Certified Public Accountants, A.C.

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2020 - 2019

313 Second St.
Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
740 695 1569

1310 Market St., #300
Wheeling, WV 26003
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Cambridge, OH 43725
740 435 3417

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OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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(800) 282-0370

Village Council
Village of New Bremen
214 N. Washington St.
New Bremen, OH 45869

We have reviewed the *Independent Auditor's Report* of the Village of New Bremen, Auglaize County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of New Bremen is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

December 08, 2021

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VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY

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INDEPENDENT AUDITOR'S REPORT

September 30, 2021

Village of New Bremen
Auglaize County
214 North Washington Street
New Bremen, Ohio 45869

To the Village Council:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the **Village of New Bremen**, Auglaize County, Ohio (the Village), as of and for the years ended December 31, 2020 and 2019 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

Auditor's Responsibility (Continued)

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of New Bremen, Auglaize County, Ohio, as of December 31, 2020 and 2019, and the respective changes in cash financial position and where applicable cash flows and the budgetary comparison for the General Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2020, the Village adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. As discussed in Note 3 to the financial statements, during 2019, the Village adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. As discussed in Note 18 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion regarding these matters.

Other Matters

Other Information

We applied no procedures to management's discussion & analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Perry & Associates CPA's A.C.

Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

The management's discussion and analysis of the Village of New Bremen's (the "Village") financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2020, within the limitations of the Village's cash basis of accounting. The intent of this discussion and analysis is to look at the Village's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Village's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- The total net cash position of the Village increased $678,865. The net cash position of governmental activities increased $212,366 or 4.16% from 2019 and the net cash position of business-type activities increased $466,499 or 17.89% from 2019.

- General cash receipts accounted for $6,009,014 or 82.89% of total governmental activities cash receipts. Program specific cash receipts accounted for $1,240,801 or 17.11% of total governmental activities cash receipts.

- The Village had $6,672,752 in cash disbursements related to governmental activities; $1,240,801 of these cash disbursements were offset by program specific charges for services, grants or contributions. The remaining cash disbursements of the governmental activities were offset by general cash receipts (primarily property taxes, income taxes, and unrestricted grants and entitlements) of $6,009,014.

- The Village's major governmental funds are the general fund and the Franklin Ash St. Reconstruction fund. The general fund had cash receipts and other financing sources of $6,154,630 in 2020. The cash disbursements and other financing uses of the general fund totaled $6,101,287 in 2020. The fund cash balance of the general fund increased $53,343 from $4,624,871 to $4,678,214.

- The Franklin Ash St. Reconstruction fund had cash receipts and other financing sources of $1,227,428 in 2020. The cash disbursements and other financing uses of the Franklin Ash St. Reconstruction fund totaled $1,227,428 in 2020.

- Net cash position for the business-type activities, which are composed of the water, sewer, refuse, utility deposits, library and electric enterprise funds, increased $466,499 from $2,607,172 to $3,073,671.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Village's cash basis of accounting. The annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the Village as a financial whole, or, as an entire operating entity.

Report Components

The statement of net position - cash basis and the statement of activities - cash basis provide information about the activities of the whole Village, presenting both an aggregate view of the Village's finances and a longer-term view of those finances.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Village's most significant fund, with all other nonmajor funds presented in total in a single column. For the Village, the general fund and the Franklin Ash St. Reconstruction fund are the most significant funds and the only major governmental fund. The Village's major enterprise fund is the electric fund.

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, which is a basis of accounting other than generally accepted accounting principles (GAAP) in the United States of America. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of the use of this cash basis of accounting, certain assets and deferred outflows of resources, liabilities and deferred inflows of resources, and the effects of these items on receipts and disbursements are not recorded in these financial statements; therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Village as a Whole

Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis

The statement of net position - cash basis and the statement of activities - cash basis answer the question, "How did the Village perform financially during 2020?" These statements include only net cash position using the cash basis of accounting, which is a basis of accounting other than GAAP. This basis of accounting takes into account only the current year receipts and disbursements if the cash is actually received or paid.

These two statements report the Village's net cash position and changes in net cash position on a cash basis. This change in net cash position is important because it tells the reader that, for the Village as a whole, the cash basis financial position of the Village has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Village's property tax base, sales tax receipts, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated federal and State programs, and other factors.

In the statement of net position - cash basis and the statement of activities - cash basis, the Village is divided into two distinct kinds of activities:

Governmental activities - Most of the Village's programs and services are reported here including police, fire and rescue, street maintenance, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental receipts including federal and State grants and other shared receipts.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the cash disbursements of the goods or services provided. The Village's water, sewer and electric service operations are reported here.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Fund financial reports provide detailed information about the Village's major funds. The Village uses many funds to account for a multitude of financial transactions. However, these fund financial statements focuses on the Village's most significant funds. The analysis of the Village's major governmental and proprietary funds begins on page 10.

Governmental Funds

Most of the Village's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods. These funds are reported using the cash basis of accounting. The governmental fund statements provide a detailed view of the Village's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Village programs. Since the Village is reporting on the cash basis of accounting, there are no differences in the net cash position and fund cash balances or changes in net cash position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements.

The Village's budgetary process accounts for certain transactions on a cash basis, adjusted for encumbrances. The budgetary statements for the general fund and all annually budgeted major special revenue funds are presented to demonstrate the Village's compliance with annually adopted budgets.

Proprietary Funds

The Village maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water, sewer, refuse, utility deposits, library and electric service functions. The electric fund of the Village's enterprise funds is considered to be a major fund.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village's only fiduciary fund type is a custodial fund. This fund accounts for the Mayor's Court operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements as related to the cash basis of accounting.

Government-Wide Financial Analysis

The statement of net position - cash basis serves as a useful indicator of a government's financial position. The table below provides a summary of the Village's net cash position at December 31, 2020 and December 31, 2019.

Net Cash Position

	2020		2019			
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities	2020 Total	2019 Total
Assets						
Equity in pooled cash and cash equivalents	$ 5,316,780	$ 3,073,671	$ 5,104,414	$ 2,607,172	$ 8,390,451	$ 7,711,586
Total assets	5,316,780	3,073,671	5,104,414	2,607,172	8,390,451	7,711,586
Net cash position						
Restricted	638,566	-	479,543	-	638,566	479,543
Unrestricted	4,678,214	3,073,671	4,624,871	2,607,172	7,751,885	7,232,043
Total net cash position	$ 5,316,780	$ 3,073,671	$ 5,104,414	$ 2,607,172	$ 8,390,451	$ 7,711,586

At December 31, 2020, a portion of the Village's net cash position, $638,566, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net cash position in the governmental activities of $4,678,214 may be used to meet the government's ongoing obligations to citizens and creditors.

The table on the following page shows the changes in net cash position for 2020 and 2019.

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Change in Net Cash Position

	Governmental Activities 2020	Business-type Activities 2020	Governmental Activities 2019	Business-type Activities 2019	2020 Total	2019 Total
Cash receipts:						
Program receipts:						
Charges for services	$ 207,287	$ 7,762,012	$ 192,852	$ 7,393,814	$ 7,969,299	$ 7,586,666
Operating grants and contributions	533,514	-	209,110	-	533,514	209,110
Capital grants and contributions	500,000	-	21,500	-	500,000	21,500
Total program receipts	1,240,801	7,762,012	423,462	7,393,814	9,002,813	7,817,276
General receipts:						
Property taxes	589,485	-	597,119	-	589,485	597,119
Income taxes	4,439,653	-	4,531,870	-	4,439,653	4,531,870
Unrestricted grants and entitlements	651,515	-	173,782	-	651,515	173,782
Loan issuance	138,306	5,142,957	-	847,303	5,281,263	847,303
Investment earnings	50,552	-	126,288	-	50,552	126,288
Miscellaneous	139,503	-	65,410	-	139,503	65,410
Total general receipts	6,009,014	5,142,957	5,494,469	847,303	11,151,971	6,341,772
Total cash receipts	7,249,815	12,904,969	5,917,931	8,241,117	20,154,784	14,159,048
Cash disbursements:						
General government	729,366	-	600,251	-	-	600,251
Security of persons and property	1,114,612	-	1,152,067	-	-	1,152,067
Public health and welfare	131	-	116	-	131	116
Transportation	914,263	-	779,157	-	914,263	779,157
Leisure time activity	127,175	-	361,141	-	127,175	361,141
Capital outlay	3,055,409	-	900,144	-	3,055,409	900,144
Debt service:						
Principal retirement	672,391	-	472,391	-	672,391	472,391
Interest and fiscal charges	59,405	-	69,997	-	59,405	69,997
Electric	-	12,158,446	-	7,453,331	12,158,446	7,453,331
Other enterprise	-	644,721	-	671,475	644,721	671,475
Total cash disbursements	6,672,752	12,803,167	4,335,264	8,124,806	17,631,941	12,460,070
Change in net cash position before advances and transfers	577,063	101,802	1,582,667	116,311	678,865	1,698,978
Transfers	(364,697)	364,697	(373,610)	373,610	-	-
Change in net cash position	212,366	466,499	1,209,057	489,921	678,865	1,698,978
Net cash position at beginning of year	5,104,414	2,607,172	3,895,357	2,117,251	7,711,586	6,012,608
Net cash position at end of year	$ 5,316,780	$ 3,073,671	$ 5,104,414	$ 2,607,172	$ 8,390,451	$ 7,711,586

Governmental Activities

Net cash position increased $212,366 or 4.16% in 2020. Total cash receipts increased due to the issuance of loans, grants and contributions and unrestricted grants and entitlements in 2020. However, this increase was more than offset by the increase in capital outlay disbursements as a result of projects worked on in 2020.

Capital outlay disbursements primarily support the acquisition of, or additions to, fixed assets. The Village had $3,055,409 in disbursements during 2020, accounting for 45.79% of total governmental activities cash disbursements.

Transportation cash disbursements of $914,263 were partially funded by direct charges to users of $156,869 and operating grants and contributions of $239,879.

General government cash disbursements totaled $729,366. General government cash disbursements were partially funded by $15,488 in direct charges to users of the services and $293,635 in operating grants and contributions.

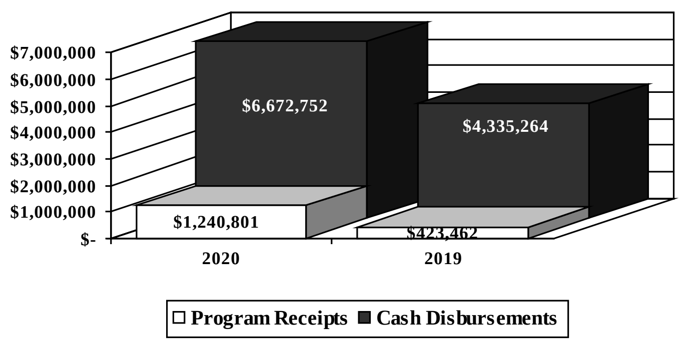
Security of persons and property cash disbursements of $1,114,612 were partially funded by $34,930 in direct charges to users.

The State and federal government contributed to the Village a total of $533,514 in operating grants and contributions. These program cash receipts are restricted to a particular program or purpose.

General cash receipts totaled $6,009,014 and amounted to 82.89% of total governmental cash receipts. These cash receipts primarily consist of property and income tax receipts of $5,029,138. The other primary source of general cash receipts are grants and entitlements not restricted to specific programs, including local government and local government assistance, which totaled $651,515 in 2020.

The statement of activities - cash basis shows the cost of program services and the charges for services and grants offsetting those services. As can be seen in the graph below, the Village is highly dependent upon general cash receipts (primarily property and income taxes as well as unrestricted grants and entitlements) to support its governmental activities. Program cash receipts were not sufficient to cover total governmental cash disbursements for 2020.

Governmental Activities - Program Receipts vs. Total Cash Disbursements



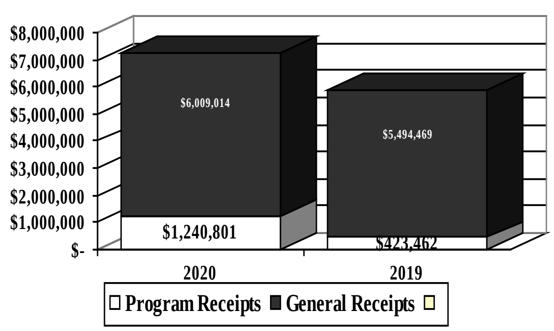
The following table shows, for the governmental activities, the total cost of services and the net cost of services for 2020 and 2019. That is, it identifies the cost of these services supported by taxes, unrestricted State grants and entitlements, and other general cash receipts.

	Governmental Activities			
	Total Cost of Services 2020	Net Cost of Services 2020	Total Cost of Services 2019	Net Cost of Services 2019
Cash disbursements:				
General government	$ 729,366	$ 420,243	$ 600,251	$ 581,423
Security of persons and property	1,114,612	1,079,682	1,152,067	1,091,362
Public health and welfare	131	131	116	116
Transportation	914,263	517,515	779,157	456,853
Leisure time activity	127,175	127,175	361,141	361,016
Capital outlay	3,055,409	2,555,409	900,144	878,644
Debt service:				
Principal retirement	672,391	672,391	472,391	472,391
Interest and fiscal charges	59,405	59,405	69,997	69,997
Total	$ 6,672,752	$ 5,431,951	$ 4,335,264	$ 3,911,802

The dependence upon general cash receipts for governmental activities is apparent, with 81.40% of cash disbursements supported through taxes and other general cash receipts.

The chart below illustrates the Village's program cash receipts versus general cash receipts for 2020 and 2019.

Governmental Activities - General and Program Receipts



Business-Type Activities

Business-type activities include the water, sewer, refuse, utility deposits, library, and electric enterprise funds. These programs had program cash receipts of $7,762,012, general cash receipts of $5,142,957, and cash disbursements of $12,803,167 during 2020. The net cash position of these programs increased $466,499 from 2019.

Financial Analysis of the Government's Funds

As previously noted, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The Village's governmental funds reported a combined fund cash balance of $5,316,780, which is $212,366 higher than last year's total of $5,104,414.

