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& Associates CPAs
PASSION Beyond the Numbers

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY

REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2022 - 2021

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Village Council
Village of New Bremen
214 North Washington Street
P.O. Box 27
New Bremen, Ohio 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, 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 New Bremen is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

October 03, 2023

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AUGLAIZE COUNTY

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

To the Village Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2022 and 2021 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2022 and 2021, and the respective changes in cash-basis financial position and where applicable cash flows thereof and the budgetary comparison for the General Fund for the years then ended in accordance with the cash-basis of accounting described in Note 2.

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.

Emphasis of Matter - Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to 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 cash-basis of accounting described in Note 2, and for determining that the cash-basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other 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 it.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 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.

Perry & Associates CPA's A.C.

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

June 14, 2023

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(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, 2022, 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 2022 are as follows:

- The total net cash position of the Village increased $805,394. The net cash position of governmental activities increased $324,291 or 6.04% from 2021 and the net cash position of business-type activities increased $481,103 or 14.22% from 2021.

- General cash receipts accounted for $6,556,120 or 86.71% of total governmental activities cash receipts. Program specific cash receipts accounted for $1,004,438 or 13.29% of total governmental activities cash receipts.

- The Village had $6,852,293 in cash disbursements related to governmental activities; $1,004,438 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 $6,556,120.

- The Village's major governmental funds are the general fund and the Jefferson Street reconstruction fund. The general fund had cash receipts and other financing sources of $6,486,412 in 2022. The cash disbursements and other financing uses of the general fund totaled $6,350,765 in 2022. The fund cash balance of the general fund increased $135,647 from $4,866,038 to $5,001,685.

- The Jefferson Street reconstruction fund had cash receipts and other financing sources of $1,539,773 in 2022. The cash disbursements and other financing uses of the Jefferson Street reconstruction fund totaled $1,539,773 in 2022.

- Net cash position for the business-type activities, which are composed of the water, sewer, refuse, utility deposits, library and electric enterprise funds, increased $481,103 from $3,384,269 to $3,865,372.

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 funds, with all other nonmajor funds presented in total in a single column. For the Village, the general fund and the Jefferson Street reconstruction fund are the most significant funds and presented as major governmental funds. 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 2022?" 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, refuse, utility deposits, library 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 11.

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, 2022 and December 31, 2021.

Net Cash Position

	2022		2021			
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities	2022 Total	2021 Total
Assets						
Equity in pooled cash and cash equivalents	$ 5,693,610	$ 3,865,372	$ 5,369,319	$ 3,384,269	$ 9,558,982	$ 8,753,588
Total assets	5,693,610	3,865,372	5,369,319	3,384,269	9,558,982	8,753,588
Net cash position						
Restricted	711,149	-	513,106	-	711,149	513,106
Unrestricted	4,982,461	3,865,372	4,856,213	3,384,269	8,847,833	8,240,482
Total net cash position	$ 5,693,610	$ 3,865,372	$ 5,369,319	$ 3,384,269	$ 9,558,982	$ 8,753,588

At December 31, 2022, a portion of the Village's net cash position, $711,149, 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 $4,982,461 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 2022 and 2021.

