payroll and purchasing.

Security of Persons and Property are the costs for full-time police, contracted fire services, and other related security expenses. Public Health Services is the cost for the county health department; Leisure Time Activities are the costs of maintaining the parks and the recreation program; Basic Utility Services include refuse, recycling, and sewer expenses; and Transportation is the operating cost of maintaining the roads. Capital outlay includes expenditures for road reconstruction projects. Debt Service in 2025 reflects principal expense on ten-year no-interest road construction loans from the state.

**Governmental Activities**

On the Statement of Activities, the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The major program disbursements for governmental activities in 2025 are for security of persons and property, capital outlay, and general government, which account for 39.1, 16.5 and 12.1 percent of all governmental disbursements, respectively. The next three columns of the Statement, entitled Program Cash Receipts, identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2025	2025	2024	2024
General Government	\$804,904	\$780,840	\$1,074,243	\$512,212
Security of Persons and Property	2,586,105	2,528,968	2,480,405	2,423,429
Public Health Services	42,230	42,230	39,016	39,016
Leisure Time Activities	722,263	344,330	616,180	248,815
Basic Utilities	697,483	361,524	634,083	301,632
Transportation	633,834	633,834	692,095	692,095
Capital Outlay	1,094,129	1,094,129	2,343,057	2,043,057
Principal Retirement	26,100	26,100	52,200	52,200
<b>Total Expenses</b>	<b>\$6,607,048</b>	<b>\$5,811,955</b>	<b>\$7,931,279</b>	<b>\$6,312,456</b>

The dependence upon property and income tax receipts is apparent as 75 percent of governmental activities are supported through general receipts in 2025.

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**The Village's Funds**

Total governmental funds had receipts of \$7,618,468 and disbursements of \$6,607,048. The General Fund balance increased by \$1,099,903, the Capital Project Fund balance decreased by \$656,881 and The Road Levy Fund balance increased by \$363,851, the Street Construction Fund balance increased by \$219,373. 2025 was a low expense year for road projects.

**General Fund Budgeting Highlights**

The Village's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2025, the Village amended its General Fund budget to reflect minor changes in circumstances.

Actual receipts exceeded final budgeted receipts by \$491,561.

Actual disbursements in the General Fund were \$5,304,238 including liabilities and encumbrances. At year end, encumbrances were \$385,125.

**Capital Assets and Debt Administration**

**Capital Assets**

The Village does not currently reflect the value of its capital assets and infrastructure in the financial statements. The Village uses other methods, including inventories of equipment, roads and street trees to insure responsible management of municipal assets.

**Debt**

On December 31, 2025, the Village's outstanding debt consisted of \$377,864 in 10-year, interest-free loans from the Ohio Public Works Commission, which were used for a variety of Village road projects.

**Contacting the Village's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to April McDonald, Village Administrator, or Mark Mockensturm, 2025 Clerk/Treasurer, Village of Ottawa Hills, 2125 Richards Road, Ottawa Hills, Ohio 43606.

**Village of Ottawa Hills**Statement of Assets and Fund Balances - Cash Basis  
December 31, 2025

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in pooled cash and cash equivalents	\$ <u>9,222,672</u>
<b>Net Position</b>	
Restricted for:	
Capital projects	2,344,435
Other purposes	1,959,378
Net position, unrestricted	<u>4,918,859</u>
Total Net Position	\$ <u>9,222,672</u>

*See notes to financial statements*

## Village of Ottawa Hills

Statement of Activities - Cash Basis  
Year Ended December 31, 2025

	<u>Cash</u> <u>Disbursements</u>	<u>Program Cash Receipts</u>		<u>Net (Disbursements)</u> <u>Receipts and Changes</u> <u>and Changes in</u> <u>Net Position</u>
		<u>Charges for</u> <u>Services and</u> <u>Sales</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Total</u> <u>Governmental</u> <u>Activities</u>
<b>Governmental Activities</b>				
Current:				
Security of persons and property	\$ 2,586,105	\$ -	\$ 57,137	\$ (2,528,968)
Public health services	42,230	-	-	(42,230)
Leisure time activities	722,263	209,203	168,730	(344,330)
Basic utility services	697,483	-	335,959	(361,524)
Transportation	633,834	-	-	(633,834)
General government	804,904	24,064	-	(780,840)
Capital outlay	1,094,129	-	-	(1,094,129)
Debt service				
Principal paid on debt	26,100	-	-	(26,100)
Total Governmental Activities	<u>6,607,048</u>	<u>233,267</u>	<u>561,826</u>	<u>(5,811,955)</u>

### General Receipts

Property taxes levied for:

General purposes	725,661
Police pension	62,154
Fire pension	62,154
Capital outlay	585,555
Income taxes	4,553,130
Grants and entitlements not restricted to a specific program	344,693
Earnings on investments	318,682
Miscellaneous	<u>207,576</u>