The schedule below indicates the fund cash balances and the total change in fund cash balances as of December 31, 2020 and December 31, 2019 for all major and nonmajor governmental funds.

	Fund Cash Balances 12/31/2020	Fund Cash Balances 12/31/2019	Change
Major fund:			
General	$ 4,678,214	$ 4,624,871	$ 53,343
Nonmajor governmental funds	638,566	479,543	159,023
Total	$ 5,316,780	$ 5,104,414	$ 212,366

General Fund

The Village's general fund cash balance increased $53,343 or 1.15%. The table that follows assists in illustrating the cash receipts of the general fund for 2020 and 2019.

	2020 Amount	2019 Amount	Amount Change	Percentage Change
Cash receipts:				
Taxes	$ 4,863,463	$ 4,982,641	$ (119,178)	(2.39) %
Charges for services	34,287	59,737	(25,450)	(42.60) %
Licenses, permits and fees	2,079	6,485	(4,406)	(67.94) %
Fines and forfeitures	11,849	10,744	1,105	10.28 %
Intergovernmental	595,429	121,499	473,930	390.07 %
Special assessments	108,002	101,415	6,587	6.50 %
Investment income	50,552	126,288	(75,736)	(59.97) %
Other	184,668	107,256	77,412	72.17 %
Total	$ 5,850,329	$ 5,516,065	$ 334,264	6.06 %

Overall, cash receipts of the general fund increased $334,264 or 6.06%. Intergovernmental receipts increased $473,930 or 390.07% due to increased grants received by the Village. Special assessments in 2020 consisted of amounts received from Village residents for street, sidewalk, and gutter repairs. Investment income decreased $75,736 or 59.97% due to lower returns for the Village's investment in STAR Ohio. The most significant percentage decrease was licenses, permits, and fees, which decreased $4,406 or 67.94%. This was a result of the Village selling fewer liquor and beer permits during 2020.

The table that follows assists in illustrating the cash disbursements of the general fund for 2020 and 2019.

	2020 Amount	2019 Amount	Amount Change	Percentage Change
Cash disbursements:				
General government	$ 729,366	$ 600,251	$ 129,115	21.51 %
Security of persons and property	798,714	992,425	(193,711)	(19.52) %
Public health and welfare	131	116	15	12.93 %
Leisure time activity	127,175	361,141	(233,966)	(64.79) %
Transportation	353,164	193,759	159,405	82.27 %
Capital outlay	2,007,393	807,973	1,199,420	148.45 %
Debt service	731,525	541,810	189,715	35.02 %
Total	$ 4,747,468	$ 3,497,475	$ 1,249,993	35.74 %

Overall, cash disbursements of the general fund increased $1,249,993 or 35.74%. Leisure time activity disbursements decreased primarily due to the COVID-19 Pandemic. Capital outlay disbursements were higher in 2020 due to various projects paid for from the general fund. Security of persons and property disbursements decreased primarily due to police wages and fire department equipment which were paid with CARES Act money in a nonmajor governmental fund in 2020 instead of the general fund. Debt service disbursements increased due to the Village making additional principal payments for their capital projects loan.

Franklin Ash St. Reconstruction Fund

The Franklin Ash St. Reconstruction fund had cash receipts and other financing sources of $1,227,428 in 2020. The cash disbursements and other financing uses of the Franklin Ash St. Reconstruction fund totaled $1,227,428 in 2020.

Proprietary Funds

The Village's proprietary fund financial statements provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. During 2020, the Village's proprietary funds had total operating receipts of $7,762,012, total operating disbursements of $12,065,660, total nonoperating receipts of $5,142,957, nonoperating disbursements of $737,507 and transfers in of $364,697. The proprietary funds' net cash position increased $466,499 during 2020, from $2,607,172 to $3,073,671.

Budgeting Highlights

The Village's budgeting process is prescribed by the Ohio Revised Code (ORC). In essence, the budget is the Village's appropriations which are restricted by the amounts of anticipated cash receipts certified by the Budget Commission in accordance with the ORC; as a consequence, the Village's plans or desires cannot be reflected completely by the original budget. If budgeted cash receipts change based on actual activity throughout the year, then the appropriations may be adjusted accordingly.

Budgetary information is presented in the Village's financial statements for the general fund. Original receipts and other financing sources were $2,238,275. Final receipts and other financing sources were $2,413,413. Actual budgetary receipts and other financing sources of $2,503,694 were $90,281 more than the final budget. This variance is primarily due to an increase in the amount of money collected for both property taxes and special assessments.

General fund original and final budgetary basis disbursements and other financing uses amounted to $2,518,032. The actual budget basis disbursements and other financing uses for 2020 totaled $2,136,523, which was $381,509 less than the final budget.

Capital Assets and Debt Administration

Capital Assets

The Village does not report capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The Village had cash disbursements for capital outlay of $3,055,409 in the governmental activities and $184,009 in the business-type activities during 2020.

Debt Administration

The Village does not report liabilities for long-term obligations in the accompanying basic financial statements but does track the outstanding balances of all long-term debt in the notes to the basic financial statements. The Village had the following long-term obligations outstanding at December 31, 2020 and December 31, 2019.

	Governmental Activities	
	2020	2019
OPWC loans	$ 1,124,528	$ 1,008,612
Capital projects loan	1,939,875	2,589,875
Total long-term obligations	$ 3,064,403	$ 3,598,487

	Business-type Activities	
	2020	2019
OPWC loans	$ 124,300	$ 134,273
North substation loan	5,548,636	847,303
Total long-term obligations	$ 5,672,936	$ 981,576

In addition to the above obligations, the Village has manuscript debt for an electric project and sidewalk and curb projects. New debt issued in 2020 consisted of a bank loan to finance construction of a new electric substation and an OPWC loan for the governmental activities to finance street repairs and improvements. Further detail on the Village's long-term obligations can be found in Note 12 to the basic financial statements.

Economic Conditions and Outlook

The Village of New Bremen's major source of revenue is income tax. The Village continues to strive for ways and means to make optimum utilization of available resources. The Village continues to apply for grants and Issue II funding from the Ohio Public Works Commission.

The challenge of our Village is to provide quality services to the residents of our community while staying within the restrictions imposed by limited. We rely heavily on local taxes and intergovernmental revenues to provide safe and secure neighborhoods through our Police Department and trained and qualified volunteer Firefighters.

These factors were considered in preparing the Village's budget for fiscal year 2021. The Village has continued to practice conservative budgetary practices in order to preserve a positive financial position in future years. The Village will monitor income tax receipts for each quarter to see which capital projects can proceed in 2021 and beyond.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information please contact Amy Speelman, Fiscal Officer, 214 N. Washington Street, New Bremen, Ohio 45869.

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VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2020

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	$ 5,316,780	$ 3,073,671	$ 8,390,451
Total assets	$ 5,316,780	$ 3,073,671	$ 8,390,451
Net cash position:			
Restricted for:			
Capital projects	$ 17,738	$ -	$ 17,738
Transportation projects	433,227	-	433,227
Public safety	172,048	-	172,048
Other purposes	15,553	-	15,553
Unrestricted	4,678,214	3,073,671	7,751,885
Total net cash position	$ 5,316,780	$ 3,073,671	$ 8,390,451

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

		Program Cash Receipts		
	Cash Disbursements	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental activities:				
Current:				
General government	$ 729,366	$ 15,488	$ 293,635	$ -
Security of persons and property	1,114,612	34,930	-	-
Public health and welfare	131	-	-	-
Transportation	914,263	156,869	239,879	-
Leisure time activity	127,175	-	-	-
Capital outlay	3,055,409	-	-	500,000
Debt service:				
Principal retirement	672,391	-	-	-
Interest and fiscal charges	59,405	-	-	-
Total governmental activities	6,672,752	207,287	533,514	500,000
Business-type activities:				
Electric	12,158,446	6,987,555	-	-
Other enterprise	644,721	774,457	-	-
Total business-type activities	12,803,167	7,762,012	-	-
Totals	$ 19,475,919	$ 7,969,299	$ 533,514	$ 500,000

General cash receipts:
Property taxes levied for:
General purposes
Security of persons and property
Income taxes levied for:
General purposes
Grants and entitlements not restricted to specific programs
Loan issuance
Investment earnings
Miscellaneous

Total general cash receipts

Transfers

Total general cash receipts, and advances

Change in net cash position

Net cash position at beginning of year

Net cash position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net Cash Receipts (Cash Disbursements) and Changes in Net Cash Position		
Governmental Activities	Business-type Activities	Total
$ (420,243)	$ -	$ (420,243)
(1,079,682)	-	(1,079,682)
(131)	-	(131)
(517,515)	-	(517,515)
(127,175)	-	(127,175)
(2,555,409)	-	(2,555,409)
(672,391)	-	(672,391)
(59,405)	-	(59,405)
(5,431,951)	-	(5,431,951)
-	(5,170,891)	(5,170,891)
-	129,736	129,736
-	(5,041,155)	(5,041,155)
(5,431,951)	(5,041,155)	(10,473,106)
423,810	-	423,810
165,675	-	165,675
4,439,653	-	4,439,653
651,515	-	651,515
138,306	5,142,957	5,281,263
50,552	-	50,552
139,503	-	139,503
6,009,014	5,142,957	11,151,971
(364,697)	364,697	-
5,644,317	5,507,654	11,151,971
212,366	466,499	678,865
5,104,414	2,607,172	7,711,586
$ 5,316,780	$ 3,073,671	$ 8,390,451

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF ASSETS AND FUND CASH BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	$ 4,678,214	$ 638,566	$ 5,316,780
Total assets	$ 4,678,214	$ 638,566	$ 5,316,780
Fund cash balances:			
Restricted.	$ -	$ 638,566	$ 638,566
Assigned	4,641,523	-	4,641,523
Unassigned.	36,691	-	36,691
Total fund cash balances.	$ 4,678,214	$ 638,566	$ 5,316,780

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General	Franklin Ash St. Reconstruction	Nonmajor Governmental Funds	Total Governmental Funds
Cash receipts:				
Municipal income taxes	$ 4,439,653	$ -	$ -	$ 4,439,653
Property and other taxes	423,810	-	165,675	589,485
Charges for services	34,287	-	1,560	35,847
Licenses, permits and fees	2,079	-	-	2,079
Fines and forfeitures	11,849	-	643	12,492
Intergovernmental	595,429	500,000	542,141	1,637,570
Special assessments	108,002	-	2,273	110,275
Investment income	50,552	-	2,294	52,846
Contributions and donations	45,165	-	-	45,165
Other	139,503	-	46,594	186,097
Total cash receipts	5,850,329	500,000	761,180	7,111,509
Cash disbursements:				
Current:				
General government	729,366	-	-	729,366
Security of persons and property	798,714	-	315,898	1,114,612
Public health and welfare	131	-	-	131
Transportation	353,164	-	561,099	914,263
Leisure time activity	127,175	-	-	127,175
Capital outlay	2,007,393	1,048,016	-	3,055,409
Debt service:				
Principal retirement	672,391	-	-	672,391
Interest and fiscal charges	59,134	-	271	59,405
Total cash disbursements	4,747,468	1,048,016	877,268	6,672,752
Excess (deficiency) of cash receipts over (under) cash disbursements	1,102,861	(548,016)	(116,088)	438,757
Other financing sources (uses):				
Advances in	2,002	-	-	2,002
Advances (out)	-	-	(2,002)	(2,002)
Transfers in	302,299	589,122	400,000	1,291,421
Transfers (out)	(1,353,819)	(179,412)	(122,887)	(1,656,118)
OPWC Loan proceeds	-	138,306	-	138,306
Total other financing sources (uses)	(1,049,518)	548,016	275,111	(226,391)
Net change in fund cash balances	53,343	-	159,023	212,366
Fund cash balances at beginning of year	4,624,871	-	479,543	5,104,414
Fund cash balances at end of year	$ 4,678,214	$ -	$ 638,566	$ 5,316,780

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	**Final**	**Actual**	
Budgetary basis receipts:				
Property and other taxes	$ 362,909	$ 449,000	$ 423,810	$ (25,190)
Charges for services	40,413	50,000	34,287	(15,713)
Licenses, permits and fees	4,930	6,100	2,079	(4,021)
Fines and forfeitures	8,083	10,000	11,849	1,849
Intergovernmental	63,994	79,175	95,436	16,261
Special assessments	141,557	175,138	283,140	108,002
Investment income	9,699	12,000	11,547	(453)
Other	106,690	132,000	141,546	9,546
Total budgetary basis receipts	738,275	913,413	1,003,694	90,281
Budgetary basis disbursements:				
Current:				
General government	840,771	840,771	741,058	99,713
Security of persons and property	1,024,306	1,024,306	857,896	166,410
Public health and welfare	1,875	1,875	131	1,744
Transportation	200,580	200,580	165,741	34,839
Leisure time activity	10,500	10,500	7,000	3,500
Total budgetary basis disbursements	2,078,032	2,078,032	1,771,826	306,206
Excess of budgetary basis disbursements over budgetary basis receipts	(1,339,757)	(1,164,619)	(768,132)	396,487
Other financing sources (uses):				
Transfers in	1,500,000	1,500,000	1,500,000	-
Transfers (out)	(440,000)	(440,000)	(364,697)	75,303
Total other financing sources (uses)	1,060,000	1,060,000	1,135,303	75,303
Net change in fund cash balances	(279,757)	(104,619)	367,171	471,790
Fund cash balance at beginning of year	270,014	270,014	270,014	-
Prior year encumbrances appropriated	14,856	14,856	14,856	-
Fund cash balance at end of year	$ 5,113	$ 180,251	$ 652,041	$ 471,790

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF NET POSITION - CASH BASIS
PROPRIETARY FUNDS
DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds		
	Electric	**Nonmajor**	**Total**
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	$ 2,489,552	$ 584,119	$ 3,073,671
Total assets	$ 2,489,552	$ 584,119	$ 3,073,671
Net cash position:			
Unrestricted	2,489,552	$ 584,119	$ 3,073,671
Total net cash position.	$ 2,489,552	$ 584,119	$ 3,073,671

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN NET CASH POSITION - CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds		
	Electric	**Nonmajor**	**Total**
Operating receipts:			
Charges for services	$ 6,848,577	$ 753,159	$ 7,601,736
Other	138,978	21,298	160,276
Total operating receipts	6,987,555	774,457	7,762,012
Operating disbursements:			
Personal services	375,628	184,121	559,749
Contract services	11,099,576	402,899	11,502,475
Materials and supplies	882	2,554	3,436
Total operating disbursements	11,476,086	589,574	12,065,660
Operating income (loss)	(4,488,531)	184,883	(4,303,648)
Nonoperating receipts (disbursements):			
Capital outlay	(138,835)	(45,174)	(184,009)
Debt service:			
Principal retirement	(441,624)	(9,973)	(451,597)
Interest and fiscal charges	(101,901)	-	(101,901)
Loan issuance	5,142,957	-	5,142,957
Total nonoperating receipts (disbursements)	4,460,597	(55,147)	4,405,450
Income (loss) before transfers	(27,934)	129,736	101,802
Transfers in	364,697	-	364,697
Change in net cash position	336,763	129,736	466,499
Net cash position at beginning of year	2,152,789	454,383	2,607,172
Net cash position at end of year	$ 2,489,552	$ 584,119	$ 3,073,671

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF CASH ADDITIONS, CASH DEDUCTIONS
AND CHANGES IN NET CASH POSITION - CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Custodial
Cash additions:	
Fines and forfeitures for other governments	$ 4,450
Total cash additions	4,450
Cash deductions:	
Fines and forfeitures distributions to other governments	4,450
Total cash deductions	4,450
Change in net cash position	-
Net cash position at beginning of year	-
Net cash position at end of year	$ -

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE 1 - DESCRIPTION OF THE VILLAGE

The Village of New Bremen (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 operates under a council-mayor form of government and provides the following services: police protection, water, sewer and electric utility services, street maintenance and repair, as well as other services.

