



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF BREMEN
FAIRFIELD COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Bremen
9090 Marietta Road SE
Bremen, OH 43107-0127

We have reviewed the *Independent Auditor's Report* of the Village of Bremen, Fairfield County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2021 through December 31, 2022. 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 Bremen is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 10, 2023

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**VILLAGE OF BREMEN
FAIRFIELD COUNTY**

*For the Years Ended December 31, 2022 and 2021
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INDEPENDENT AUDITOR'S REPORT

Village of Bremen
Fairfield County
9090 Marietta Road SE
Bremen, Ohio 43107

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Bremen, Fairfield County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2022 and 2021, or the changes in financial position or, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

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

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

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

Emphasis of Matter

As discussed in Note 13 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2023, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
June 21, 2023

**VILLAGE OF BREMEN
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Other Taxes	\$ 57,157	\$ 67,981	\$ 125,138
Municipal Income Tax	394,623	-	394,623
Intergovernmental	25,507	178,606	204,113
Special Assessments	-	11,647	11,647
Fines, Licenses, and Permits	12,666	-	12,666
Earnings on Investments	1,094	291	1,385
Miscellaneous	44,523	1,628	46,151
	<u>535,570</u>	<u>260,153</u>	<u>795,723</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	10,314	-	10,314
Leisure Time Activities	4	14,110	14,114
Community Environment	24,483	-	24,483
Transportation	-	168,321	168,321
General Government	112,390	-	112,390
Capital Outlay	-	15,187	15,187
	<u>147,191</u>	<u>197,618</u>	<u>344,809</u>
Total Cash Disbursements			
Excess of Receipts Over/(Under) Disbursements	388,379	62,535	450,914
Other Financing Receipts (Disbursements):			
Transfers-In	-	50,000	50,000
Transfers-Out	(92,000)	-	(92,000)
Other Financing Uses	(545)	-	(545)
	<u>(92,545)</u>	<u>50,000</u>	<u>(42,545)</u>
Total Other Financing Receipts (Disbursements)			
Net Change in Fund Cash Balances	295,834	112,535	408,369
<i>Fund Cash Balances, January 1</i>	<u>394,229</u>	<u>339,122</u>	<u>733,351</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 690,063</u>	<u>\$ 451,657</u>	<u>\$ 1,141,720</u>

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

**VILLAGE OF BREMEN
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Proprietary Fund Types	
	Enterprise	
Operating Cash Receipts:		
Charges for Services	\$	799,728
Miscellaneous		3,783
		803,511
Operating Cash Disbursements:		
Personal Services		180,743
Employee Fringe Benefits		32,314
Contractual Services		258,567
Supplies and Materials		141,781
Other		6,457
		619,862
Operating Income (Loss)		183,649
Non-Operating Receipts (Disbursements)		
Special Assessments		3,461
Loans Issued		621,054
Miscellaneous Receipts		1,200
Capital Outlay		(632,007)
Principal Retirement		(11,888)
Interest and Fiscal Charges		(6,561)
		(24,741)
Income (Loss) before Transfers		158,908
Transfers In		30,000
Net Change in Fund Cash Balances		188,908
<i>Fund Cash Balances, January 1</i>		607,618
<i>Fund Cash Balances, December 31</i>	\$	796,526

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

**VILLAGE OF BREMEN
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Fiduciary Fund Types</u>	
	<u>Other Custodial</u>	
Additions		
Other Amounts Collected for Distribution	\$	12,000
		<u>12,000</u>
Total Additions		<u>12,000</u>
Deductions		
Distributions as Fiscal Agent		<u>14,000</u>
Total Deductions		<u>14,000</u>
Net Change in Fund Cash Balances		(2,000)
<i>Fund Cash Balances, January 1</i>		<u>2,000</u>
<i>Fund Cash Balances, December 31</i>	\$	<u><u>-</u></u>

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

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Bremen, Fairfield County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, waste removal services, and park operations. Fire protection and emergency medical services are provided by Rushcreek Township.

Jointly Governed Organizations and Public Entity Risk Pool

The Village participates in a jointly governed organization, and a public entity risk pool. Notes 6 and 11 to the financial statements provides additional information for these entities. The Village’s management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

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

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

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

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund is for the benefit of RITA overpayment of Worthington Industries Local Taxes. These funds are transferred from the General Fund at a rate of \$2000.00 per month and disbursed in November of each year to repay the substantial overpayment. The repayment will be complete in calendar year 2022.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

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

A summary of 2022 budgetary activity appears in Note 3.