Total general receipts 6,859,605

Change in net position 1,047,650

**Net Position, Beginning of Year** 8,175,022

**Net Position, End of Year** \$ 9,222,672

See notes to financial statements

**Village of Ottawa Hills**

Statement of Assets and Fund Balances - Cash Basis

Governmental Funds

December 31, 2025

	<b>General Fund</b>	<b>Capital Project Fund</b>	<b>Street Construction Maintenance and Repairs</b>	<b>Road Levy Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>						
Equity in pooled Cash and Cash Equivalents	\$ 3,590,117	\$ 1,169,514	\$ 1,062,582	\$ 1,651,550	\$ 1,748,909	\$ 9,222,672
<b>Fund Balances</b>						
Restricted	-	-	1,062,582	1,651,550	1,589,681	4,303,813
Committed	-	1,169,514	-	-	159,228	1,328,742
Assigned	385,125	-	-	-	-	385,125
Unassigned	3,204,992	-	-	-	-	3,204,992
<b>Total Fund Balances</b>	<b>\$ 3,590,117</b>	<b>\$ 1,169,514</b>	<b>\$ 1,062,582</b>	<b>\$ 1,651,550</b>	<b>\$ 1,748,909</b>	<b>\$ 9,222,672</b>
Total liabilities, deferred inflows of resources and fund balances	\$ 3,590,117	\$ 1,169,514	\$ 1,062,582	\$ 1,651,550	\$ 1,748,909	\$ 9,222,672

See notes to financial statements

**Village of Ottawa Hills**

Statement of Receipts, Disbursements, and Changes in Fund Balances - Cash Basis

Governmental Funds

Year Ended December 31, 2025

	General Fund	Capital Project Fund	Street Construction Maintenance and Repairs	Road Levy Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Municipal income taxes	\$ 4,553,130	\$ -	\$ -	\$ -	\$ -	\$ 4,553,130
Property and other local taxes	725,661	-	-	585,555	124,308	1,435,524
Intergovernmental	231,308	-	315,009	94,404	42,266	682,987
Special assessments	-	-	-	-	223,532	223,532
Charges for services	209,203	-	-	-	-	209,203
Fines, licenses and permits	23,962	-	-	-	102	24,064
Earnings on investments	304,406	1,541	9,514	-	3,221	318,682
Miscellaneous	171,346	-	-	-	-	171,346
<b>Total Receipts</b>	<b>6,219,016</b>	<b>1,541</b>	<b>324,523</b>	<b>679,959</b>	<b>393,429</b>	<b>7,618,468</b>
<b>Disbursements</b>						
Current:						
Security of persons and property	2,253,658	-	-	-	332,447	2,586,105
Public health services	42,230	-	-	-	-	42,230
Leisure time activities	595,965	-	-	-	126,298	722,263
Basic utility services	697,483	-	-	-	-	697,483
Transportation	524,873	-	105,150	-	3,811	633,834
General government	804,904	-	-	-	-	804,904
Capital outlay	-	783,422	-	310,707	-	1,094,129
Debt services	-	-	-	-	-	-
Principal retirement	-	-	-	5,401	20,699	26,100
<b>Total Disbursements</b>	<b>4,919,113</b>	<b>783,422</b>	<b>105,150</b>	<b>316,108</b>	<b>483,255</b>	<b>6,607,048</b>
<b>Excess of Receipts over (Under) Disbursements</b>	<b>1,299,903</b>	<b>(781,881)</b>	<b>219,373</b>	<b>363,851</b>	<b>(89,826)</b>	<b>1,011,420</b>
<b>Other Financing Sources (Uses)</b>						
Loan proceeds	-	-	-	-	36,230	36,230
Transfers in	-	125,000	-	-	75,000	200,000
Transfers out	(200,000)	-	-	-	-	(200,000)
<b>Total other financing sources and uses</b>	<b>(200,000)</b>	<b>125,000</b>	<b>-</b>	<b>-</b>	<b>111,230</b>	<b>36,230</b>
<b>Net change in fund balances</b>	<b>1,099,903</b>	<b>(656,881)</b>	<b>219,373</b>	<b>363,851</b>	<b>21,404</b>	<b>1,047,650</b>
<b>Fund Balances, Beginning of Year</b>	<b>2,490,214</b>	<b>1,826,395</b>	<b>843,209</b>	<b>1,287,699</b>	<b>1,727,505</b>	<b>8,175,022</b>
<b>Fund Balances, End of Year</b>	<b>\$ 3,590,117</b>	<b>\$ 1,169,514</b>	<b>\$ 1,062,582</b>	<b>\$ 1,651,550</b>	<b>\$ 1,748,909</b>	<b>\$ 9,222,672</b>