Management believes the financial statements included in this report represent all of the funds of the Village over which the Village officials have direct operating control.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

As discussed further in Note 2.D., 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. Generally accepted accounting principles (GAAP) 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. The following are the more significant of the Village's accounting policies:

The Village's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". For financial reporting purposes, the Village's basic financial statements (BFS) include all funds, agencies, boards, commissions, and departments for which the Village is financially accountable. Financial accountability, as defined by the GASB, exists if the Village appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the Village. The Village may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed governing board that is fiscally dependent on the Village. The Village also took into consideration other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the Village's basic financial statements to be misleading or incomplete. Based upon the application of these criteria, the Village has no component units.

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Village does not report assets for equity interests in joint ventures. The Village participates in one jointly governed organization and one related organization. Note 14 to the financial statements provide additional information for these entities:

Joint Venture and Related Organization:
1). Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5)
2). Western Ohio Rail Authority

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Basis of Presentation

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

Government-wide Financial Statements - The statement of net position - cash basis and the statement of activities - cash basis display information about the Village as a whole, except for fiduciary funds. These statements distinguish between those activities of the Village that are governmental and those that are considered business-type activities.

The government-wide statement of net position - cash basis presents the cash balances of the governmental and business-type activities of the Village at year end. The government-wide statement of activities - cash basis compares disbursements with program receipts for each segment of the business-type activities of the Village and for each function or program of the Village's governmental activities. These disbursements are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Village. The comparison of direct disbursements with program receipts identifies the extent to which each business segment or governmental function is self-financing on the cash basis or draws from the general receipts of the Village.

Fund Financial Statements - Fund financial statements report detailed information about the Village. The focus of governmental and enterprise 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. Fiduciary funds are reported by fund type.

The financial statements for governmental funds are a statement of assets and fund cash balances, and a statement of cash receipts, cash disbursements and changes in fund cash balances - cash basis, which reports on the sources (i.e., receipts and other financing sources) and uses (i.e., disbursements and other financing uses) of the current financial resources.

The financial statements of proprietary funds are a statement of net position - cash basis, and a statement of cash receipts, cash disbursements and changes in net cash position - cash basis, which presents increases (i.e., receipts) and decreases (i.e., disbursements) in net cash position.

Proprietary funds distinguish operating transactions from nonoperating transactions. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating transactions of the Village's proprietary funds are charges for sales and services and personnel disbursements related to water, sewer and ambulance operations. All other receipts and disbursements not meeting these definitions are reported as nonoperating transactions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Fund Accounting

The Village uses funds to maintain its financial records during the year. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts. The Village classifies each fund as either governmental, proprietary or fiduciary.

Governmental Funds **-** The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following are the Village's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund cash balance is available for any purpose provided it is disbursed or transferred according to the general laws of Ohio.

Franklin Ash St. Reconstruction fund – The Franklin Ash St. Reconstruction fund is used to account capital improvements related to the Franklin Ash St. Reconstruction.

Other governmental funds of the Village are used to account for (a) financial resources that are restricted, committed, or assigned to disbursements for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific receipt sources that are restricted or committed to a disbursement for specified purposes other than debt service or capital projects.

Proprietary Funds **-** These funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. The Village has no internal service funds, but does report the operations of various enterprise funds.

Enterprise funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Village's major enterprise funds:

Electric fund - This fund accounts for the user charges and expense of providing electricity.

The Village has five nonmajor enterprise funds that are used to account for water, sewer, refuse, utility deposits and library operations.

Fiduciary Funds **-** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. The Village's only fiduciary fund is a custodial fund which accounts for the Village's Mayor's Court operations which are collected and distributed on behalf of other governments. The custodial fund did not have cash assets to report at December 31, 2020.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Basis of Accounting

The basis of accounting determines when transactions are recorded in the financial records and reported on the basic financial statements. The Village's basic financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, 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 incurred. Any such modifications made by the Village are described in the appropriate section of the notes to the basic financial statements.

As a result of the use of this cash basis of accounting, certain assets and deferred outflows of resources, liabilities and deferred inflows of resources, and the effects of these items on receipts and disbursements are not recorded in these financial statements. These statements include adequate disclosure of material matters, in accordance with the basis of accounting described above.

E. Budgetary Process

All funds of the Village, except agency funds, are required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget indicates the projected receipts and disbursements for those funds receiving tax monies. Although the Auglaize County Budget Commission waived the required tap budget, the Village submitted the financial data required in order to assess the need. The certificate of estimated resources establishes a limit on the amount Village Council may appropriate. The appropriations ordinance is Village Council's authorization to spend resources and sets annual limits on disbursements at the level of control selected by Village Council. The legal level of control has been established by Village Council at the fund and department level for the general fund and the fund level for all other 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 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 Village Council during the year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. Fund Cash Balance

Fund cash 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 cash balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

Assigned - Amounts in the assigned fund cash balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund cash balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of Village Council, which includes giving the Fiscal Officer the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund cash balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund cash balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Cash and Cash Equivalents

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Village's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

Investments of the cash management pool 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, respectively.

During 2020 the Village invested in STAR Ohio. Investments are reported at cost, except for the money market mutual fund and STAR Ohio (the State Treasury Asset Reserve of Ohio). STAR 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. 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.

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 2020 was $50,552 which includes $20,020 assigned from other Village funds.

H. Restricted Assets

Assets 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. The Village has no restricted assets.

I. 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.

J. 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

K. Accumulated Leave

In some circumstances, 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.

L. Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

M. 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 the principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

N. Net Position

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

O. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2020, the Village has implemented GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance.*" GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Certain provisions contained in the following pronouncements were scheduled to be implemented for the fiscal year ended December 31, 2020. Due to the implementation of GASB Statement No. 95, the effective dates of certain provisions contained in these pronouncements are postponed. The following pronouncement is postponed by one year and the Village has elected delaying implementation until the fiscal year ended December 31, 2021:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

The following pronouncements are postponed by eighteen months and the Village has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

NOTE 4 - 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 Cash Receipts, Cash Disbursements and Changes in Fund Cash 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 budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balances (cash basis).

Also, as part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", certain funds that are legally budgeted in separate special revenue funds are considered part of the General Fund on a cash basis. This includes the Parks and Recreation Fund, the Income Tax Fund, the Lockkeepers House Fund, the Swimming Pool Fund, and the Special Assessment Fund. The table below presents these differences for the Village's General Fund:

	General
Budgetary Basis Fund Balances	$ 652,041
Encumbrances	73,600
Fund Balances of Funds Combined with the General Fund for Reporting Purposes	3,952,573
Fund Cash Balances	$ 4,678,214

NOTE 5 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Village into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such 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 the Village Council has identified as not required for use within the current 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.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in items 1 and 2 above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

6. The State Treasurer's investment pool, State Treasury Asset Reserve of Ohio (STAR Ohio);

7. Certain banker’s acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,

8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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.

A. Deposits with Financial Institutions

At December 31, 2020, the carrying amount of all Village deposits was $4,586,076. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2020, $2,304,708 of the Village's bank balance of $4,927,919 was exposed to custodial risk as discussed below, while $2,623,211 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the Village's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Village. The Village has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Village to a successful claim by the FDIC.

B. Investments

As of December 31, 2020, the Village had the following investments:

Measurement/ Investment Type	Measurement Value	% of Total
Amortized Cost:		
STAR Ohio	$ 3,804,375	100.00
Total	$ 3,804,375	100.00

		Investment Maturities	
Measurement/ Investment Type	Measurement Value	6 months or less	Total
Amortized Cost:			
STAR Ohio	$ 3,804,375	$ 3,804,375	$ 3,804,375
Total	$ 3,804,375	$ 3,804,375	$ 3,804,375

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

C. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2020:

Cash and investments per note	
Carrying amount of deposits	$ 4,586,076
Investments	3,804,375
Total	$ 8,390,451
Cash and investments per statement of net position	
Governmental activities	$ 5,316,780
Business type activities	3,073,671
Total	$ 8,390,451

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the Village. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. 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 real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2020 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the Village of New Bremen. The County Auditor periodically remits to the Village its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2020 and for which there is an enforceable legal claim. For 2020, the Village's financial statements are presented on the cash basis of accounting and therefore the Village does not record a receivable for property taxes either on a modified accrual or full accrual basis of accounting.

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values of real and public utility property upon which 2020 property tax receipts were based are as follows:

Real property	
Residential/agricultural	$ 77,740,570
Commercial/industrial	19,001,030
Public utility	
Personal	788,080
Total assessed value	$ 97,529,680

NOTE 7 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2020, consisted of the following, as reported in the fund financial statements. The following are the transfers:

Transfer from:	Transfer to:	Amount
General fund	Franklin Ash St. Reconstruction fund	$ 589,122
General fund	Nonmajor governmental funds	400,000
General fund	Electric fund	364,697
Franklin Ash St. Reconstruction fund	General fund	179,412
Nonmajor governmental funds	General fund	122,887
Total		$ 1,656,118

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfers to the general fund were made in order to return unused money from capital projects funds back to the general fund at the conclusion of the project. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

B. Advances to/from other funds at December 31, 2020, as reported on the fund statements, consisted of the following:

Advances In	Advances Out	Amount
General fund	Nonmajor governmental fund	$ 2,002

Advances to/from other funds are for manuscript debt issued by the County in accordance with Ohio Revised Code Section 133.29.

NOTE 7 - INTERFUND TRANSACTIONS - (Continued)

The Village has advanced money from the general fund for sidewalk and curb projects to be repaid with special assessment revenue. The projects were from years 2003 through 2012. The manuscript debt will mature over a ten year period and carry an interest rate at 8%. During 2020, $271 in interest and $2,002 in principal was repaid to the general fund through advances.

Year Ending December 31,	Village of New Bremen General Fund Principal	Interest	Total
2021	$ 1,379	$ 110	$ 1,489
Total	$ 1,379	$ 110	$ 1,489

NOTE 8 - LOCAL INCOME TAXES

The Village levies a 1.50 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. 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. In 2020, the Village collected $4,439,653.

NOTE 9 - RISK MANAGEMENT

The Village is exposed to various risks of property and casualty losses and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program 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.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first $250,000 casualty treaty and 30% of the first $1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between $200,000 and $1,000,000. The reimbursement is based on the amount of loss between $200,000 and $1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first $250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first $250,000 casualty treaty. Effective November 1, 2020, the OPRM's property retention increased from 33% to 55%, while the casualty treaty remains unchanged and still assumes 100% of the first $250,000 casualty treaty. OPRM had 771 members as of December 31, 2020.

NOTE 9 - RISK MANAGEMENT - (Continued)

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2020.

Assets	$18,826,974
Liabilities	(13,530,267)
Members' Equity	$ 5,296,707

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Asset and Net OPEB Liability

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period.

The net pension liability/asset and the net OPEB liability represent the Village's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Village's obligation for this liability to annually required payments. The Village cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the Village does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability/asset is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients.

The net pension liability/asset and net OPEB liability are not reported on the face of the financial statements, but rather are disclosed in the notes because of the use of the cash basis framework.

The remainder of this note includes the pension disclosures. See Note 11 for the OPEB disclosures.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - Village employees, other than full-time police officers, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. 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 Comprehensive Annual Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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 member's career.

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 initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan 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 subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan 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), 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.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee ***	10.0 %
2020 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	0.0 %
Total Employer	14.0 %
Employee	10.0 %

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

**** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

The Village's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was $317,666 for 2020.

Plan Description - Ohio Police & Fire Pension Fund (OP&F)

Plan Description – Village full-time police officers participate in 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 website at 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 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, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Comprehensive Annual 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 may be 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, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index over the 12 month period ending on September 30th of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3.00% of their base pension or disability benefit.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	Police
2020 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2020 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	0.50 %
Total Employer	19.50 %
Employee	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Village's contractually required contribution to OP&F was $77,121 for 2020.