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Change in Net Cash Position

	Governmental Activities 2022	Business-type Activities 2022	Governmental Activities 2021	Business-type Activities 2021	Total 2022	Total 2021
Cash receipts:						
Program receipts:						
Charges for services	$ 92,866	$ 9,047,262	$ 279,484	$ 8,117,443	$ 9,140,128	$ 8,396,927
Operating grants and contributions	417,684	-	339,076	-	417,684	339,076
Capital grants and contributions	493,888	-	-	-	493,888	-
Total program receipts	1,004,438	9,047,262	618,560	8,117,443	10,051,700	8,736,003
General receipts:						
Property taxes	658,681	-	645,190	-	658,681	645,190
Income taxes	5,162,060	-	5,167,871	-	5,162,060	5,167,871
Unrestricted grants and entitlements	460,596	-	186,298	-	460,596	186,298
Loan issuance	-	-	445,000	-	-	445,000
Promissory note issuance	-	-	1,500,000	-	-	1,500,000
Investment earnings	125,328	-	13,094	-	125,328	13,094
Miscellaneous	149,455	-	109,069	-	149,455	109,069
Total general receipts	6,556,120	-	8,066,522	-	6,556,120	8,066,522
Total cash receipts	7,560,558	9,047,262	8,685,082	8,117,443	16,607,820	16,802,525
Cash disbursements:						
General government	809,452	-	446,523	-	-	446,523
Security of persons and property	922,590	-	1,313,481	-	-	1,313,481
Public health and welfare	162	-	-	-	162	-
Transportation	688,943	-	942,218	-	688,943	942,218
Leisure time activity	380,028	-	323,250	-	380,028	323,250
Capital outlay	2,479,420	-	3,120,788	-	2,479,420	3,120,788
Debt service:						
Principal retirement	1,556,698	-	1,991,573	-	1,556,698	1,991,573
Interest and fiscal charges	15,000	-	109,824	-	15,000	109,824
Electric	-	8,184,113	-	7,479,879	8,184,113	7,479,879
Other enterprise	-	766,020	-	711,852	766,020	711,852
Total cash disbursements	6,852,293	8,950,133	8,247,657	8,191,731	14,070,384	16,439,388
Transfers	(383,974)	383,974	(384,886)	384,886	-	-
Change in net cash position	324,291	481,103	52,539	310,598	805,394	363,137
Net cash position at beginning of year	5,369,319	3,384,269	5,316,780	3,073,671	8,753,588	8,390,451
Net cash position at end of year	$ 5,693,610	$ 3,865,372	$ 5,369,319	$ 3,384,269	$ 9,558,982	$ 8,753,588

Governmental Activities

Net cash position increased $324,291 or 6.04% in 2022. Total cash receipts decreased in 2022 compared to 2021 primarily due to a $1,500,000 loan received in 2021.

General government cash disbursements totaled $809,452. General government cash disbursements were partially funded by $53,006 in direct charges to users of the services and $157,092 in operating grants and contributions.

Security of persons and property cash disbursements of $922,590 were partially funded by $39,860 in direct charges to users.

Transportation cash disbursements of $688,943 were partially funded by direct charges to users of $260,592.

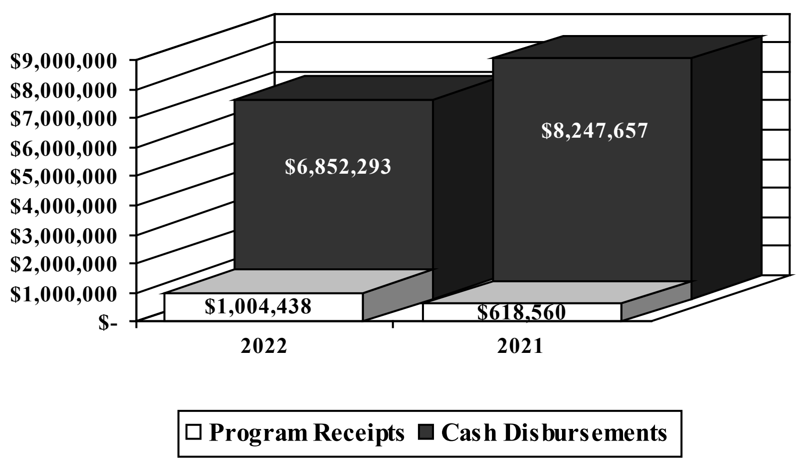
Capital outlay disbursements primarily support the acquisition of, or additions to, fixed assets. The Village had $2,479,420 in disbursements during 2022, accounting for 36.18% of total governmental activities cash disbursements.

The State and federal government contributed to the Village a total of $417,684 in operating grants and contributions. These program cash receipts are restricted to a particular program or purpose. Capital grants and contributions in 2022 primarily consisted of a grant from the Ohio Public Works Commission for the Jefferson Street reconstruction project.