Capital Assets

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

Accumulated Leave

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

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Fund Balance

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

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

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

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

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

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

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

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$276,100	\$535,570	\$259,470
Special Revenue	188,091	310,153	122,062
Enterprise	784,840	1,459,226	674,386
Total	\$1,249,031	\$2,304,949	\$1,055,918

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2022

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$264,353	\$242,276	\$22,077
Special Revenue	338,848	209,741	129,107
Enterprise	939,988	1,270,318	(330,330)
Total	\$1,543,189	\$1,722,335	(\$179,146)

Note 4 – Deposits and Investments

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

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$1,938,246
Total carrying amount of deposits held in the Pool	1,938,246

Deposits

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

Note 5 – Taxes

Property Taxes

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

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

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

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 – Risk Management

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.

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$21,777,439
Liabilities	<u>(\$15,037,383)</u>
Members' Equity	<u><u>\$6,740,056</u></u>

The information reported is as of December 31, 2021, which is the most recent information available at the time the footnotes were prepared. You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Workers' Compensation

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

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2022.

Note 8 – Postemployment Benefits

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022.

Note 9 – Debt

Debt outstanding at December 31, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loan (CQ19H)	\$19,312	0.00%
OWDA Loan (7762)	10,915	2.25%
OWDA Loan (7983)	216,000	3.01%
OWDA Loan (9573)	698,494	0.24%
Vinton County Bank Equipment Loan	<u>50,000</u>	3.99%
Total	<u>\$994,721</u>	

The Ohio Public Works Commission (OPWC) loan #CQ19H relates to the wastewater treatment plant’s clarifier project. OPWC approved \$96,559 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$2,414, over 20 years. The Village has agreed to set utility rates sufficient to cover debt service requirements.

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2022

OWDA loan #7762 relates to the South Wellfield Expansion. OWDA approved \$20,674 in a loan to the Village for this project with a 2.25% interest rate. The Village repays the loan in semi-annual installments of \$1,160, over 10 years.

OWDA loan #7983 relates to the water treatment plant filter rehabilitation. OWDA's approved amount financed for this project is \$238,380. The Village will repay this loan over 30 years at 3.01% interest rate. The Village repays the loan in semi-annual installments of \$5,239.70. The last payment is 07/01/2049.

OWDA loan #9576 relates to wastewater influent screen project. The total amount financed for this project is \$861,486.28. The Village will repay this loan over 20 years at .24% interest rate. As of this date there is no amortization schedule available for this loan. An estimated payment is \$44,098.28 annually.

Vinton County Bank equipment loan #200668558. The total amount financed for this is \$50,000. The village will repay this loan over 5 years at 3.99% interest rate. This loan will be paid off in 2027.

Amortization

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

Year Ending December 31:	OPWC Loan	OWDA Loan 7762	OWDA Loan 7983	Vinton County Bank Loan
2023	\$4,828	\$2,320	\$5,944	\$11,246
2024	4,828	2,320	11,887	11,246
2025	4,828	2,320	11,887	11,246
2026	4,828	2,320	11,887	11,246
2027		2,320	11,887	11,246
2028-2049		56,898	261,525	0
Total	<u>\$19,312</u>	<u>\$68,498</u>	<u>\$315,017</u>	<u>\$56,230</u>

Note 10 - Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 11 - Jointly Governed Organization

Fairfield County Regional Planning Commission The Village participates in the Fairfield County Regional Planning Commission, a statutorily created political subdivision of the State. The Village appoints a member of Council to represent the Village on the 43-member board. The Village pays a small membership fee annually based on the per capita of the Village. There is no ongoing financial responsibility by the Village.

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 12 – Fund Balances

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

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrance	\$2,540	\$12,123	\$14,663
<i>Total</i>	<i>\$2,540</i>	<i>\$12,123</i>	<i>\$14,663</i>

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

Note 13 – 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. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