See notes to financial statements

**Village of Ottawa Hills**

Statement of Fund Balance -  
Other Governmental Funds  
December 31, 2025

	<u>State Highway Improvement</u>	<u>Law Enforcement</u>	<u>Drug Enforcement</u>	<u>Opioid</u>	<u>Termination Benefit Fund</u>	<u>Street Lights</u>	<u>Shade Tree</u>	<u>Capital Grants Fund</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total</u>
<b>Assets</b>											
Equity in pooled Cash and Cash Equivalents	\$ 84,758	\$ 17,358	\$ 6,001	\$ 13,808	\$ 159,228	\$ 75,101	\$ 412,728	\$ 692,885	\$ 101,124	\$ 185,918	\$ 1,748,909
<b>Fund balances</b>											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	84,758	17,358	6,001	13,808	-	75,101	412,728	692,885	101,124	185,918	1,589,681
Committed	-	-	-	-	159,228	-	-	-	-	-	159,228
Total fund balances	<u>84,758</u>	<u>17,358</u>	<u>6,001</u>	<u>13,808</u>	<u>159,228</u>	<u>75,101</u>	<u>412,728</u>	<u>692,885</u>	<u>101,124</u>	<u>185,918</u>	<u>1,748,909</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 84,758</u>	<u>\$ 17,358</u>	<u>\$ 6,001</u>	<u>\$ 13,808</u>	<u>\$ 159,228</u>	<u>\$ 75,101</u>	<u>\$ 412,728</u>	<u>\$ 692,885</u>	<u>\$ 101,124</u>	<u>\$ 185,918</u>	<u>\$ 1,748,909</u>

**Village of Ottawa Hills**

Statement of Revenues, Expenses and Changes in Fund Balance -

Other Governmental Funds

Year Ended December 31, 2025

	State Highway Improvement	Law Enforcement	Drug Enforcement	Opioid	Termination Benefit Fund	Street Lights	Shade Tree	Capital Grants Fund
<b>Revenues</b>								
Property and other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	20,950	-	-	3,276	-	-	-	-
Special assessments	-	-	-	-	-	54,802	168,730	-
Fines, licenses and permits	-	102	-	-	-	-	-	-
Earnings on investments	3,221	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>24,171</b>	<b>102</b>	<b>-</b>	<b>3,276</b>	<b>-</b>	<b>54,802</b>	<b>168,730</b>	<b>-</b>
<b>Expenditures</b>								
Current:								
Security of persons and property	-	-	-	-	-	53,517	-	-
Leisure time activities	-	-	37	-	-	-	126,261	-
Transportation	3,811	-	-	-	-	-	-	-
Debt services								
Principal retirement	-	-	-	-	-	-	-	20,699
<b>Total expenditures</b>	<b>3,811</b>	<b>-</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>53,517</b>	<b>126,261</b>	<b>20,699</b>
Excess (deficiency) of revenues over (under) expenditures	20,360	102	(37)	3,276	-	1,285	42,469	(20,699)
<b>Other Financing Sources (Uses)</b>								
Loan proceeds	-	-	-	-	-	-	-	36,230
Transfers in	-	-	-	-	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,230</b>
<b>Net change in fund balances</b>	<b>20,360</b>	<b>102</b>	<b>(37)</b>	<b>3,276</b>	<b>-</b>	<b>1,285</b>	<b>42,469</b>	<b>15,531</b>
<b>Fund Balances, Beginning</b>	<b>64,398</b>	<b>17,256</b>	<b>6,038</b>	<b>10,532</b>	<b>159,228</b>	<b>73,816</b>	<b>370,259</b>	<b>677,354</b>
<b>Fund Balances, Ending</b>	<b>\$ 84,758</b>	<b>\$ 17,358</b>	<b>\$ 6,001</b>	<b>\$ 13,808</b>	<b>\$ 159,228</b>	<b>\$ 75,101</b>	<b>\$ 412,728</b>	<b>\$ 692,885</b>

**Village of Ottawa Hills**

Statement of Revenues, Expenses and Changes in Fund Balances  
Other Governmental Funds  
Year Ended December 31, 2025

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total</u>
<b>Revenues</b>			
Property and other local taxes	\$ 62,154	\$ 62,154	\$ 124,308
Intergovernmental	9,020	9,020	42,266
Special assessments	-	-	223,532
Fines, licenses and permits	-	-	102
Earnings on investments	-	-	3,221
	<u>71,174</u>	<u>71,174</u>	<u>393,429</u>
<b>Expenditures</b>			
Current:			
Security of persons and property	217,946	60,984	332,447
Leisure time activities	-	-	126,298
Transportation	-	-	3,811
Debt services			
Principal retirement	-	-	20,699
	<u>217,946</u>	<u>60,984</u>	<u>483,255</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(146,772)</u>	<u>10,190</u>	<u>(89,826)</u>
<b>Other Financing Sources (Uses)</b>			
Loan proceeds	-	-	36,230
Transfers in	75,000	-	75,000
	<u>75,000</u>	<u>-</u>	<u>111,230</u>
Net change in fund balances	(71,772)	10,190	21,404
<b>Fund Balances, Beginning</b>	<u>172,896</u>	<u>175,728</u>	<u>1,727,505</u>
<b>Fund Balances, Ending</b>	<u>\$ 101,124</u>	<u>\$ 185,918</u>	<u>\$ 1,748,909</u>