General cash receipts totaled $6,556,120 and amounted to 86.71% of total governmental cash receipts. These cash receipts primarily consist of property and income tax receipts of $5,820,741. 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 $460,596 in 2022.

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 2022.

Governmental Activities - Program Receipts vs. Total Cash Disbursements



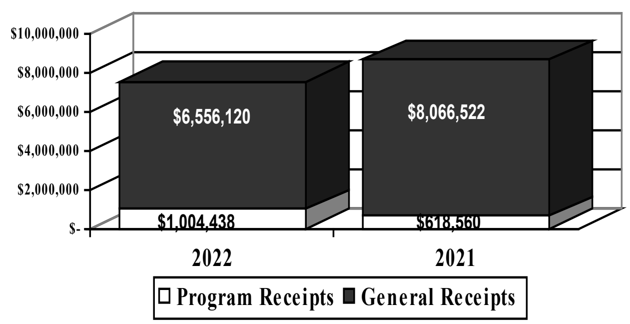
The following table shows, for the governmental activities, the total cost of services and the net cost of services for 2022 and 2021. That is, it identifies the cost of these services supported by taxes, unrestricted State grants and entitlements, and other general cash receipts.

	Governmental Activities			
	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Cash disbursements:				
General government	$ 809,452	$ 599,354	$ 446,523	$ 238,115
Security of persons and property	922,590	882,730	1,313,481	1,262,521
Public health and welfare	162	162	-	-
Transportation	688,943	428,351	942,218	583,026
Leisure time activity	380,028	380,028	323,250	323,250
Capital outlay	2,479,420	1,985,532	3,120,788	1,620,788
Debt service:				
Principal retirement	1,556,698	1,556,698	1,991,573	1,991,573
Interest and fiscal charges	15,000	15,000	109,824	109,824
Total	$ 6,852,293	$ 5,847,855	$ 8,247,657	$ 6,129,097

The dependence upon general cash receipts for governmental activities is apparent, with 85.34% 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 2022 and 2021.

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 $9,047,262, transfers in of $383,974, and cash disbursements of $8,950,133 during 2022. The net cash position of these programs increased $481,103 from 2021.

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 $5,693,610, which is $324,291 higher than last year's total of $5,369,319.

The schedule below indicates the fund cash balances and the total change in fund cash balances as of December 31, 2022 and December 31, 2021 for all major and nonmajor governmental funds.

	Fund Cash Balances 12/31/2022	Fund Cash Balances 12/31/2021	Change
Major fund:			
General	$ 5,001,685	$ 4,866,038	$ 135,647
Nonmajor governmental funds	691,925	503,281	188,644
Total	$ 5,693,610	$ 5,369,319	$ 324,291

General Fund

The Village's general fund cash balance increased $135,647 or 2.79%. The table that follows assists in illustrating the cash receipts of the general fund for 2022 and 2021.

	2022 Amount	2021 Amount	Amount Change	Percentage Change
Cash receipts:				
Taxes	$ 5,649,737	$ 5,643,532	$ 6,205	0.11 %
Charges for services	38,314	49,781	(11,467)	(23.03) %
Licenses, permits and fees	12,875	5,989	6,886	114.98 %
Fines and forfeitures	14,554	14,967	(413)	(2.76) %
Intergovernmental	458,344	151,877	306,467	201.79 %
Special assessments	24,117	30,673	(6,556)	(21.37) %
Investment income	125,328	13,094	112,234	857.14 %
Other	149,455	141,210	8,245	5.84 %
Total	$ 6,472,724	$ 6,051,123	$ 421,601	6.97 %

Intergovernmental receipts increased $306,467 or 201.79% due to increased grants received by the Village during 2022 compared to 2021. Investment income increased $112,234 or 857.14% due to higher amounts invested and greater returns for the Village's investments in 2022 compared to 2021. Charges for service decreased $11,467 or 23.03% primarily due to less receipts received in 2022 for fire contracts compared to 2021.