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**VILLAGE OF BREMEN
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Other Taxes	\$ 57,387	\$ 60,705	\$ 118,092
Municipal Income Tax	220,401	-	220,401
Intergovernmental	69,025	175,856	244,881
Special Assessments	-	3,146	3,146
Fines, Licenses, and Permits	13,896	-	13,896
Earnings on Investments	754	185	939
Miscellaneous	5,263	2,568	7,831
	<u>366,726</u>	<u>242,460</u>	<u>609,186</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	4,970	7,247	12,217
Public Health Services	4,959	-	4,959
Leisure Time Activities	-	4,846	4,846
Community Environment	22,151	-	22,151
Transportation	-	120,258	120,258
General Government	96,205	-	96,205
Debt Service:			
Principal Retirement	-	3,147	3,147
Interest and Fiscal Charges	-	45	45
	<u>128,285</u>	<u>135,543</u>	<u>263,828</u>
Total Cash Disbursements			
Excess of Receipts Over/(Under) Disbursements	238,441	106,917	345,358
Other Financing Receipts (Disbursements):			
Transfers-In	-	75,000	75,000
Transfers-Out	(112,000)	-	(112,000)
	<u>(112,000)</u>	<u>75,000</u>	<u>(37,000)</u>
Total Other Financing Receipts (Disbursements)			
Net Change in Fund Cash Balances	126,441	181,917	308,358
<i>Fund Cash Balances, January 1</i>	<u>267,788</u>	<u>157,205</u>	<u>424,993</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 394,229</u>	<u>\$ 339,122</u>	<u>\$ 733,351</u>

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

**VILLAGE OF BREMEN
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 769,761
Miscellaneous	2,177
	771,938
Operating Cash Disbursements:	
Personal Services	118,261
Employee Fringe Benefits	34,202
Contractual Services	217,486
Supplies and Materials	99,197
Other	36,426
	505,572
Operating Income (Loss)	266,366
Non-Operating Receipts (Disbursements)	
Special Assessment	1,076
Loans Issued	23,413
Miscellaneous Receipts	115
Capital Outlay	(43)
Principal Retirement	(39,478)
Interest and Fiscal Charges	(7,235)
	(22,152)
Income (Loss) before Transfers	244,214
Transfers In	15,000
	259,214
Net Change in Fund Cash Balances	259,214
<i>Fund Cash Balances, January 1, As Restated See Note 14</i>	348,404
	607,618
<i>Fund Cash Balances, December 31</i>	\$ 607,618

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

**VILLAGE OF BREMEN
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Fiduciary Fund Types</u>	
	<u>Other Custodial</u>	
Additions		
Other Amounts Collected for Distribution	\$	22,000
		<u>22,000</u>
Total Additions		<u>22,000</u>
Deductions		
Distributions as Fiscal Agent		24,000
Employee Fringe Benefits		
Contractual Services		
Supplies and Materials		
Other		
		<u>24,000</u>
Total Deductions		<u>24,000</u>
Net Change in Fund Cash Balances		(2,000)
<i>Fund Cash Balances, January 1</i>		<u>4,000</u>
<i>Fund Cash Balances, December 31</i>	\$	<u><u>2,000</u></u>

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

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Village of Bremen, Fairfield County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, waste removal services, and park operations. Fire protection and emergency medical services are provided by Rushcreek Township.

Jointly Governed Organizations and Public Entity Risk Pool

The Village participates in a jointly governed organization, and a public entity risk pool. Notes 6 and 11 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

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

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

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

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund is for the benefit of RITA overpayment of Worthington Industries Local Taxes. These funds are transferred from the General Fund at a rate of \$2000.00 per month and disbursed in November of each year to repay the substantial overpayment. The repayment will be complete in calendar year 2022.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

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

A summary of 2021 budgetary activity appears in Note 3.

Capital Assets

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

Accumulated Leave

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

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Fund Balance

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

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

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

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

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

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

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

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$304,997	\$366,726	\$61,729
Special Revenue	381,916	317,460	(64,456)
Enterprise	796,390	811,542	15,152
Total	\$1,483,303	\$1,495,728	\$12,425

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2021

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$308,602	\$241,144	\$67,458
Special Revenue	302,900	137,061	165,839
Enterprise	877,580	552,328	325,252
Total	\$1,489,082	\$930,533	\$558,549

Note 4 – Deposits and Investments

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

	2021
<i>Cash Management Pool:</i>	
Demand deposits	\$1,342,969
Total carrying amount of deposits held in the Pool	1,342,969

Deposits

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

Note 5 – Taxes

Property Taxes

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

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

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

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 – Risk Management

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.

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$21,777,439
Liabilities	<u>(\$15,037,383)</u>
Members' Equity	<u><u>\$6,740,056</u></u>

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

Workers' Compensation

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

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2021.

Note 8 – Postemployment Benefits

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021.