**Village of Ottawa Hills**  
*Lucas County*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2025*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget
	Original	Final		
<b>Receipts</b>				
Municipal Income Taxes	\$4,402,055	\$4,402,055	4,553,130	\$151,075
Property Taxes	560,300	560,300	725,661	165,361
Intergovernmental	182,000	182,000	231,308	49,308
Charges for Services	195,000	195,000	209,203	14,203
Fines, Licenses and Permits	32,000	32,000	23,962	(8,038)
Earnings on Investments	160,000	160,000	304,406	144,406
Miscellaneous	196,100	196,100	171,346	(24,754)
<i>Total Receipts</i>	5,727,455	5,727,455	6,219,016	491,561
<b>Disbursements</b>				
Current:				
Security of Persons and Property	2,540,590	2,586,637	2,334,376	252,261
Public Health Services	42,230	44,030	42,230	1,800
Leisure Time Activities	676,845	732,878	624,834	108,044
Basic Utility Services	817,010	843,803	764,458	79,345
Transportation	631,810	686,111	577,065	109,046
General Government	1,091,805	1,138,840	961,275	177,565
<i>Total Disbursements</i>	5,800,290	6,032,299	5,304,238	728,061
<i>Excess of Receipts Over (Under) Disbursements</i>	(72,835)	(304,844)	914,778	1,219,622
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(200,000)	(200,000)	(200,000)	0
<i>Total Other Financing Sources (Uses)</i>	(200,000)	(200,000)	(200,000)	0
<i>Unencumbered Fund Balance Beginning of Year</i>	2,205,753	2,205,753	2,205,753	0
Prior Year Encumbrances Appropriated	282,997	282,997	282,997	0
<i>Unencumbered Fund Balance End of Year</i>	\$2,215,915	\$1,983,906	\$3,203,528	\$1,219,622

See accompanying notes to the basic financial statements

**Village of Ottawa Hills**  
*Lucas County*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Street Construction Maintenance and Repairs*  
*For the Year Ended December 31, 2025*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 265,000	\$ 265,000	\$ 315,009	\$ 50,009
Earnings on Investments	2,000	2,000	9,514	7,514
<i>Total Receipts</i>	267,000	267,000	324,523	57,523
<b>Disbursements</b>				
Current:				
Transportation	111,285	113,350	106,767	6,583
<i>Total Disbursements</i>	111,285	113,350	106,767	6,583
<i>Excess of Receipts Over (Under) Disbursements</i>	155,715	153,650	217,756	64,106
<i>Unencumbered Fund Balance Beginning of Year</i>	841,325	841,325	841,325	0
Prior Year Encumbrances Appropriated	2,065	2,065	2,065	0
<i>Unencumbered Fund Balance End of Year</i>	\$999,105	\$997,040	\$1,061,146	\$64,106

See accompanying notes to the basic financial statements

**VILLAGE OF OTTAWA HILLS  
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

*Unaudited*

**NOTE 1 – REPORTING ENTITY**

The Village of Ottawa Hills, Lucas 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. The Village is directed by a six-member Council elected at large for four-year terms. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie.

The reporting entity is comprised of the primary government. There are no component units or other organizations that are required to be included in the financial statements.

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, maintenance of Village roads and bridges, park operations, and police and fire services.

The Village participates in a public entity risk pool. Note 7 to the financial statements provide 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**

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village's accounting policies.

**A. Basis of Presentation**

The Village's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the Village as a whole. The Village does not have any business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net position presents the cash balance of the governmental activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular

**VILLAGE OF OTTAWA HILLS  
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
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*Unaudited*

program. General receipts are all receipts not classified as program receipts, with certain limited exceptions.

The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Village's general receipts.

Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Village uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The Village only has governmental funds.

Governmental Funds

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Village's major governmental funds are the General Fund, Street Construction Fund, Capital Project Fund and the Road Levy Fund.

The **General Fund** is used to account for all financial resources, except those required to be accounted for 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.

The **Capital Project Fund** is used for capital projects not provided for under the Road Levy Fund. The revenue source for this fund is primarily transfers from the General Fund.