Net Pension Liabilities/Assets

The net pension liability and net pension asset for the OPERS were measured as of December 31, 2019, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The Village's proportion of the net pension liability or asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share:

	OPERS - Traditional	OPERS - Member-Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.00980700%	0.01263100%	0.01768400%	
Proportion of the net pension liability/asset current measurement date	0.00918500%	0.01194700%	0.01698750%	
Change in proportionate share	-0.00062200%	-0.00068400%	-0.00069650%	
Proportionate share of the net pension liability	$ 1,815,478	$ -	$ 1,144,369	$ 2,959,847
Proportionate share of the net pension asset	-	(452)	-	(452)

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3.00%, simple
	Post 1/7/2013 retirees: 1.40%, simple
	through 2020, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3.00% simple through 2018 then 2.15% simple to 1.40% simple through 2020 the 2.15% simple.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.20% for 2019.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	25.00 %	1.83 %
Domestic equities	19.00	5.75
Real estate	10.00	5.20
Private equity	12.00	10.70
International equities	21.00	7.66
Other investments	13.00	4.98
Total	100.00 %	5.61 %

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2019 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Village's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	$ 2,994,310	$ 1,815,478	$ 755,742
Member-Directed Plan	(239)	(452)	(597)

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2019, are presented below.

Valuation date	1/1/19 with actuarial liabilities rolled forward to 12/31/19
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy and Guidelines. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and Cash Equivalents	- %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds *	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	120.00 %	

Note: assumptions are geometric.
* levered 2x
** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate **-** The total pension liability was calculated using the discount rate of 8.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the Village's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate **-** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Village's proportionate share of the net pension liability	$ 1,586,055	$ 1,144,369	$ 774,942

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

See Note 10 for a description of the net OPEB liability.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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.

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.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. 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. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. 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 2020 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was $3,056 for 2020.

Plan Description - Ohio Police & Fire Pension Fund (OP&F)

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.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. 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.

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 or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% 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 2020, the portion of employer contributions allocated to health care was 0.50% 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 OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contractually required contribution to OP&F was $2,029 for 2020.

Net OPEB Liabilities

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share:

	OPERS	OP&F	Total
Proportion of the net OPEB liability prior measurement date	0.00963000%	0.01768400%	
Proportion of the net OPEB liability current measurement date	0.00902400%	0.01698750%	
Change in proportionate share	-0.00060600%	-0.00069650%	
Proportionate share of the net OPEB liability	$ 1,246,449	$ 167,798	$ 1,414,247

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019.

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.16%
Prior Measurement date	3.96%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.75%
Prior Measurement date	3.71%
Health Care Cost Trend Rate	
Current measurement date	10.00% initial, 3.50% ultimate in 2030
Prior Measurement date	7.50%, initial 3.25%, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.70% for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

***Discount Rate* -** A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 3.16%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16%) or one-percentage-point higher (4.16%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Village's proportionate share of the net OPEB liability	$ 1,631,178	$ 1,246,449	$ 938,406

Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
Village's proportionate share of the net OPEB liability	$ 1,209,667	$ 1,246,449	$ 1,282,762

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	3.56%
Prior measurement date	4.66%
Cost of Living Adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and Cash Equivalents	- %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds *	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	120.00 %	

Note: assumptions are geometric.
* levered 2x
** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate **-** For 2019, the total OPEB liability was calculated using the discount rate of 3.56%. For 2018, the total OPEB liability was calculated using the discount rate of 4.66%. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75% at December 31, 2019 and 4.13% at December 31, 2018, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 3.56% for 2019 and 4.66% for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate **-** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56%), or one percentage point higher (4.56%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Village's proportionate share of the net OPEB liability	$ 208,059	$ 167,798	$ 134,344

Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate **-** The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

NOTE 12 - LONG-TERM DEBT

The Village's long-term debt activity for the year ended December 31, 2020, was as follows:

	Balance Outstanding 12/31/19	Issued	Retired	Balance Outstanding 12/31/20	Amount Due in One Year
Governmental activities:					
Ohio public works - CM14R	$ 79,711	$ -	$ (1,563)	$ 78,148	$ 3,126
Ohio public works - CM03R	441,401	-	(8,328)	433,073	16,657
Ohio public works - CT33U	487,500	-	(12,500)	475,000	25,000
Ohio public works - CT24W	-	138,306	-	138,306	6,915
Capital Projects Loan	2,589,875	-	(650,000)	1,939,875	250,000
Total governmental activities	$ 3,598,487	$ 138,306	$ (672,391)	$ 3,064,402	$ 301,698
Business-type activities:					
Ohio public works - CM17P	$ 66,774	$ -	$ (2,473)	$ 64,301	$ 4,946
Ohio public works - CT61P	67,499	-	(7,500)	59,999	15,000
North Substation Loan	847,303	5,142,957	(441,624)	5,548,636	352,121
Total business-type activities	$ 981,576	$ 5,142,957	$ (451,597)	$ 5,672,936	$ 372,067
Total long-term obligations	$ 4,580,063	$ 5,281,263	$ (1,123,988)	$ 8,737,338	$ 673,765

The Village has six loans outstanding to Ohio Public Works Commission (OPWC) for various projects:

Loan CM14R for Cherry Street water main replacement. Payments of $1,563 are due semi-annually for a term of 30 years at zero interest rate. The final payment is due July 1, 2045.

Loan CM03R for First Street and Washington Street reconstruction. Payments of $8,328 are due semi-annually for a term of 30 years at zero interest rate. The final payment is due July 1, 2046.

Loan CT33U for Eastmoor Drive and Front Street reconstruction. Payments of $12,500 are due semi-annually for a term of 20 years at zero interest rate. The final payment is due July 1, 2039.

Loan CT24W for North Franklin and Ash Street Reconstruction. Payments of $3,458 are due semi-annually for a term of 20 years at zero interest rate. The final payment is due July 1, 2040.

Loan CM17P for South Franklin Street and South Main Street sanitary sewer project. Payments of $2,473 are due semi-annually for a term of 20 years at zero interest rate. The final payment is due July 1, 2033.

Loan CT61P for Circle Drive sanitary sewer project. Payments of $7,500 are due semi-annually for a term of 10 years at zero interest rate. The final payment is due July 1, 2024.

In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the Village for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code (ORC) 164.05, direct the county treasurer of the county in which the Village is located to pay the amount of the default from funds that would otherwise be appropriated to the Village from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

NOTE 12 - LONG-TERM DEBT - (Continued)

The following is a summary of the Village's future annual debt service requirements for the OPWC loans:

Year Ending	Governmental Activities		
December 31,	Principal	Interest	Total
2021	$ 51,698	$ -	$ 51,698
2022	51,698	-	51,698
2023	51,698	-	51,698
2024	51,698	-	51,698
2025	51,698	-	51,698
2026 - 2030	258,489	-	258,489
2031 - 2035	258,489	-	258,489
2036 - 2040	233,488	-	233,488
2041 - 2045	98,913	-	98,913
2046	16,658	-	16,658
Total	$ 1,124,527	$ -	$ 1,124,527

Year Ending	Business-Type Activities		
December 31,	Principal	Interest	Total
2021	$ 19,946	$ -	$ 19,946
2022	19,946	-	19,946
2023	19,946	-	19,946
2024	19,946	-	19,946
2025	4,946	-	4,946
2026 - 2030	24,731	-	24,731
2031 - 2033	14,839	-	14,839
Total	$ 124,300	$ -	$ 124,300

Capital Projects Loan: On May 23, 2016 the Village entered into a loan with Minster Bank for $3,750,000 that was for the construction of the new village public works building and police/EMS building. The loan was issued for a seven year period, with final maturity on June 1, 2023 at an interest rate of 2.60%.

The principal and interest requirements to retire the loan outstanding at December 31, 2020, are as follows:

Year Ending	Capital Projects Loan		
December 31,	Principal	Interest	Total
2021	$ 250,000	$ 43,775	$ 293,775
2022	250,000	37,945	287,945
2023	1,439,875	16,743	1,456,618
Total	$ 1,939,875	$ 98,463	$ 2,038,338

NOTE 12 - LONG-TERM DEBT - (Continued)

North Substation Loan: On July 23, 2019 the Village entered into a $6,500,000 loan agreement with First National Bank to finance the construction of a new electric substation. The Village is drawing on the total available loan balance as the invoices for the construction project become due. The loan carries an interest rate of 2.45% and matures July 23, 2034.

The principal and interest requirements to retire the loan outstanding at December 31, 2020, are as follows:

Year Ending December 31,	Governmental Activities Principal	Interest	Total
2021	$ 352,121	$ 123,915	$ 476,036
2022	360,305	115,731	476,036
2023	368,680	107,356	476,036
2024	376,967	99,069	476,036
2025	386,012	90,024	476,036
2026 - 2030	2,068,702	311,478	2,380,180
2031 - 2034	1,635,849	69,948	1,705,797
Total	$ 5,548,636	$ 917,521	$ 6,466,157

NOTE 13 - ECONOMIC DEPENDENCE

The Village receives approximately 60 percent of its electric, water and sewer revenue from a local manufacturer. The same manufacturer also accounts for approximately 60 percent of the Village's income tax receipts through payroll withholdings and the manufacturer's corporate tax.

NOTE 14 - JOINT VENTURE AND RELATED ORGANIZATION

The Village of New Bremen is a Financing Participant with an ownership percentage of 2.38 percent, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project. Pursuant to the OMEGA Joint Venture JV5 Agreement (Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed or equipped by AMP. OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 Participants.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2020, the Village of New Bremen has met their debt coverage obligation.

NOTE 14 - JOINT VENTURE AND RELATED ORGANIZATION - (Continued)

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

OMEGA JV5 (42 Members): In 1993, OMEGA JV5 assigned to a trustee the obligations of its participants to make payments for their respective ownership shares in the "Belleville Project," a 42 MW run-of-the-river hydroelectric generating facility on an Army Corps dam near Parkersburg, West Virginia and an associated transmission line in Ohio owned by OMEGA JV5. AMP is responsible for operation of the Belleville Project. The hydroelectric generation associated with the Belleville Project has been operational since June 1999. The Federal Energy Regulatory Commission license for the Belleville Project runs through August 31, 2039. As of December 31, 2020, $40,112,111 of the 2001 Belleville Beneficial Interest Certificates ("2001 BICs") with a final maturity of 2030 was outstanding. The 2001 BICs are capital appreciation bonds with a final aggregate maturity amount of $56,125,000. In addition, on February 15, 2014, AMP redeemed $70,990,000 of the 2004 Belleville Beneficial Interest Certificates with the proceeds of a draw on the Line of Credit, which draw was evidenced by the proceeds of a note (the "JV5 Note"). On January 29, 2016, OMEGA JV5 caused the issuance of $49,745,000 Belleville Beneficial Interest Refunding Certificates, Series 2016 (the "2016 BICs") to pay a portion of the outstanding balance of the JV5 Note and to pay costs of issuance. The balance of the JV5 Note has since been retired. The 2016 BICs bear interest at a variable rate, mature on February 1, 2024 and are subject to redemption and mandatory tender at the option of the holder commencing February 15, 2021. As of December 31, 2020, $13,515,000 aggregate principal amount of the 2016 BICs was outstanding. The 2001 BICs and 2016 BICs are non-recourse to AMP.

The Village's net investment in OMEGA JV5 was $71,140 at December 31, 2020. Complete financial statements for OMEGA JV5 may be obtained from AMP-Ohio or from the State Auditor's website at www.ohioauditor.gov.

Western Ohio Rail Authority

The Village is a member of the Western Ohio Rail Authority (WORA). The Authority is comprised of three (3) volunteer Village of New Bremen representatives as well as three members from the Village of Minster and the City of St. Marys. The Port Authority was organized to own, manage, and maintain a 10 mile railroad track that serves Minster, New Bremen and St. Marys.

Financial Information may be obtained from the Western Ohio Rail Authority, P.O. Box 183, New Bremen, Ohio 45869.

NOTE 15 - CONTINGENT LIABILITIES

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's project share was 7,442 kilowatts (kW) of a total 771,281 kW, giving the Village a 0.96 percent project share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. All project costs incurred prior to the cancellation and related to the cancellation were therefore deemed impaired and participants were obligated to pay those incurred costs. In prior years, payment of these costs was not required due to AMP's pursuit of legal action to collect them from Bechtel. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share of the impaired costs at March 31, 2014 was $1,293,756. The Village received a credit of $247,163 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of $336,563 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU, leaving an estimated net impaired cost balance of $710,030. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the Village's net impaired cost balance. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement among the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Fund's project share.

Since March 31, 2014, the Village's allocation of additional costs incurred by the project is $15,715, interest expense incurred on AMP's line-of-credit of $79,093 and payments made amount to $266,666, resulting in a net impaired cost estimate at December 31, 2020 of $538,172. The Village does have a potential PHFU Liability of $378,885 resulting in a net total potential liability of $917,057, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the Village's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

NOTE 16 - FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of resources in the governmental funds. The constraints placed on fund cash balance for the major governmental funds and all other nonmajor governmental funds are presented below:

Fund balance	General	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:			
Street constuction and maintenance	$ -	$ 433,227	$ 433,227
Public safety	-	172,048	172,048
Capital projects	-	17,738	17,738
General government	-	15,553	15,553
Total restricted	-	638,566	638,566
Assigned:			
General government	11,692	-	11,692
Security persons and property	59,183	-	59,183
Leisure time activities	289,772	-	289,772
Capital outlay	3,658,921	-	3,658,921
Transportation	6,605	-	6,605
Subsequent year appropriations	615,350	-	615,350
Total assigned	4,641,523	-	4,641,523
Unassigned	36,691	-	36,691
Total fund cash balances	$ 4,678,214	$ 638,566	$ 5,316,780

NOTE 17 - TAX ABATEMENTS

The Village provides tax abatements through two programs - Community Reinvestment Area (CRA) and Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

NOTE 17 - TAX ABATEMENTS - (Continued)

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. An Ezone's geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the "Agreement") with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement is deducted from the business's property tax bill.

The Village has entered into agreements to abate property taxes through these programs. During 2020, the Village's property tax revenues were reduced as a result of these agreements as follows:

Tax Abatement Program	Village Taxes Abated
CRA	$ 16,085
Ezone	5,852
Total	$ 21,937

NOTE 18 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village's investment portfolio and the pension and other employee benefits plan in which the Village participate fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Village received CARES Act funding. Of the amounts received, $50,200 was sub-granted to other organizations. These amounts are reflected as security of persons and property expenditures in the Nonmajor Governmental Funds on the accompanying financial statements.