Note 9 – Debt

Debt outstanding at December 31, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loan (CQ19H)	\$24,140	0.00%
OWDA Loan (7762)	\$12,955	2.25%
OWDA Loan (7983)	\$221,020	3.01%
OWDA Loan (9573)	<u>127,440</u>	0.24%
Total	<u><u>\$385,555</u></u>	

The Ohio Public Works Commission (OPWC) loan #CQ19H relates to the wastewater treatment plant’s clarifier project. OPWC approved \$96,559 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$2,414, over 20 years. The Village has agreed to set utility rates sufficient to cover debt service requirements.

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2021

OWDA loan #7762 relates to the South Wellfield Expansion. OWDA approved \$20,674 in a loan to the Village for this project with a 2.25% interest rate. The Village repays the loan in semi-annual installments of \$1,160, over 10 years.

OWDA loan #7983 relates to the water treatment plant filter rehabilitation. OWDA's approved amount financed for this project is \$238,380. The Village will repay this loan over 30 years at 3.01% interest rate. The Village repays the loan in semi-annual installments of \$5,239.70. The last payment is 07/01/2049.

OWDA loan #9576 relates to wastewater influent screen project. The total amount financed for this project is \$861,486.28. The Village will repay this loan over 20 years at .24% interest rate. As of this date there is no amortization schedule available for this loan. An estimated payment is \$44,098.28 annually.

Amortization

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

Year Ending December 31:	OPWC Loan	OWDA Loan 7762	OWDA Loan 7983
2022	\$4,828	\$2,320	\$0
2023	4,828	2,320	5,944
2024	4,828	2,320	11,887
2025	4,828	2,320	11,887
2026	4,828	2,320	11,887
2027-2049	3,480	273,412	
Total	<u>\$24,140</u>	<u>\$15,082</u>	<u>\$315,018</u>

Note 10 - Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 11 - Jointly Governed Organization

Fairfield County Regional Planning Commission The Village participates in the Fairfield County Regional Planning Commission, a statutorily created political subdivision of the State. The Village appoints a member of Council to represent the Village on the 43-member board. The Village pays a small membership fee annually based on the per capita of the Village. There is no ongoing financial responsibility by the Village.

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 12 – Fund Balances

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

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrance	\$859	\$1,518	\$2,377
<i>Total</i>	\$859	\$1,518	\$2,377

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

Note 13 – 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. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

Note 14 – Restatement of Beginning Cash Fund Balances

A restatement of beginning cash fund balances as of January 1, 2021 was due to a voided check from the prior period. Voiding the check had the following effect on cash fund balances at January 1, 2021:

Cash Fund Balances	Enterprise
January 1, 2021 - As Previously Stated	\$ 347,726
Adjustments	678
January 1, 2021 - Restated	\$ 348,404



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

Village of Bremen
Fairfield County
9090 Marietta Road SE
Bremen, Ohio 43107

To the Village Council:

We have audited, in accordance the with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Village of Bremen, Fairfield County, (the Village) and have issued our report thereon dated June 21, 2023, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent period of the Village.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village's Response to Findings

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

Purpose of This Report

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



BHM CPA Group, Inc.
Piketon, Ohio
June 21, 2023

**Village of Bremen
Fairfield County
Schedule of Findings
December 31, 2022 and 2021**

1. SUMMARY OF AUDITOR'S RESULTS

FINDING NUMBER 2022-001

Material Weakness – Financial Reporting

Sound financial reporting is the responsibility of the fiscal officer and Village Council and is essential to ensure information provided to the readers of the financial statements is complete and accurate.

Material and immaterial misstatements were identified during the course of the audit which have not been prevented or detected by the Village's internal controls over financial reporting. Misstatements were identified in the following areas:

- Intergovernmental receipts;
- Special item;
- Debt Proceeds;
- Principal Payments;
- Interest Payments;
- Transportation Disbursements;
- Capital Outlay Disbursements,

To ensure the Village's financial statements and notes to the financial statements are complete and accurate, we recommend the Fiscal Officer review the Ohio Village Officer's Handbook for guidance on the correct line item to post various receipts and expenditures of the Village.

Client Response: The Village will make sure transactions are posted to the correct line items in the future.

**Village of Bremen
Fairfield County
Schedule of Prior Audit Findings
December 31, 2022 and 2021**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2020-001	Material Weakness – Financial Reporting	No	Reissued as Finding 2022-001
2020-002	Material Noncompliance – ORC 5704.41(D)	Yes	
2020-003	Significant Deficiency – Internal Controls related to Payroll Disbursements	Yes	

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BREMEN

FAIRFIELD 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 7/20/2023

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

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