The **Road Levy Fund** accounts for road construction projects. It is funded by a voted property tax along with grants from the State of Ohio. The grant funds are restricted to their particular project. Additional monies are transferred to this fund as needed from the General Fund.

The **Street Construction Fund** accounts for street repairs, crack sealing and maintenance not provided under the road levy fund. It is funded by License tax and Gasoline Excise Tax.

The other governmental funds of the Village account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

C. Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and

**VILLAGE OF OTTAWA HILLS  
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

*Unaudited*

their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources, and the appropriations ordinance, both of which are prepared on the budgetary basis of accounting. Lucas County no longer requires submission of a tax budget to the County Budget Commission. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate.

The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund, department, and category level, i.e. personal services, operating and maintenance, and capital categories, for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

E. Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2025, the Village invested in U.S. Treasury, U.S. Agency Instruments, FDIC insured certificates of deposit, and STAR Ohio. The U.S. Instruments and certificates of deposit are reported at cost.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes.

**VILLAGE OF OTTAWA HILLS  
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

*Unaudited*

STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Village measures their investment in STAR Ohio 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.

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For fiscal year 2025, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2025 were \$304,406.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the Village are reported as restricted.

G. Inventory and Prepaid Items

The Village reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for post retirement health care benefits.

K. Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result

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NOTES TO THE FINANCIAL STATEMENTS  
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*Unaudited*

of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when 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. Subsequently, settlements have been reached with other distributors. For 2025, distributions of \$3,276 are reflected as fines, forfeitures and settlements revenue in the OneOhio Opioid Fund in the accompanying financial statements

L. Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include \$84,758 for State Highway Improvement, \$17,358 for Law Enforcement \$6,001 for Drug Enforcement, \$692,885 for Capital Grants, \$1,651,550 for Road Levy, for \$75,101 for Street Lights, \$412,728 for Shade Trees, \$1,062,582 for Street Construction Maintenance and Repair, \$13,808 for One Ohio Opioid Funds, \$101,124 for Police Pension, \$185,918 for Firemen's Pension.

The Village's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

M. Fund Balance

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

***Restricted*** Fund balance is reported as 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.

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of Village Council.

**VILLAGE OF OTTAWA HILLS  
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**NOTES TO THE FINANCIAL STATEMENTS  
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***Unaudited***

Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Village Council or a Village official delegated that authority by ordinance, or by State Statute.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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.

**N. Interfund Transactions**

Interfund transfers are reported as other financing sources/uses in governmental funds.

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$385,125 for the General Fund.

**NOTE 4 – DEPOSITS AND INVESTMENTS**

Monies held by the Village are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current

**VILLAGE OF OTTAWA HILLS  
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

*Unaudited*

five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

The Village has adopted an investment policy which is more restrictive than provided for under the Uniform Depository Act, Ohio Revised Code Section 135. This policy has been filed with the State Auditor and annual training is completed as required. Interim monies held by the Village can be deposited or invested in the following securities according to this policy:

It is the intention of the Village of Ottawa Hills to invest Village funds in a manner that:

1. Preserves principal
2. Insures security of funds
3. Maximizes return

To accomplish these goals the Council of the Village of Ottawa Hills adopts the following policies that comply with the Uniform Depository Act, Ohio Revised Code Section 135.

Authorized Investments:	Collateralized Certificates of Deposit Insured Certificates of Deposit Repurchase Agreements – agreements with banks to purchase a security from the bank and resell it to the bank to produce a stated interest rate (securities must be legal investments under the O.R.C. Section 135) U.S Treasuries U.S. Agencies (excluding derivatives) STAR Ohio
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Terms of Investments:	Maximum Five (5) Years
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Diversification:	May not exceed 50% of invested fund in STAR Ohio May not exceed 40% of invested funds in any one bank
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Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

At year end, the Village had \$200 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

*Unaudited*

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$217,636.80 of the Village's bank balance of \$467,636.80 was exposed to custodial credit risk because those deposits were uninsured. These deposits were collateralized through the Ohio Pooled Collateral System (OPCS).

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Village or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

As of December 31, 2025, the Village had the following investments:

US TREASURY NOTE	1/15/2026	\$ 125,102.99
US TREASURY NOTE	2/15/2026	\$ 326,615.32
SANDY SPRING BANK	3/16/2026	\$ 246,504.89
MORGAN STANLEY PROVATE BANK CD	4/6/2026	\$ 236,918.14
FED HOME LN BANK	5/18/2026	\$ 246,348.64
US TREASURY NOTE	6/15/2026	\$ 299,761.89
FORBRIGHT BANK	6/15/2026	\$ 239,652.82
US TREASURY NOTE	8/15/2026	\$ 364,145.53
US TREASURY NOTE	10/15/2026	\$ 244,909.79
OPTUM BANK UT US	1/11/2027	\$ 185,304.11
VALLEY NATL BK NJ US	3/11/2027	\$ 247,839.63
BANK OF AMERICA	4/16/2027	\$ 99,576.00
US TREASURY NOTE	5/15/2027	\$ 120,716.07
FED FARM CREDIT	6/10/2027	\$ 376,084.38
US TREASURY NOTE	8/15/2027	\$ 258,318.89
FARMER MAC MED	11/18/2027	\$ 300,304.33
AMER EXPRESS NATL UT US	9/13/2027	\$ 238,034.11
US TREASURY NOTE	1/15/2028	\$ 395,820.08
MORGAN STNLEY BK UT US	5/1/2028	\$ 225,161.51
US TREASURY NOTE	9/15/2028	\$ 249,953.17
FIRST GTY BK HAMMO	11/14/2028	\$ 220,113.32
US TREASURY NOTE	2/15/2029	\$ 227,963.97
GOLDMAN SACHS BK	10/15/2029	\$ 245,233.30
US TREASURY NOTE	3/31/2030	\$ 238,057.54
STAR OHIO		\$ 2,527,319.50

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Village's investment policy addresses interest rate risk by requiring that the Village's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

**VILLAGE OF OTTAWA HILLS  
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**NOTES TO THE FINANCIAL STATEMENTS  
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*Unaudited*

STAR Ohio carries a rating of AAA by Standard and Poor's. The Village has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization and that they money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The U.S. Agency Securities are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Village's name. The Village has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

**NOTE 5 – INCOME TAXES**

The Village levies a 1.5 percent income tax whose proceeds are placed into the General Fund. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. When the taxable income of a resident is subject to income tax in another municipality on the same income taxable under this ordinance, the resident is allowed a credit of the amount of income tax paid on such taxable income to such other municipality, equal to fifty percent (50%) of the amount obtained by multiplying the lower of the tax rate of such other municipality or of this municipality (1.5%) by the taxable income earned in or attributable to the municipality of employment or business activity. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

**NOTE 6 – PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2025 for real and public utility property taxes represents collections of 2024 taxes.

2025 real property taxes are levied after October 1, 2025, on the assessed value as of January 1, 2025, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2025 real property taxes are collected in and intended to finance 2026.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2025 public utility property taxes which became a lien December 31, 2024, are levied after October 1, 2025, and are collected in 2026 with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2025, was \$4.10 per \$1,000 of assessed value and \$3.90 per \$1,000 of assessed value for voted millage for road and bridge repair. The

**VILLAGE OF OTTAWA HILLS  
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**NOTES TO THE FINANCIAL STATEMENTS  
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*Unaudited*

assessed values of real property and public utility tangible property upon which 2025 property tax receipts were based are as follows:

Real Property	
Residential & Agriculture	230,169,460
Commercial/Industrial/Mineral	3,490,230
Public Utility Property	
Personal	2,700,531
Tangible Personal Property	
Total Assessed Value	236,360,221

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

**NOTE 7 – RISK MANAGEMENT**

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

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 801 members as of December 31, 2023.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2023. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2023.

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

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

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

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accident history and administrative costs.

The Village also provides health, dental and vision insurance to full-time employees through a private carrier. A cafeteria (Section 125) plan and health savings accounts are available to eligible employees.

**NOTE 8 – DEFINED BENEFIT PENSION PLANS**

**A. Ohio Public Employees Retirement System**

Plan Description - Village employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers two separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan, and the member-directed plan is a defined contribution plan.

The traditional pension plan also includes members of the legacy combined plan, a hybrid defined benefit/defined contribution plan referred to as the combined plan division of the traditional pension plan throughout this disclosure. Prior to January 1, 2024, the combined plan was a separate pension plan. Effective January 1, 2022, the combined plan was no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33 which allowed for the consolidation of the combined plan into the traditional pension plan. The combined plan was consolidated into the traditional pension plan effective January 1, 2024, and is tracked as a separate division within the traditional pension plan. No changes were made to the benefit design features of the combined plan as part of this consolidation so that members in this plan will experience no changes. Throughout this disclosure, references to the traditional pension plan are inclusive of the combined plan division, unless otherwise noted.