The table that follows assists in illustrating the cash disbursements of the general fund for 2022 and 2021.

	2022 Amount	2021 Amount	Amount Change	Percentage Change
Cash disbursements:				
General government	$ 501,586	$ 446,433	$ 55,153	12.35 %
Security of persons and property	761,233	1,014,721	(253,488)	(24.98) %
Public health and welfare	162	-	162	100.00 %
Transportation	182,202	188,317	(6,115)	(3.25) %
Leisure time activity	380,028	323,250	56,778	17.56 %
Capital outlay	931,709	2,675,788	(1,744,079)	(65.18) %
Debt service	1,571,698	2,101,286	(529,588)	(25.20) %
Total	$ 4,328,618	$ 6,749,795	$ (2,421,177)	(35.87) %

Overall, cash disbursements of the general fund decreased $2,421,177 or 35.87%. General government disbursements increased $55,153 or 12.35% due to an increase in administration operations expenses. Capital outlay decreased $1,744,079 or 65.18% due to less funding for projects compared to 2021. Debt service decreased $529,588 or 25.20% due to the final payments being made on the promissory note in 2022.

Jefferson Street Reconstruction Fund

The Jefferson Street reconstruction fund had cash receipts and other financing sources of $1,539,773 in 2022. The cash disbursements and other financing uses of the Jefferson Street reconstruction fund totaled $1,539,773 in 2022.

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 2022, the Village's proprietary funds had total operating receipts of $9,047,262, total operating disbursements of $8,148,041, nonoperating disbursements of $802,092 and transfers in of $383,974. The proprietary funds' net cash position increased $481,103 during 2022, from $3,384,269 to $3,865,372.

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 $2,063,125 and final budgeted receipts and other financing sources were $2,078,125, an increase of $15,000 from the original budget. Actual budgetary receipts and other financing sources of $2,040,067 were $38,058 less than the final budget. This variance is primarily due to an decrease in the amount of money collected for both property taxes and special assessments.

General fund original budgetary basis disbursements and other financing uses amounted to $2,568,893. The final budgetary basis disbursements and other financing uses amounted to $2,488,893, a decrease of $80,000 from the original budget. The actual budget basis disbursements and other financing uses for 2022 totaled $1,846,344, which was $642,549 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 $2,479,420 in the governmental activities and $306,110 in the business-type activities during 2022.

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, 2022 and December 31, 2021.

	Governmental Activities	
	2022	2021
OPWC loans	$ 1,461,131	$ 1,517,829
Promissory note	-	1,500,000
Total long-term obligations	$ 1,461,131	$ 3,017,829

	Business-type Activities	
	2022	2021
OPWC loans	$ 84,407	$ 104,353
North substation loan	4,836,210	5,196,515
Total long-term obligations	$ 4,920,617	$ 5,300,868

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 2023. 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 2023 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.

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2022

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	$ 5,693,610	$ 3,865,372	$ 9,558,982
Total assets	$ 5,693,610	$ 3,865,372	$ 9,558,982
Net cash position:			
Restricted for:			
Capital projects	$ 358,400	$ -	$ 358,400
Transportation projects	250,876	-	250,876
Public safety	83,745	-	83,745
Other purposes	18,128	-	18,128
Unrestricted	4,982,461	3,865,372	8,847,833
Total net cash position	$ 5,693,610	$ 3,865,372	$ 9,558,982

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, 2022

		Program Cash Receipts		
	Cash Disbursements	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental activities:				
Current:				
General government	$ 809,452	$ 53,006	$ 157,092	$ -
Security of persons and property	922,590	39,860	-	-
Public health and welfare	162	-	-	-
Transportation	688,943	-	260,592	-
Leisure time activity	380,028	-	-	-
Capital outlay	2,479,420	-	-	493,888
Debt service:				
Principal retirement	1,556,698	-	-	-
Interest and fiscal charges	15,000	-	-	-
Total governmental activities	6,852,293	92,866	417,684	493,888
Business-type activities:				
Electric	8,184,113	8,029,239	-	-
Other enterprise	766,020	1,018,023	-	-
Total business-type activities	8,950,133	9,047,262	-	-
Totals	$ 15,802,426	$ 9,140,128	$ 417,684	$ 493,888