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

The management's discussion and analysis of the Village of New Bremen's (the "Village") financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2019, within the limitations of the Village's cash basis of accounting. The intent of this discussion and analysis is to look at the Village's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Village's financial performance.

Financial Highlights

Key financial highlights for 2019 are as follows:

- The total net cash position of the Village increased $1,698,978. The net cash position of governmental activities increased $1,209,057 or 31.04% from 2018 and the net cash position of business-type activities increased $489,921 or 23.14% from 2018.

- General cash receipts accounted for $5,494,469 or 92.84% of total governmental activities cash receipts. Program specific cash receipts accounted for $423,462 or 7.16% of total governmental activities cash receipts.

- The Village had $4,335,264 in cash disbursements related to governmental activities; $423,462 of these cash disbursements were offset by program specific charges for services, grants or contributions. The remaining cash disbursements of the governmental activities were offset by general cash receipts (primarily property taxes, income taxes, and unrestricted grants and entitlements) of $5,494,469.

- The Village's major governmental fund is the general fund. The general fund had cash receipts and other financing sources of $5,519,906 in 2019. The cash disbursements and other financing uses of the general fund totaled $4,221,085 in 2019. The fund cash balance of the general fund increased $1,298,821 from $3,326,050 to $4,624,871.

- Net cash position for the business-type activities, which are composed of the water, sewer, refuse, utility deposits, library and electric enterprise funds, increased $489,921 from $2,117,251 to $2,607,172.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Village's cash basis of accounting. The annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the Village as a financial whole, or, as an entire operating entity.

Report Components

The statement of net position - cash basis and the statement of activities - cash basis provide information about the activities of the whole Village, presenting both an aggregate view of the Village's finances and a longer-term view of those finances.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Village's most significant fund, with all other nonmajor funds presented in total in a single column. For the Village, the general fund is the most significant fund and the only major governmental fund. The Village's major enterprise fund is the electric fund.

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, which is a basis of accounting other than generally accepted accounting principles (GAAP) in the United States of America. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of the use of this cash basis of accounting, certain assets and deferred outflows of resources, liabilities and deferred inflows of resources, and the effects of these items on receipts and disbursements are not recorded in these financial statements; therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Village as a Whole

Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis

The statement of net position - cash basis and the statement of activities - cash basis answer the question, "How did the Village perform financially during 2019?" These statements include only net cash position using the cash basis of accounting, which is a basis of accounting other than GAAP. This basis of accounting takes into account only the current year receipts and disbursements if the cash is actually received or paid.

These two statements report the Village's net cash position and changes in net cash position on a cash basis. This change in net cash position is important because it tells the reader that, for the Village as a whole, the cash basis financial position of the Village has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Village's property tax base, sales tax receipts, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated federal and State programs, and other factors.

In the statement of net position - cash basis and the statement of activities - cash basis, the Village is divided into two distinct kinds of activities:

Governmental activities - Most of the Village's programs and services are reported here including police, fire and rescue, street maintenance, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental receipts including federal and State grants and other shared receipts.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the cash disbursements of the goods or services provided. The Village's water, sewer and electric service operations are reported here.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Fund financial reports provide detailed information about the Village's major funds. The Village uses many funds to account for a multitude of financial transactions. However, these fund financial statements focuses on the Village's most significant funds. The analysis of the Village's major governmental and proprietary funds begins on page 70.

Governmental Funds

Most of the Village's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods. These funds are reported using the cash basis of accounting. The governmental fund statements provide a detailed view of the Village's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Village programs. Since the Village is reporting on the cash basis of accounting, there are no differences in the net cash position and fund cash balances or changes in net cash position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements.

The Village's budgetary process accounts for certain transactions on a cash basis, adjusted for encumbrances. The budgetary statements for the general fund and all annually budgeted major special revenue funds are presented to demonstrate the Village's compliance with annually adopted budgets.

Proprietary Funds

The Village maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water, sewer, refuse, utility deposits, library and electric service functions. The electric fund of the Village's enterprise funds is considered to be a major fund.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village's only fiduciary fund type is a custodial fund. This fund accounts for the Mayor's Court operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements as related to the cash basis of accounting.

Government-Wide Financial Analysis

The statement of net position - cash basis serves as a useful indicator of a government's financial position. The table below provides a summary of the Village's net cash position at December 31, 2019 and December 31, 2018.

Net Cash Position

	2019		2018			
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities	2019 Total	2018 Total
Assets						
Equity in pooled cash and cash equivalents	$ 5,104,414	$ 2,607,172	$ 3,895,357	$ 2,117,251	$ 7,711,586	$ 6,012,608
Total assets	5,104,414	2,607,172	3,895,357	2,117,251	7,711,586	6,012,608
Net cash position						
Restricted	479,543	-	569,307	-	479,543	569,307
Unrestricted	4,624,871	2,607,172	3,326,050	2,117,251	7,232,043	5,443,301
Total net cash position	$ 5,104,414	$ 2,607,172	$ 3,895,357	$ 2,117,251	$ 7,711,586	$ 6,012,608

At December 31, 2019, a portion of the Village's net cash position, $479,543, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net cash position in the governmental activities of $4,624,871 may be used to meet the government's ongoing obligations to citizens and creditors.

The table on the following page shows the changes in net cash position for 2019 and 2018.

Change in Net Cash Position

	Governmental Activities 2019	Business-type Activities 2019	Governmental Activities 2018	Business-type Activities 2018	2019 Total	2018 Total
Cash receipts:						
Program receipts:						
Charges for services	$ 192,852	$ 7,393,814	$ 114,047	$ 7,965,233	$ 7,586,666	$ 8,079,280
Operating grants and contributions	209,110	-	181,951	-	209,110	181,951
Capital grants and contributions	21,500	-	565,469	-	21,500	565,469
Total program receipts	423,462	7,393,814	861,467	7,965,233	7,817,276	8,826,700
General receipts:						
Property taxes	597,119	-	603,037	-	597,119	603,037
Income taxes	4,531,870	-	4,599,834	-	4,531,870	4,599,834
Unrestricted grants and entitlements	173,782	-	154,497	-	173,782	154,497
Loan issuance	-	847,303	500,000	-	847,303	500,000
Investment earnings	126,288	-	74,427	-	126,288	74,427
Miscellaneous	65,410	-	68,778	-	65,410	68,778
Total general receipts	5,494,469	847,303	6,000,573	-	6,341,772	6,000,573
Total cash receipts	5,917,931	8,241,117	6,862,040	7,965,233	14,159,048	14,827,273
Cash disbursements:						
General government	600,251	-	525,740	-	-	525,740
Security of persons and property	1,152,067	-	939,426	-	-	939,426
Public health and welfare	116	-	137	-	116	137
Transportation	779,157	-	626,771	-	779,157	626,771
Leisure time activity	361,141	-	489,557	-	361,141	489,557
Capital outlay	900,144	-	3,510,137	-	900,144	3,510,137
Debt service:						
Principal retirement	472,391	-	302,581	-	472,391	302,581
Interest and fiscal charges	69,997	-	84,121	-	69,997	84,121
Electric	-	7,453,331	-	7,245,834	7,453,331	7,245,834
Other enterprise	-	671,475	-	709,090	671,475	709,090
Total cash disbursements	4,335,264	8,124,806	6,478,470	7,954,924	10,707,752	14,433,394
Change in net cash position before advancesa and transfers	1,582,667	116,311	383,570	10,309	1,698,978	393,879
Advances	-	-	102,435	(102,435)	-	-
Transfers	(373,610)	373,610	(379,700)	379,700	-	-
Change in net cash position	1,209,057	489,921	106,305	287,574	1,698,978	393,879
Net cash position at beginning of year	3,895,357	2,117,251	3,789,052	1,829,677	6,012,608	5,618,729
Net cash position at end of year	$ 5,104,414	$ 2,607,172	$ 3,895,357	$ 2,117,251	$ 7,711,586	$ 6,012,608

Governmental Activities

Net cash position increased $1,209,057 or 31.04% in 2019. Total cash receipts decreased due to the issuance of loans and capital grants and contributions for various improvement projects in 2018. However, this decrease was more than offset by the decrease in capital outlay disbursements as a result of projects finished in 2018.

Security of persons and property disbursements primarily support the operations of the police and fire departments and totaled $1,152,067 during 2019, accounting for 26.57% of total governmental activities cash disbursements. Security of persons and property cash disbursements were partially funded by direct charges to users of $60,705.

General government cash disbursements totaled $600,251. General government cash disbursements were partially funded by $18,828 in direct charges to users of the services.

Transportation cash disbursements of $779,157 were partially funded by direct charges to users of $113,194 and operating grants and contributions of $209,110.

Leisure time activity cash disbursements of $361,141 were funded by $125 in direct charges to users.

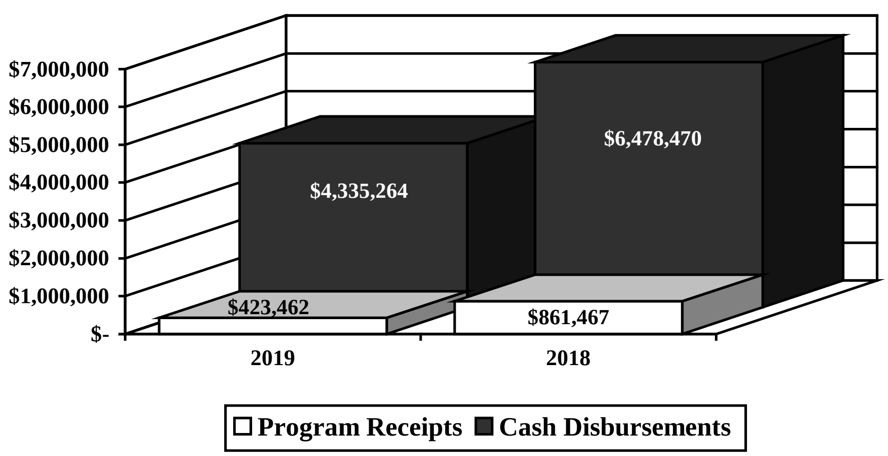
Capital outlay cash disbursements of $900,144 were partially funded by $21,500 in capital grants and contributions.

The State and federal government contributed to the Village a total of $209,110 in operating grants and contributions. These program cash receipts are restricted to a particular program or purpose. All operating grants and contributions subsidized transportation programs in 2019.

General cash receipts totaled $5,494,469 and amounted to 92.84% of total governmental cash receipts. These cash receipts primarily consist of property and income tax receipts of $5,128,989. The other primary source of general cash receipts are grants and entitlements not restricted to specific programs, including local government and local government assistance, which totaled $173,782 in 2019.

The statement of activities - cash basis shows the cost of program services and the charges for services and grants offsetting those services. As can be seen in the graph below, the Village is highly dependent upon general cash receipts (primarily property and income taxes as well as unrestricted grants and entitlements) to support its governmental activities. Program cash receipts were not sufficient to cover total governmental cash disbursements for 2019.

Governmental Activities - Program Receipts vs. Total Cash Disbursements



The following table shows, for the governmental activities, the total cost of services and the net cost of services for 2019 and 2018. That is, it identifies the cost of these services supported by taxes, unrestricted State grants and entitlements, and other general cash receipts.

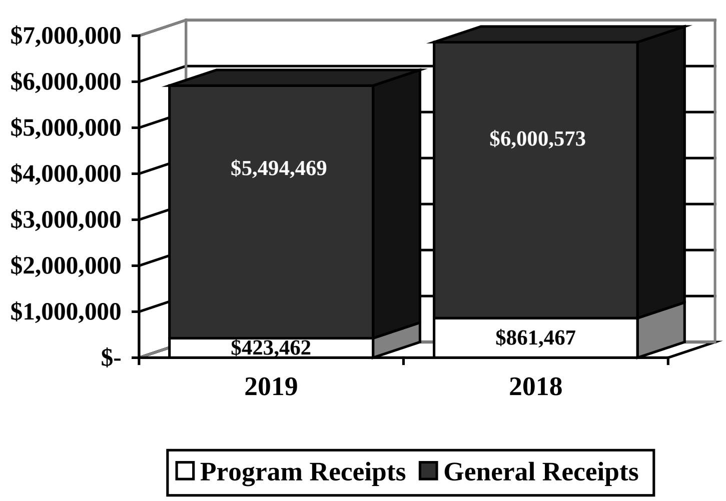
Governmental Activities

	Total Cost of Services 2019	Net Cost of Services 2019	Total Cost of Services 2018	Net Cost of Services 2018
Cash disbursements:				
General government	$ 600,251	$ 581,423	$ 525,740	$ 505,090
Security of persons and property	1,152,067	1,091,362	939,426	904,780
Public health and welfare	116	116	137	137
Transportation	779,157	456,853	626,771	435,421
Leisure time activity	361,141	361,016	489,557	440,205
Capital outlay	900,144	878,644	3,510,137	2,944,668
Debt service:				
Principal retirement	472,391	472,391	302,581	302,581
Interest and fiscal charges	69,997	69,997	84,121	84,121
Total	$ 4,335,264	$ 3,911,802	$ 6,478,470	$ 5,617,003

The dependence upon general cash receipts for governmental activities is apparent, with 90.23% of cash disbursements supported through taxes and other general cash receipts.

The chart below illustrates the Village's program cash receipts versus general cash receipts for 2019 and 2018.

Governmental Activities - General and Program Receipts



Business-type Activities

Business-type activities include the water, sewer, refuse, utility deposits, library, and electric enterprise funds. These programs had program cash receipts of $7,393,814, general cash receipts of $847,303, and cash disbursements of $8,124,806 during 2019. The net cash position of these programs increased $489,921 from 2018.

Financial Analysis of the Government's Funds

As previously noted, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The Village's governmental funds reported a combined fund cash balance of $5,104,414, which is $1,209,057 higher than last year's total of $3,895,357.

The schedule below indicates the fund cash balances and the total change in fund cash balances as of December 31, 2019 and December 31, 2018 for all major and nonmajor governmental funds.