Members of the combined plan division earn a formula benefit similar to, but at a factor less than, the traditional pension plan benefit. This defined benefit is funded by employer contributions and associated investment earnings. Additionally, combined plan division member contributions are deposited into a defined contribution account in which the member self-directs the investment. Upon retirement or termination, the member may choose a defined contribution retirement distribution that is equal in amount to the member's contributions to the plan and investment gains or losses on those contributions. Members in this division may also elect to annuitize their defined contribution account balances.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b>	<b>Traditional Plan Formula:</b>	<b>Traditional Plan Formula:</b>
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b>	<b>Combined Plan Formula:</b>	<b>Combined Plan Formula:</b>
1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Traditional Plan Formula:</b>	<b>Traditional Plan Formula:</b>	<b>Traditional Plan Formula:</b>
2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a

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member's career.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan division receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan division members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan division consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan division members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

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	Traditional Pension Plan State and Local Divisions			
	Excluding			
	Combined Plan Division	Combined Plan Division	Public Safety	Law Enforcement
<b>2025 Statutory Maximum Contribution Rates</b>				
Employer	14.0 %	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	10.0 %	**	***
 <b>2025 Actual Contribution Rates</b>				
Employer:				
Pension ****	14.0 %	12.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	2.0	0.0	0.0
Total Employer	14.0 %	14.0 %	18.1 %	18.1 %
Employee	10.0 %	10.0 %	12.0 %	13.0 %

\* Member contributions within the combined plan division are not used to fund the defined benefit retirement allowance.

\*\* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

\*\*\* This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

\*\*\*\* These pension and employer health care rates are for the traditional plan.

The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2025, The Village's contractually required contribution for the traditional plan was \$145,288, noting that the Village payrolls may overlap into the prior or subsequent year.

**B. Ohio Police and Fire Pension Fund**

Plan Description – Village full-time police and firefighters participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F

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website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits):

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year are eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, statutory survivors, and annuity beneficiaries. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

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	Police	Firefighters
<b>2025 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 <b>2025 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
 Employee	 12.25 %	 12.25 %

The Village’s contractually required contribution to OP&F was \$217,912 for 2025. This amount reflects the monthly payment sum, noting that the Village payrolls may overlap into the prior or subsequent year based on payroll dates.

**NOTE 9 - POST EMPLOYMENT BENEFITS**

Refer to the employer notices from the pension systems for the most updated pension disclosures.

**A. Ohio Public Employees Retirement System**

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers two separate pension plans: the traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan and the member-directed plan is a defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to fund health care for the Traditional Pension and Member-Directed plans. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

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.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date

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of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

**Age 65 or older Retirees** Minimum of 20 years of qualifying service credit

**Age 60 to 64 Retirees** Based on the following age-and-service criteria:

**Group A** 30 years of total service with at least 20 years of qualified health care service credit;

**Group B** 31 years of total service credit with at least 20 years of qualified health care service credit; or

**Group C** 32 years of total service cred with at least 20 years of qualified health care service credit.

**Age 59 or younger** Based on the following age-and-service criteria:

**Group A** 30 years of qualified health care service credit;

**Group B** 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52; or

**Group C** 32 years of qualified health care service credit and at least age 55.

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date on or prior to December 1, 2014, with at least 10 years of qualifying health care service credit will continue to be eligible for the OPERS health care program. Members with a retirement date after December 1, 2014, but prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
<b>Age and Service Requirements December 1, 2014 or Prior</b>	<b>Age and Service Requirements December 1, 2014 or Prior</b>	<b>Age and Service Requirements December 1, 2014 or Prior</b>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
<b>January 1, 2015 through December 31, 2021</b>	<b>January 1, 2015 through December 31, 2021</b>	<b>January 1, 2015 through December 31, 2021</b>
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Beginning January 1, 2014, qualifying contributing service credit for health care will be accumulated only if the member's eligible salary is at least \$1,000 per month. Partial health care credit will not be granted for

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months in which eligible salary is less than \$1,000. Credit earned prior to January 2014 will not be affected by this requirement.

Recipients of disability benefits prior to January 1, 2014, have continued access to the health care program while the disability benefit continues and will not be subject to the five-year rule described below. The allowance will be determined in the same manner as an age-and-service retiree. If the recipient does not meet minimum age-and-service requirements, the minimum allowance will be used. Recipients with an initial disability effective date on or after January 1, 2014, will have coverage during the first five years of disability benefits. After five years, the recipient must meet minimum age-and-service health care eligibility requirements or be enrolled in Medicare (due to disability status) to remain enrolled in the OPERS health care program. If enrolled, the allowance will be determined in the same way as an age-and-service retiree.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances are determined using a percentage based on years of service and the age when the individual is first eligible for the HRA, multiplied by the base allowance as determined by the Board.

The base allowance was \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees throughout 2024. The base allowance for Medicare retirees increased to \$400 per month in January 2025. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan. While Medicare eligible retirees must use the Connector to select a vendor to be eligible to receive an HRA, non-Medicare eligible retirees may use the Connector or another vendor and still be eligible to receive an HRA.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Participants in the Member-Directed Plan have a portion of the employer contribution credited to an individual retiree medical account. Interest accrues based on the investment performance of the stable value fund, not to exceed 4 percent. Members with an account prior to July 1, 2015, become vested in the account at a rate of 20 percent for each year of participation until the member is fully vested at the end of five years. Members establishing accounts on or after July 1, 2015, vest over 15 years at a rate of 10 percent each year starting with the sixth year of participation.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

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Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan (except for the combined division).