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
Investment earnings
Miscellaneous

Total general cash receipts

Transfers

Total general cash receipts and transfers

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
$ (599,354)	$ -	$ (599,354)
(882,730)	-	(882,730)
(162)	-	(162)
(428,351)	-	(428,351)
(380,028)	-	(380,028)
(1,985,532)	-	(1,985,532)
(1,556,698)	-	(1,556,698)
(15,000)	-	(15,000)
(5,847,855)	-	(5,847,855)
-	(154,874)	(154,874)
-	252,003	252,003
-	97,129	97,129
(5,847,855)	97,129	(5,750,726)
487,677	-	487,677
171,004	-	171,004
5,162,060	-	5,162,060
460,596	-	460,596
125,328	-	125,328
149,455	-	149,455
6,556,120	-	6,556,120
(383,974)	383,974	-
6,172,146	383,974	6,556,120
324,291	481,103	805,394
5,369,319	3,384,269	8,753,588
$ 5,693,610	$ 3,865,372	$ 9,558,982

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF ASSETS AND FUND CASH BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	$ 5,001,685	$ 691,925	$ 5,693,610
Total assets	$ 5,001,685	$ 691,925	$ 5,693,610
Fund cash balances:			
Restricted	$ -	$ 691,925	$ 691,925
Assigned	4,681,897	-	4,681,897
Unassigned	319,788	-	319,788
Total fund cash balances	$ 5,001,685	$ 691,925	$ 5,693,610

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, 2022

	General	Jefferson St Reconstruction	Nonmajor Governmental Funds	Total Governmental Funds
Cash receipts:				
Municipal income taxes	$ 5,162,060	$ -	$ -	$ 5,162,060
Property and other taxes	487,677	-	171,004	658,681
Charges for services	38,314	-	1,898	40,212
Licenses, permits and fees	12,875	-	-	12,875
Fines and forfeitures	14,554	-	1,108	15,662
Intergovernmental	458,344	490,000	403,890	1,352,234
Special assessments	24,117	-	-	24,117
Investment income	125,328	-	3,213	128,541
Contributions and donations	19,410	-	-	19,410
Other	130,045	-	16,721	146,766
Total cash receipts	6,472,724	490,000	597,834	7,560,558
Cash disbursements:				
Current:				
General government	501,586	-	307,866	809,452
Security of persons and property	761,233	-	161,357	922,590
Public health and welfare	162	-	-	162
Transportation	182,202	-	506,741	688,943
Leisure time activity	380,028	-	-	380,028
Capital outlay	931,709	1,526,085	21,626	2,479,420
Debt service:				
Principal retirement	1,556,698	-	-	1,556,698
Interest and fiscal charges	15,000	-	-	15,000
Total cash disbursements	4,328,618	1,526,085	997,590	6,852,293
Excess (deficiency) of cash receipts over (under) cash disbursements	2,144,106	(1,036,085)	(399,756)	708,265
Other financing sources (uses):				
Transfers in	13,688	1,049,773	588,400	1,651,861
Transfers (out)	(2,022,147)	(13,688)	-	(2,035,835)
Total other financing sources (uses)	(2,008,459)	1,036,085	588,400	(383,974)
Net change in fund cash balances	135,647	-	188,644	324,291
Fund cash balances at beginning of year	4,866,038	-	503,281	5,369,319
Fund cash balances at end of year	$ 5,001,685	$ -	$ 691,925	$ 5,693,610