	Fund Cash Balances 12/31/2019	Fund Cash Balances 12/31/2018	Increase/ (Decrease)
Major fund:			
General	$ 4,624,871	$ 3,326,050	$ 1,298,821
Nonmajor governmental funds	479,543	569,307	(89,764)
Total	$ 5,104,414	$ 3,895,357	$ 1,209,057

General Fund

The Village's general fund cash balance increased $1,298,821 or 39.05%. The table that follows assists in illustrating the cash receipts of the general fund for 2019 and 2018.

	2019 Amount	2018 Amount	Amount Change	Percentage Change
Cash receipts:				
Taxes	$ 4,982,641	$ 5,056,755	$ (74,114)	(1.47) %
Charges for services	59,737	82,173	(22,436)	(27.30) %
Licenses, permits and fees	6,485	6,545	(60)	(0.92) %
Fines and forfeitures	10,744	12,389	(1,645)	(13.28) %
Intergovernmental	121,499	84,709	36,790	43.43 %
Special assessments	101,415	-	101,415	100.00 %
Investment income	126,288	74,427	51,861	69.68 %
Other	107,256	126,621	(19,365)	(15.29) %
Total	$ 5,516,065	$ 5,443,619	$ 72,446	1.33 %

Overall, cash receipts of the general fund increased $72,446 or 1.33%. Intergovernmental receipts increased $36,790 or 43.43% due to increased grants received by the Village. Special assessments in 2019 consisted of amounts received from Village residents for street, sidewalk, and gutter repairs. Investment income increased $51,861 or 69.68% due to higher amounts invested and greater returns for the Village's investment in STAR Ohio. The most significant percentage decrease was charges for services, which decreased $22,436 or 27.30%. This was a result of the Village contracting with the local YMCA in 2019 to manage the swimming pool operations.

The table that follows assists in illustrating the cash disbursements of the general fund for 2019 and 2018.

	2019 Amount	2018 Amount	Amount Change	Percentage Change
Cash disbursements:				
General government	$ 600,251	$ 525,740	$ 74,511	14.17 %
Security of persons and property	992,425	788,024	204,401	25.94 %
Public health and welfare	116	137	(21)	(15.33) %
Leisure time activity	361,141	489,557	(128,416)	(26.23) %
Transportation	193,759	108,758	85,001	78.16 %
Capital outlay	807,973	1,375,798	(567,825)	(41.27) %
Debt service	541,810	385,653	156,157	40.49 %
Total	$ 3,497,475	$ 3,673,667	$ (176,192)	(4.80) %

Overall, cash disbursements of the general fund decreased $176,192 or 4.80%. Leisure time activity disbursements decreased primarily due to lower swimming pool costs, as discussed above. Capital outlay disbursements were higher in 2018 due in part to various street improvement projects paid for from the general fund. The Village also reclassified certain expenditures which were previously recorded as capital outlay but are now recorded as security of persons and property disbursements. The only other significant increase in disbursements was debt service which is a result of the Village making extra payments in 2019 on an outstanding loan.

Proprietary Funds

The Village's proprietary fund financial statements provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. During 2019, the Village's proprietary funds had total operating receipts of $7,393,814, total operating disbursements of $7,978,316, total nonoperating receipts of $847,303, nonoperating disbursements of $146,490 and transfers in of $373,610. The proprietary funds' net cash position increased $489,921 during 2019, from $2,117,251 to $2,607,172.

Budgeting Highlights

The Village's budgeting process is prescribed by the Ohio Revised Code (ORC). In essence, the budget is the Village's appropriations which are restricted by the amounts of anticipated cash receipts certified by the Budget Commission in accordance with the ORC; as a consequence, the Village's plans or desires cannot be reflected completely by the original budget. If budgeted cash receipts change based on actual activity throughout the year, then the appropriations may be adjusted accordingly.

Budgetary information is presented in the Village's financial statements for the general fund, the Village's only major fund. In the general fund, original and final receipts and other financing sources were $2,336,000. Actual budgetary receipts and other financing sources of $1,951,078 were $384,922 less than the final budget. This variance is primarily due to a decrease in the amount of money transferred from the income tax fund to finance the general fund's programs.

General fund original budgetary basis disbursements and other financing uses amounted to $2,815,488. This was decreased to $2,368,488 in the final budget. The actual budget basis disbursements and other financing uses for 2019 totaled $2,190,269, which was $178,219 less than the final budget.

Capital Assets and Debt Administration

Capital Assets

The Village does not report capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The Village had cash disbursements for capital outlay of $900,144 in the governmental activities and $129,720 in the business-type activities during 2019.

Debt Administration

The Village does not report liabilities for long-term obligations in the accompanying basic financial statements but does track the outstanding balances of all long-term debt in the notes to the basic financial statements. The Village had the following long-term obligations outstanding at December 31, 2019 and December 31, 2018.

	Governmental Activities	
	2019	2018
OPWC loans	$ 1,008,612	$ 1,031,003
Capital projects loan	2,589,875	3,039,875
Total long-term obligations	$ 3,598,487	$ 4,070,878

	Business-type Activities	
	2019	2018
OPWC loans	$ 134,273	$ 144,246
North substation loan	847,303	-
Total long-term obligations	$ 981,576	$ 144,246

In addition to the above obligations, the Village has manuscript debt for an electric project and sidewalk and curb projects. New debt issued in 2019 consisted of a bank loan to finance construction of a new electric substation. Further detail on the Village's long-term obligations can be found in Note 12 to the basic financial statements.

Economic Conditions and Outlook

The Village of New Bremen's major source of revenue is income tax. The Village continues to strive for ways and means to make optimum utilization of available resources. The Village continues to apply for grants and Issue II funding from the Ohio Public Works Commission.

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

The challenge of our Village is to provide quality services to the residents of our community while staying within the restrictions imposed by limited. We rely heavily on local taxes and intergovernmental revenues to provide safe and secure neighborhoods through our Police Department and trained and qualified volunteer Firefighters.

These factors were considered in preparing the Village's budget for fiscal year 2020. The Village has continued to practice conservative budgetary practices in order to preserve a positive financial position in future years. The Village will monitor income tax receipts for each quarter to see which capital projects can proceed in 2020 and beyond.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information please contact Amy Speelman, Fiscal Officer, 214 N. Washington Street, New Bremen, Ohio 45869.

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VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2019

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	$ 5,104,414	$ 2,607,172	$ 7,711,586
Total assets	$ 5,104,414	$ 2,607,172	$ 7,711,586
Net cash position:			
Restricted for:			
Capital projects	$ 140,625	$ -	$ 140,625
Transportation projects.	307,853	-	307,853
Public safety	16,472	-	16,472
Other purposes.	14,593	-	14,593
Unrestricted	4,624,871	2,607,172	7,232,043
Total net cash position	$ 5,104,414	$ 2,607,172	$ 7,711,586

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Cash Disbursements	Program Cash Receipts: Charges for Services and Sales	Program Cash Receipts: Operating Grants and Contributions	Program Cash Receipts: Capital Grants and Contributions
Governmental activities:				
Current:				
General government	$ 600,251	$ 18,828	$ -	$ -
Security of persons and property	1,152,067	60,705	-	-
Public health and welfare	116	-	-	-
Transportation	779,157	113,194	209,110	-
Leisure time activity	361,141	125	-	-
Capital outlay	900,144	-	-	21,500
Debt service:				
Principal retirement	472,391	-	-	-
Interest and fiscal charges	69,997	-	-	-
Total governmental activities	4,335,264	192,852	209,110	21,500
Business-type activities:				
Electric	7,453,331	6,638,635	-	-
Other enterprise	671,475	755,179	-	-
Total business-type activities	8,124,806	7,393,814	-	-
Totals	$ 12,460,070	$ 7,586,666	$ 209,110	$ 21,500

General cash receipts:
Property taxes levied for:
General purposes
Security of persons and property
Income taxes levied for:
General purposes
Grants and entitlements not restricted to specific programs
Loan issuance
Investment earnings
Miscellaneous

Total general cash receipts

Transfers

Total general cash receipts, and advances

Change in net cash position

Net cash position at beginning of year

Net cash position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net Cash Receipts (Cash Disbursements) and Changes in Net Cash Position		
Governmental Activities	Business-type Activities	Total
$ (581,423)	$ -	$ (581,423)
(1,091,362)	-	(1,091,362)
(116)	-	(116)
(456,853)	-	(456,853)
(361,016)	-	(361,016)
(878,644)	-	(878,644)
(472,391)	-	(472,391)
(69,997)	-	(69,997)
(3,911,802)	-	(3,911,802)
-	(814,696)	(814,696)
-	83,704	83,704
-	(730,992)	(730,992)
(3,911,802)	(730,992)	(4,642,794)
450,771	-	450,771
146,348	-	146,348
4,531,870	-	4,531,870
173,782	-	173,782
-	847,303	847,303
126,288	-	126,288
65,410	-	65,410
5,494,469	847,303	6,341,772
(373,610)	373,610	-
5,120,859	1,220,913	6,341,772
1,209,057	489,921	1,698,978
3,895,357	2,117,251	6,012,608
$ 5,104,414	$ 2,607,172	$ 7,711,586

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF ASSETS AND FUND CASH BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	$ 4,624,871	$ 479,543	$ 5,104,414
Total assets	$ 4,624,871	$ 479,543	$ 5,104,414
Fund cash balances:			
Restricted	$ -	$ 479,543	$ 479,543
Assigned	4,619,757	-	4,619,757
Unassigned	5,114	-	5,114
Total fund cash balances	$ 4,624,871	$ 479,543	$ 5,104,414

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	General	Nonmajor Governmental Funds	Total Governmental Funds
Cash receipts:			
Municipal income taxes	$ 4,531,870	$ -	$ 4,531,870
Property and other taxes	450,771	146,348	597,119
Charges for services	59,737	1,599	61,336
Licenses, permits and fees	6,485	-	6,485
Fines and forfeitures	10,744	1,093	11,837
Intergovernmental	121,499	235,932	357,431
Special assessments	101,415	4,419	105,834
Investment income	126,288	5,115	131,403
Contributions and donations	41,846	-	41,846
Other	65,410	7,360	72,770
Total cash receipts	5,516,065	401,866	5,917,931
Cash disbursements:			
Current:			
General government	600,251	-	600,251
Security of persons and property	992,425	159,642	1,152,067
Public health and welfare	116	-	116
Transportation	193,759	585,398	779,157
Leisure time activity	361,141	-	361,141
Capital outlay	807,973	92,171	900,144
Debt service:			
Principal retirement	472,391	-	472,391
Interest and fiscal charges	69,419	578	69,997
Total cash disbursements	3,497,475	837,789	4,335,264
Excess (deficiency) of cash receipts over (under) cash disbursements	2,018,590	(435,923)	1,582,667
Other financing sources (uses):			
Advances in	3,841	-	3,841
Advances (out)	-	(3,841)	(3,841)
Transfers in	-	368,706	368,706
Transfers (out)	(723,610)	(18,706)	(742,316)
Total other financing sources (uses)	(719,769)	346,159	(373,610)
Net change in fund cash balances	1,298,821	(89,764)	1,209,057
Fund cash balances at beginning of year	3,326,050	569,307	3,895,357
Fund cash balances at end of year	$ 4,624,871	$ 479,543	$ 5,104,414

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	**Final**	**Actual**	
Budgetary basis receipts:				
Property and other taxes	$ 420,000	$ 420,000	$ 450,771	$ 30,771
Charges for services	50,000	50,000	59,612	9,612
Licenses, permits and fees	6,500	6,500	6,485	(15)
Fines and forfeitures	13,000	13,000	10,744	(2,256)
Intergovernmental	77,550	77,550	90,813	13,263
Investment income	10,500	10,500	14,475	3,975
Other	40,150	40,150	68,178	28,028
Total budgetary basis receipts	617,700	617,700	701,078	83,378
Budgetary basis disbursements:				
Current:				
General government	770,977	629,765	600,822	28,943
Security of persons and property	1,327,653	1,084,479	1,006,632	77,847
Public health and welfare	2,303	1,881	116	1,765
Transportation	301,792	246,516	182,605	63,911
Leisure time activity	37,763	30,847	26,484	4,363
Total budgetary basis disbursements	2,440,488	1,993,488	1,816,659	176,829
Excess of budgetary basis disbursements over budgetary basis receipts	(1,822,788)	(1,375,788)	(1,115,581)	260,207
Other financing sources (uses):				
Transfers in	1,718,300	1,718,300	1,250,000	(468,300)
Transfers (out)	(375,000)	(375,000)	(373,610)	1,390
Total other financing sources (uses)	1,343,300	1,343,300	876,390	(466,910)
Net change in fund cash balances	(479,488)	(32,488)	(239,191)	(206,703)
Fund cash balance at beginning of year	483,942	483,942	483,942	-
Prior year encumbrances appropriated	25,263	25,263	25,263	-
Fund cash balance at end of year	$ 29,717	$ 476,717	$ 270,014	$ (206,703)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF NET POSITION - CASH BASIS
PROPRIETARY FUNDS
DECEMBER 31, 2019

	Business-type Activities - Enterprise Funds		
	Electric	**Nonmajor**	**Total**
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	$ 2,152,789	$ 454,383	$ 2,607,172
Total assets	$ 2,152,789	$ 454,383	$ 2,607,172
Net cash position:			
Unrestricted	2,152,789	$ 454,383	$ 2,607,172
Total net cash position	$ 2,152,789	$ 454,383	$ 2,607,172

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN NET CASH POSITION - CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Business-type Activities - Enterprise Funds		
	Electric	**Nonmajor**	**Total**
Operating receipts:			
Charges for services	$ 6,463,683	$ 730,922	$ 7,194,605
Other	174,952	24,257	199,209
Total operating receipts	6,638,635	755,179	7,393,814
Operating disbursements:			
Personal services	6,219,709	241,367	6,461,076
Contract services	1,106,545	404,868	1,511,413
Materials and supplies	1,696	4,131	5,827
Total operating disbursements	7,327,950	650,366	7,978,316
Operating income (loss)	(689,315)	104,813	(584,502)
Nonoperating receipts (disbursements):			
Capital outlay	(118,584)	(11,136)	(129,720)
Debt service:			
Principal retirement	-	(9,973)	(9,973)
Interest and fiscal charges	(6,797)	-	(6,797)
Loan issuance	847,303	-	847,303
Total nonoperating receipts (disbursements)	721,922	(21,109)	700,813
Income before transfers	32,607	83,704	116,311
Transfers in	373,610	-	373,610
Change in net cash position	406,217	83,704	489,921
Net cash position at beginning of year	1,746,572	370,679	2,117,251
Net cash position at end of year	$ 2,152,789	$ 454,383	$ 2,607,172

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF CASH ADDITIONS, CASH DEDUCTIONS
AND CHANGES IN NET CASH POSITION - CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Custodial
Cash additions:	
Fines and forfeitures for other governments	$ 4,107
Total cash additions.	4,107
Cash deductions:	
Fines and forfeitures distributions to other governments	4,107
Total cash deductions.	4,107
Change in net cash position	-
Net cash position at beginning of year	-
Net cash position at end of year.	$ -

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE 1 - DESCRIPTION OF THE VILLAGE

The Village of New Bremen (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 operates under a council-mayor form of government and provides the following services: police protection, water, sewer and electric utility services, street maintenance and repair, as well as other services.