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2025, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2025, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan Division which has continued through 2025. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2025 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2025.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2025, the Village's contractually required contribution was \$145,288.

**B. Ohio Police and Fire Pension Fund**

Plan Description – The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is

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maintained for Medicare Part B reimbursements.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2025, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The Village's contractually required contribution to OP&F was \$217,912 for 2025. This amount reflects the monthly payment sum, noting that the Village payrolls may overlap into the prior or subsequent year.

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**NOTE 10 – DEBT**

The Village’s long-term debt activity for the year ended December 31, 2025, was as follows:

### Active Loans By Subdiv District 11-19

As of 2025-12-31

Subdivision ↑	Grant / Loan: Assistance ID	Original Loan Amount	Principal Balance	Payment Amount Annual
Village of Ottawa Hills	CL42AA-0	\$133,596.65	\$133,596.65	\$13,359.66
	CL36AA-0	\$100,000.00	\$85,000.00	\$10,000.00
	CL04X-0	\$42,140.38	\$27,391.31	\$4,214.02
	CT84W-0	\$44,999.46	\$24,749.73	\$4,499.94
	CT05U-0	\$18,945.42	\$6,630.91	\$1,894.54
	CT42V-0	\$161,601.23	\$72,720.57	\$16,160.12
	CT44T-0	\$46,292.41	\$11,573.11	\$4,629.24
	CL24S-0	\$108,013.92	\$16,202.02	\$10,801.40
<b>Subtotal</b>	Sum	\$655,589.47	\$377,864.30	\$65,558.92
	Sum	\$655,589.47	\$377,864.30	\$65,558.92

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The OPWC 2024 CL42AA-0 loan totals \$133,597 related to road improvements on Secretariat, Avatar, Riva Ridge and Exmoor. The OPWC 2024 loan CL42AA-0 will be repaid in semi-annual installments of \$6,680 principal only payments over 10 years, when initialized in 2025.

The OPWC 2023 CL36AA-0 loan totals \$100,000, related to road improvements on Bexford and Sulphur Spring. The OPWC 2023 loan CL36AA-0 will be repaid in semi-annual installments of \$5,000 principal only payments over 10 years, when initialized in 2023.

The OPWC 2022 CL04X loan totals \$42,140, related to road improvements on Secor, Ridgewood and Canterbury. The OPWC 2022 loan CL04X will be repaid in semi-annual installments of \$2,107 principal only payments over 10 years, when initialized in 2022.

The OPWC 2021 CT84W loan totals \$45,000, related to road improvements on Forestvale and Woodhall Roads, and the intersection of Talmadge and Indian Roads. The OPWC 2021 CT84W loan will be repaid in semi-annual installments of \$2,250 principal only payments over 10 years, when initialized in 2021.

The OPWC 2020 CT42V loan related to road improvements on Bancroft and Brookside Roads. The OPWC 2020 CT42V loan totals \$161,601. The loan will be repaid in semi-annual installments of \$8,080 principal only payments, over 10 years.

The OPWC 2019 CT05U loan related to road improvements on Bancroft, Orchard and Park Streets. The OPWC 2019 CT05U loan totals \$18,945. The loan will be repaid in semi-annual installments of \$942.27 principal only payments, over 10 years.

The OPWC 2018 CT44T loan related to road reconstruction of Manchester Road and Darlington Road. The OPWC 2018 CT44T loan totals \$46,292. The loan will be repaid in semi-annual installments of \$2,314.62 principal only payments, over 10 years.

The OPWC 2017 CL24S loan related to road rehabilitation on Talmadge Road and Bonniebrook Road. The OPWC 2017 CL24S loan totals \$108,014. The loan will be repaid in semi-annual installments of \$5,400.70 principal only payments, over 10 years.

The Ohio Revised Code provides that net general obligation debt of the Village, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Village. The Revised Code further provides that total voted and unvoted net debt of the Village less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2025, were an overall debt margin of \$24,817,823 and an unvoted debt margin of \$12,999,812.

VILLAGE OF OTTAWA HILLS  
LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025

*Unaudited*

**NOTE 11 – INTERFUND TRANSFERS**

During 2025 the following transfers were made:

Transfers from the  
General Fund to:

Capital Projects Fund	\$ 125,000
Other Governmental Funds	\$ 75,000
	<hr/>
	\$ 200,000
	<hr/>
Total Transfers	<u><u>\$ 200,000</u></u>

General Fund Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 12 – CONSTRUCTION AND CONTRACTUAL COMMITMENTS**

The Village has an encumbered amount of \$96,300 for a contract with Henry Bergman for the 2025 Tennis Court project and \$193,035 with Henry Bergman for the 2025 Road Project.