Management believes the financial statements included in this report represent all of the funds of the Village over which the Village officials have direct operating control.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

As discussed further in Note 2.D., 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. Generally accepted accounting principles (GAAP) 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. The following are the more significant of the Village's accounting policies:

The Village's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". For financial reporting purposes, the Village's basic financial statements (BFS) include all funds, agencies, boards, commissions, and departments for which the Village is financially accountable. Financial accountability, as defined by the GASB, exists if the Village appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the Village. The Village may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed governing board that is fiscally dependent on the Village. The Village also took into consideration other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the Village's basic financial statements to be misleading or incomplete. Based upon the application of these criteria, the Village has no component units.

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Village does not report assets for equity interests in joint ventures. The Village participates in one jointly governed organization and one related organization. Note 16 to the financial statements provide additional information for these entities:

Joint Venture and Related Organization:
1). Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5)
2). Western Ohio Rail Authority

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Basis of Presentation

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

Government-wide Financial Statements - The statement of net position - cash basis and the statement of activities - cash basis display information about the Village as a whole, except for fiduciary funds. These statements distinguish between those activities of the Village that are governmental and those that are considered business-type activities.

The government-wide statement of net position - cash basis presents the cash balances of the governmental and business-type activities of the Village at year end. The government-wide statement of activities - cash basis compares disbursements with program receipts for each segment of the business-type activities of the Village and for each function or program of the Village's governmental activities. These disbursements are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Village. The comparison of direct disbursements with program receipts identifies the extent to which each business segment or governmental function is self-financing on the cash basis or draws from the general receipts of the Village.

Fund Financial Statements - Fund financial statements report detailed information about the Village. The focus of governmental and enterprise 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. Fiduciary funds are reported by fund type.

The financial statements for governmental funds are a statement of assets and fund cash balances, and a statement of cash receipts, cash disbursements and changes in fund cash balances - cash basis, which reports on the sources (i.e., receipts and other financing sources) and uses (i.e., disbursements and other financing uses) of the current financial resources.

The financial statements of proprietary funds are a statement of net position - cash basis, and a statement of cash receipts, cash disbursements and changes in net cash position - cash basis, which presents increases (i.e., receipts) and decreases (i.e., disbursements) in net cash position.

Proprietary funds distinguish operating transactions from nonoperating transactions. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating transactions of the Village's proprietary funds are charges for sales and services and personnel disbursements related to water, sewer and ambulance operations. All other receipts and disbursements not meeting these definitions are reported as nonoperating transactions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Fund Accounting

The Village uses funds to maintain its financial records during the year. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts. The Village classifies each fund as either governmental, proprietary or fiduciary.

Governmental Funds **-** The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following is the Village's major governmental fund:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund cash balance is available for any purpose provided it is disbursed or transferred according to the general laws of Ohio.

Other governmental funds of the Village are used to account for (a) financial resources that are restricted, committed, or assigned to disbursements for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific receipt sources that are restricted or committed to a disbursement for specified purposes other than debt service or capital projects.

Proprietary Funds **-** These funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. The Village has no internal service funds, but does report the operations of various enterprise funds.

Enterprise funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Village's major enterprise funds:

Electric fund - This fund accounts for the user charges and expense of providing electricity.

The Village has five nonmajor enterprise funds that are used to account for water, sewer, refuse, utility deposits and library operations.

Fiduciary Funds **-** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. The Village's only fiduciary fund is a custodial fund which accounts for the Village's Mayor's Court operations which are collected and distributed on behalf of other governments. The custodial fund did not have cash assets to report at December 31, 2019.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Basis of Accounting

The basis of accounting determines when transactions are recorded in the financial records and reported on the basic financial statements. The Village's basic financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, 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 incurred. Any such modifications made by the Village are described in the appropriate section of the notes to the basic financial statements.

As a result of the use of this cash basis of accounting, certain assets and deferred outflows of resources, liabilities and deferred inflows of resources, and the effects of these items on receipts and disbursements are not recorded in these financial statements. These statements include adequate disclosure of material matters, in accordance with the basis of accounting described above.

E. Budgetary Process

All funds of the Village, except agency funds, are required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget indicates the projected receipts and disbursements for those funds receiving tax monies. Although the Auglaize County Budget Commission waived the required tap budget, the Village submitted the financial data required in order to assess the need. The certificate of estimated resources establishes a limit on the amount Village Council may appropriate. The appropriations ordinance is Village Council's authorization to spend resources and sets annual limits on disbursements at the level of control selected by Village Council. The legal level of control has been established by Village Council at the fund and department level for the general fund and the fund level for all other 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 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 Village Council during the year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. Fund Cash Balance

Fund cash 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 cash balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

Assigned - Amounts in the assigned fund cash balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund cash balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of Village Council, which includes giving the Fiscal Officer the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund cash balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund cash balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Cash and Cash Equivalents

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Village's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

Investments of the cash management pool 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, respectively.

During 2019 the Village invested in STAR Ohio. Investments are reported at cost, except for the money market mutual fund and STAR Ohio (the State Treasury Asset Reserve of Ohio). STAR 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. 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.

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 2019 was $126,288 which includes $50,162 assigned from other Village funds.

H. Restricted Assets

Assets 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. The Village has no restricted assets.

I. 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.

J. 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

K. Accumulated Leave

In some circumstances, 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.

L. Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

M. 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 the principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

N. Net Position

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

O. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For fiscal year 2019, the Village has implemented GASB Statement No. 83, "*Certain Asset Retirement Obligations*", GASB Statement No. 84 "*Fiduciary Activities*", GASB Statement No. 88, "*Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*" and GASB Statement No. 90 "*Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the Village.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the Village will no longer be reporting agency funds. The Village reviewed its fiduciary funds to determine the appropriate classification under GASB Statement No. 84. As a result of implementing GASB Statement No. 84, the Village now reports a Statement of Cash Additions, Cash Deductions and Changes in Net Cash Position - Cash Basis - Fiduciary Funds.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the Village.

GASB Statement No. 90 improves consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the Village.

NOTE 4 - 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 budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balances (cash basis).

The encumbrances outstanding at year end 2019 (budgetary basis) for the General Fund amounted to $14,857.

NOTE 5 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Village into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such 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 the Village Council has identified as not required for use within the current 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.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in items 1 and 2 above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

6. The State Treasurer's investment pool, State Treasury Asset Reserve of Ohio (STAR Ohio);

7. Certain banker’s acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,

8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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.

A. Deposits with Financial Institutions

At December 31, 2019, the carrying amount of all Village deposits was $3,934,068. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2019, $1,436,360 of the Village’s bank balance of $4,046,195 was exposed to custodial risk as discussed below, while $2,609,835 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the Village’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Village. The Village has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions’ trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Village to a successful claim by the FDIC.

B. Investments

Measurement/ Investment Type	Measurement Value	% of Total
Amortized Cost:		
STAR Ohio	$ 3,777,518	100.00
Total	$ 3,777,518	100.00

As of December 31, 2019, the Village had the following investments:

		Investment Maturities	
Measurement/ Investment Type	Measurement Value	6 months or less	Total
Amortized Cost:			
STAR Ohio	3,777,518	3,777,518	3,777,518
Total	$ 3,777,518	$ 3,777,518	$ 3,777,518

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

C. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2019:

Cash and investments per note	
Carrying amount of deposits	$ 3,934,068
Investments	3,777,518
Total	$ 7,711,586
Cash and investments per statement of net position	
Governmental activities	$ 5,104,414
Business type activities	2,607,172
Total	$ 7,711,586

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the Village. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. 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 real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the Village of New Bremen. The County Auditor periodically remits to the Village its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2019 and for which there is an enforceable legal claim. For 2019, the Village’s financial statements are presented on the cash basis of accounting and therefore the Village does not record a receivable for property taxes either on a modified accrual or full accrual basis of accounting.

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values of real and public utility property upon which 2019 property tax receipts were based are as follows:

Real property	
Residential/agricultural	$ 64,289,910
Commercial/industrial	18,715,490
Public utility	
Personal	715,180
Total assessed value	$ 83,720,580

NOTE 7 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2019, consisted of the following, as reported in the fund financial statements. The following are the transfers:

Transfer from:	Transfer to:	Amount
General fund	Nonmajor governmental funds	$ 350,000
General fund	Electric fund	373,610
Nonmajor governmental funds	Nonmajor governmental funds	18,706
Total		$ 742,316

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

B. Advances to/from other funds at December 31, 2019, as reported on the fund statements, consisted of the following:

Advances In	Advances Out	Amount
General fund	Nonmajor governmental fund	$ 3,841

Advances to/from other funds are for manuscript debt issued by the County in accordance with Ohio Revised Code Section 133.29.

NOTE 7 - INTERFUND TRANSACTIONS - (Continued)

In 2011, the Village Council authorized the issuance of $600,000 in manuscript debt by the Village's general fund to finance the early retirement of the electric fund's note with Minster Bank. The manuscript debt shall mature in equal annual installments of $100,000 each year from 2012 to 2017 and carry interest at 3.25 % interest per year for six years in semi-annual payments. The amount due in 2017 was paid by the Village in 2018.

The Village has advanced from general fund for sidewalk and curb projects to be repaid with special assessment revenue. The projects were from years 2003 through 2012. The manuscript debt will mature over a ten year period and carry an interest rate at 8%. During 2019, $578 in interest and $3,841 was repaid to the general fund through advances.

	Village of New Bremen General Fund		
Year Ending December 31,	Principal	Interest	Total
2020	$ 2,002	$ 271	$ 2,273
2021	1,379	110	1,489
Total	$ 3,381	$ 381	$ 3,762

NOTE 8 - LOCAL INCOME TAXES

The Village levies a 1.50 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. 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. In 2019, the Village collected $4,531,870.

NOTE 9 - RISK MANAGEMENT

The Village is exposed to various risks of property and casualty losses and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program 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.

NOTE 9 - RISK MANAGEMENT - (Continued)

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first $250,000 casualty treaty and 30% of the first $1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between $200,000 and $1,000,000. The reimbursement is based on the amount of loss between $200,000 and $1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first $250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first $250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	$15,920,504
Liabilities	(11,329,011)
Members' Equity	$ 4,591,493

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/asset represents the Village's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the Village's obligation for this liability to annually required payments. The Village cannot control benefit terms or the manner in which pensions are financed; however, the Village does receive the benefit of employees' services in exchange for compensation including pension.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Net Pension Liability/Asset (Continued)

GASB 68 assumes any net pension liability/asset is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Village employees, other than full-time police officers, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Village employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension 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 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 Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.00% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. 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% each year. For additional information, see the Plan Statement in the OPERS CAFR.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee ***	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	0.0 %
Total Employer	14.0 %
Employee	10.0 %

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

**** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Village's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was $188,026 for 2019.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description - Village full-time police officers participate in 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 website at 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.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 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 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit.

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 may be 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 and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

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

	Police
2019 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2019 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	0.50 %
Total Employer	19.50 %
Employee	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Village’s contractually required contribution to OP&F was $85,123 for 2019.

Net Pension Liabilities/Assets

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2018, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The Village's proportion of the net pension liability or asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating entities.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Following is information related to the proportionate share:

	OPERS - Traditional	OPERS - Member-Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.01002500%	0.00897600%	0.01760200%	
Proportion of the net pension liability/asset current measurement date	0.00980700%	0.01263100%	0.01768400%	
Change in proportionate share	-0.00021800%	0.00365500%	0.00008200%	
Proportionate share of the net pension liability	$ 2,685,938	$ -	$ 1,443,482	$ 4,129,420
Proportionate share of the net pension asset	-	288	-	288

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.50%
Actuarial cost method	Individual entry age

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 2.94% for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.79 %
Domestic equities	19.00	6.21
Real estate	10.00	4.90
Private equity	10.00	10.81
International equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate **-** The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2018 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate **-** The following table presents the Village's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the Village's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Village's proportionate share			
of the net pension liability (asset):			
Traditional Pension Plan	$ 3,697,912	$ 2,685,938	$ 1,620,607
Member-Directed Plan	(126)	(288)	(505)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2018, are presented below.

Valuation date	1/1/18 with actuarial liabilities rolled forward to 12/31/18
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25%
Inflation assumptions	2.75%, plus productivity increase rate of 0.50%
Cost of living adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OP&F’s Board and were effective beginning with the January 1, 2018 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy and Guidelines. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %	1.00 %	0.80 %
Domestic Equity	16.00	5.30	5.50
Non-US Equity	16.00	6.10	5.90
Private Markets	8.00	8.40	8.40
Core Fixed Income *	23.00	2.20	2.60
High Yield Fixed Income	7.00	4.20	4.80
Private Credit	5.00	8.30	7.50
U.S. Inflation Linked Bonds *	17.00	1.30	2.30
Master Limited Partnerships	8.00	6.70	6.40
Real Assets	8.00	7.00	7.00
Private Real Estate	12.00	5.70	6.10
Total	120.00 %		

Note: assumptions are geometric.
* levered 2x
** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total pension liability was calculated using the discount rate of 8.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the Village's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Village's proportionate share of the net pension liability	$ 1,897,357	$ 1,443,482	$ 1,064,203

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the Village’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the Village’s obligation for this liability to annually required payments. The Village cannot control benefit terms or the manner in which OPEB are financed; however, the Village does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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.

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.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring 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. Health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. 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. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. 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 2019 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Village's contractually required contribution was $2,841 for 2019.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

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 healthcare 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. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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 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 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is 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. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.50% 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 and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Beginning January 1, 2019, OP&F changed its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The Village's contractually required contribution to OP&F was $2,240 for 2019.

Net OPEB Liabilities

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share:

	OPERS	OP&F	Total
Proportion of the net OPEB liability prior measurement date	0.00970000%	0.01760200%	
Proportion of the net OPEB liability current measurement date	0.00963000%	0.01768400%	
Change in proportionate share	-0.00007000%	0.00008200%	
Proportionate share of the net OPEB liability	$ 1,255,525	$ 161,040	$ 1,416,565

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.96%
Prior Measurement date	3.85%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.50%
Municipal Bond Rate	
Current measurement date	3.71%
Prior Measurement date	3.31%
Health Care Cost Trend Rate	
Current measurement date	10.00% initial, 3.25% ultimate in 2029
Prior Measurement date	7.50%, initial 3.25%, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 5.60% for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

Discount Rate **-** A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the Village's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96%, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96%) or one-percentage-point higher (4.96%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Village's proportionate share of the net OPEB liability	$ 1,606,284	$ 1,255,525	$ 976,578

Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
Village's proportionate share of the net OPEB liability	$ 1,206,832	$ 1,255,525	$ 1,311,606

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%
Single discount rate:	
Currrent measurement date	4.66%
Prior measurement date	3.24%
Cost of Living Adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %	1.00 %	0.80 %
Domestic Equity	16.00	5.30	5.50
Non-US Equity	16.00	6.10	5.90
Private Markets	8.00	8.40	8.40
Core Fixed Income *	23.00	2.20	2.60
High Yield Fixed Income	7.00	4.20	4.80
Private Credit	5.00	8.30	7.50
U.S. Inflation Linked Bonds *	17.00	1.30	2.30
Master Limited Partnerships	8.00	6.70	6.40
Real Assets	8.00	7.00	7.00
Private Real Estate	12.00	5.70	6.10
Total	120.00 %		

Note: assumptions are geometric.
* levered 2x
** numbers include inflation

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total OPEB liability was calculated using the discount rate of 4.66%. A discount rate of 3.24% was used to measure the total OPEB liability at December 31, 2017. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13% at December 31, 2018 and 3.16% at December 31, 2017, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 4.66%.

Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66%), or one percentage point higher (5.66%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Village's proportionate share of the net OPEB liability	$ 196,191	$ 161,040	$ 131,534

Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Due to the change from a self-funded plan to the stipend plan, disclosure of the healthcare cost trend rate for OP&F is no longer available.

Changes Between Measurement Date and Report Date - Beginning January 1, 2019 OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current healthcare model to the stipend based healthcare model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Although the exact amount of these changes is not known, the overall decrease to the Village's net OPEB liability is expected to be significant.

NOTE 12 - LONG-TERM DEBT

The Village's long-term debt activity for the year ended December 31, 2019, was as follows:

	Balance Outstanding 12/31/18	Issued	Retired	Balance Outstanding 12/31/19	Amount Due in One Year
Governmental activities:					
Ohio public works - CM14R	$ 81,274	$ -	$ (1,563)	$ 79,711	$ 3,126
Ohio public works - CM03R	449,729	-	(8,328)	441,401	16,657
Ohio public works - C3TTU	500,000	-	(12,500)	487,500	25,000
Capital Projects Loan	3,039,875	-	(450,000)	2,589,875	250,000
Total governmental activities	$ 4,070,878	$ -	$ (472,391)	$ 3,598,487	$ 294,783
Business-type activities:					
Ohio public works - CM17P	$ 69,247	$ -	$ (2,473)	$ 66,774	$ 4,946
Ohio public works - CT61P	74,999	-	(7,500)	67,499	15,000
North Substation Loan	-	847,303	-	847,303	-
Total business-type activities	$ 144,246	$ 847,303	$ (9,973)	$ 981,576	$ 19,946

The Village has five loans outstanding to Ohio Public Works Commission (OPWC) for various projects:

Loan CM14R for Cherry Street water main replacement. Payments of $1,563 are due semi-annually for a term of 30 years at zero interest rate. The final payment is due January 1, 2045.

Loan CM03R for First Street and Washington Street reconstruction. Payments of $8,328 are due semi-annually for a term of 30 years at zero interest rate. The final payment is due January 1, 2046.

Loan CT33U for Eastmoor Drive and Front Street reconstruction. Payments of $12,500 are due semi-annually for a term of 20 years at zero interest rate. The final payment is due January 1, 2039.

Loan CM17P for South Franklin Street and South Main Street sanitary sewer project. Payments of $2,473 are due semi-annually for a term of 20 years at zero interest rate. The final payment is due January 1, 2033.

Loan CT61P for Circle Drive sanitary sewer project. Payments of $7,500 are due semi-annually for a term of 10 years at zero interest rate. The final payment is due January 1, 2024.

In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the Village for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code (ORC) 164.05, direct the county treasurer of the county in which the Village is located to pay the amount of the default from funds that would otherwise be appropriated to the Village from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

NOTE 12 - LONG-TERM DEBT - (Continued)

The following is a summary of the Village's future annual debt service requirements for the OPWC loans:

Year Ending	Governmental Activities		
December 31,	Principal	Interest	Total
2020	$ 44,783	$ -	$ 44,783
2021	44,783	-	44,783
2022	44,783	-	44,783
2023	44,783	-	44,783
2024	44,783	-	44,783
2025 - 2029	223,913	-	223,913
2030 - 2034	223,913	-	223,913
2035 - 2039	211,413	-	211,413
2040 - 2044	98,913	-	98,913
2045 - 2046	26,545	-	26,545
Total	$ 1,008,612	$ -	$ 1,008,612

Year Ending	Business-Type Activities		
December 31,	Principal	Interest	Total
2020	$ 19,946	$ -	$ 19,946
2021	19,946	-	19,946
2022	19,946	-	19,946
2023	19,946	-	19,946
2024	12,446	-	12,446
2023 - 2027	24,731	-	24,731
2028 - 2033	17,312	-	17,312
Total	$ 134,273	$ -	$ 134,273

Capital Projects Loan: On May 23, 2016 the Village entered into a loan with Minster Bank for $3,750,000 that was for the construction of the new village public works building and police/EMS building. The loan was issued for a seven year period, with final maturity on June 1, 2023 at an interest rate of 2.60%. The prior audit balance was incorrectly stated as $3,375,000. The correct amount outstanding at December 31, 2018 was $3,039,875.

The principal and interest requirements to retire the loan outstanding at December 31, 2019, are as follows:

Year Ending	Capital Projects Loan		
December 31,	Principal	Interest	Total
2020	$ 250,000	$ 57,609	$ 307,609
2021	250,000	53,103	303,103
2022	250,000	47,273	297,273
2023	1,839,875	21,394	1,861,269
Total	$ 2,589,875	$ 179,379	$ 2,769,254

NOTE 12 - LONG-TERM DEBT - (Continued)

North Substation Loan: On July 23, 2019 the Village entered into a $6,500,000 loan agreement with First National Bank to finance the construction of a new electric substation. The Village is drawing on the total available loan balance as the invoices for the construction project become due. The loan carries an interest rate of 2.45% and matures July 23, 2034. The loan has not been closed as of December 31, 2019, therefore a schedule of future annual debt payments is not available. Monthly payments of accrued interest calculated on the outstanding loan balance began August 23, 2019 and will be followed by 168 monthly payments of principal and interest totaling $45,750 beginning August 23, 2020.

NOTE 13 - ECONOMIC DEPENDENCE

The Village receives approximately 60 percent of its electric, water and sewer revenue from a local manufacturer. The same manufacturer also accounts for approximately 60 percent of the Village's income tax receipts through payroll withholdings and the manufacturer's corporate tax.

NOTE 14 - JOINT VENTURE AND RELATED ORGANIZATION

The Village of New Bremen is a Financing Participant with an ownership percentage of 2.38 percent, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project. Pursuant to the OMEGA Joint Venture JV5 Agreement (the Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed or equipped by AMP. OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 Participants.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2019, the Village of New Bremen has met their debt coverage obligation.

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

NOTE 14 - JOINT VENTURE AND RELATED ORGANIZATION - (Continued)

OMEGA JV5 (42 Members): In 1993, OMEGA JV5 assigned to a trustee the obligations of its participants to make payments for their respective ownership shares in the “Belleville Project,” a 42 MW run-of-the-river hydroelectric generating facility on an Army Corps dam near Parkersburg, West Virginia and an associated transmission line in Ohio owned by OMEGA JV5. AMP is responsible for operation of the Belleville Project. The hydroelectric generation associated with the Belleville Project has been operational since June 1999. The Federal Energy Regulatory Commission license for the Belleville Project runs through August 31, 2039. As of December 31, 2019, $37,982,680 of the 2001 Belleville Beneficial Interest Certificates (“2001 BICs”) with a final maturity of 2030 was outstanding. The 2001 BICs are capital appreciation bonds with a final aggregate maturity amount of $56,125,000. In addition, on February 15, 2014, AMP redeemed $70,990,000 of the 2004 Belleville Beneficial Interest Certificates with the proceeds of a draw on the Line of Credit, which draw was evidenced by the proceeds of a note (the “JV5 Note”). On January 29, 2016, OMEGA JV5 caused the issuance of $49,745,000 Belleville Beneficial Interest Refunding Certificates, Series 2016 (the “2016 BICs”) to pay a portion of the outstanding balance of the JV5 Note and to pay costs of issuance. The balance of the JV5 Note has since been retired. The 2016 BICs bear interest at a variable rate, mature on February 1, 2024 and are subject to redemption and mandatory tender at the option of the holder commencing February 15, 2021. As of December 31, 2019, $20,965,000 aggregate principal amount of the 2016 BICs was outstanding. The 2001 BICs and 2016 BICs are non-recourse to AMP.

The Village’s net investment in OMEGA JV5 was $71,140 at December 31, 2019. Complete financial statements for OMEGA JV5 may be obtained from AMP-Ohio or from the State Auditor’s website at www.ohioauditor.gov.

Western Ohio Rail Authority

The Village is a member of the Western Ohio Rail Authority (WORA). The Authority is comprised of three (3) volunteer Village of New Bremen representatives as well as three members from the Village of Minster and the City of St. Marys. The Port Authority was organized to own, manage, and maintain a 10 mile railroad track that serves Minster, New Bremen and St. Marys.

Financial Information may be obtained from the Western Ohio Rail Authority, P.O. Box 183, New Bremen, Ohio 45869.

NOTE 15 - CONTINGENT LIABILITIES

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's project share was 7,442 kilowatts (kW) of a total 771,281 kW, giving the Village a 0.96 percent project share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. All project costs incurred prior to the cancellation and related to the cancellation were therefore deemed impaired and participants were obligated to pay those incurred costs. In prior years, payment of these costs was not required due to AMP's pursuit of legal action to collect them from Bechtel. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share of the impaired costs at March 31, 2014 was $1,293,756. The Village received a credit of $247,163 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of $336,563 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU, leaving an estimated net impaired cost balance of $710,030. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the Village's net impaired cost balance. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement among the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Fund's project share.

Since March 31, 2014, the Village's allocation of additional costs incurred by the project is $15,624 and interest expense incurred on AMP's line-of-credit of $70,816, resulting in a net impaired cost estimate at December 31, 2019 of $589,804. The Village does have a potential PHFU Liability of $373,730 resulting in a net total potential liability of $963,534, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the Village's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

NOTE 16 - FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of resources in the governmental funds. The constraints placed on fund cash balance for the major governmental fund and all other nonmajor governmental funds are presented below:

Fund balance	General	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:			
Street constuction and maintenance	$ -	$ 307,853	$ 307,853
Public safety	-	16,472	16,472
Capital projects	-	140,625	140,625
General government	-	14,593	14,593
Total restricted	-	479,543	479,543
Assigned:			
General government	571	-	571
Security persons and property	14,206	-	14,206
Leisure time activities	239,256	-	239,256
Capital outlay	4,094,220	-	4,094,220
Transportation	6,604	-	6,604
Subsequent year appropriations	264,900	-	264,900
Total assigned	4,619,757	-	4,619,757
Unassigned	5,114	-	5,114
Total fund cash balances	$ 4,624,871	$ 479,543	$ 5,104,414

NOTE 17 - TAX ABATEMENTS

The Village provides tax abatements through two programs -Community Reinvestment Area (CRA) and Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA’s are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity’s property tax bill.

NOTE 17 - TAX ABATEMENTS - (Continued)

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. An Ezone's geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the "Agreement") with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement is deducted from the business's property tax bill.

The Village has entered into agreements to abate property taxes through these programs. During 2019, the Village's property tax revenues were reduced as a result of these agreements as follows:

Tax Abatement Program	Village Taxes Abated
CRA	$ 12,519
Ezone	5,852
Total	$ 18,371

NOTE 18 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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

September 30, 2021

Village of New Bremen
Auglaize County
214 North Washington Street
New Bremen, Ohio 45869

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of New Bremen, Auglaize County, (the Village) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated September 30, 2021, wherein we noted the Village uses a special purpose framework other than generally accepted accounting principles. We also noted, during 2020, the Village adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. We also noted, during 2019, the Village adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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

Internal Control Over Financial Reporting (Continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Village’s financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village’s internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village’s internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

VILLAGE OF NEW BREMEN

AUGLAIZE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.

Certified for Release 12/21/2021

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