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, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Budgetary basis receipts:				
Property and other taxes	$ 522,500	$ 522,500	$ 487,677	$ (34,823)
Charges for services	40,000	40,000	38,314	(1,686)
Licenses, permits and fees	4,200	4,200	12,875	8,675
Fines and forfeitures	15,000	15,000	14,554	(446)
Intergovernmental	99,175	99,175	126,787	27,612
Special assessments	55,000	55,000	24,117	(30,883)
Investment income	8,000	8,000	5,979	(2,021)
Other	119,250	119,250	129,764	10,514
Total budgetary basis receipts	863,125	863,125	840,067	(23,058)
Budgetary basis disbursements:				
Current:				
General government	598,460	575,971	501,740	74,231
Security of persons and property	1,271,737	1,223,947	777,329	446,618
Public health and welfare	701	675	162	513
Transportation	232,019	223,300	171,461	51,839
Leisure time activity	25,976	25,000	11,678	13,322
Total budgetary basis disbursements	2,128,893	2,048,893	1,462,370	586,523
Excess of budgetary basis disbursements over budgetary basis receipts	(1,265,768)	(1,185,768)	(622,303)	563,465
Other financing sources (uses):				
Transfers in	1,200,000	1,215,000	1,200,000	(15,000)
Transfers (out)	(440,000)	(440,000)	(383,974)	56,026
Total other financing sources (uses)	760,000	775,000	816,026	41,026
Net change in fund cash balances	(505,768)	(410,768)	193,723	604,491
Fund cash balance at beginning of year	508,257	508,257	508,257	-
Prior year encumbrances appropriated	8,818	8,818	8,818	-
Fund cash balance at end of year	$ 11,307	$ 106,307	$ 710,798	$ 604,491

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, 2022

	Business-type Activities - Enterprise Funds		
	Electric	**Nonmajor**	**Total**
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	$ 2,983,346	$ 882,026	$ 3,865,372
Total assets	$ 2,983,346	$ 882,026	$ 3,865,372
Net cash position:			
Unrestricted	2,983,346	$ 882,026	$ 3,865,372
Total net cash position	$ 2,983,346	$ 882,026	$ 3,865,372

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, 2022

	Business-type Activities - Enterprise Funds		
	Electric	**Nonmajor**	**Total**
Operating receipts:			
Charges for services	$ 7,942,712	$ 1,015,497	$ 8,958,209
Other	86,527	2,526	89,053
Total operating receipts	8,029,239	1,018,023	9,047,262
Operating disbursements:			
Personal services	395,352	116,353	511,705
Contract services	7,181,773	451,699	7,633,472
Materials and supplies	1,056	1,808	2,864
Total operating disbursements	7,578,181	569,860	8,148,041
Operating income	451,058	448,163	899,221
Nonoperating disbursements:			
Capital outlay	(129,896)	(176,214)	(306,110)
Debt service:			
Principal retirement	(360,305)	(19,946)	(380,251)
Interest and fiscal charges	(115,731)	-	(115,731)
Total nonoperating disbursements	(605,932)	(196,160)	(802,092)
Income (loss) before transfers	(154,874)	252,003	97,129
Transfers in	383,974	-	383,974
Change in net cash position	229,100	252,003	481,103
Net cash position at beginning of year	2,754,246	630,023	3,384,269
Net cash position at end of year	$ 2,983,346	$ 882,026	$ 3,865,372

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, 2022

	Custodial
Cash additions:	
Fines and forfeitures for other governments	$ 4,434
Total cash additions	4,434
Cash deductions:	
Fines and forfeitures distributions to other governments	4,434
Total cash deductions	4,434
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.

Jefferson St Reconstruction - The Jefferson Street Reconstruction fund accounts for the grant money received and disbursements made related to the reconstruction of Jefferson Street.

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 is the Village's major enterprise fund:

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, 2022.

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 custodial 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.

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.

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

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 requirements.

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.

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 2022, the Village invested in 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.

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

For 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of $100 million or more is encouraged. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

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 2022 was $125,328 which includes $56,268 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.

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 (including the intangible right to use) when entering into a lease or financed purchase transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments and financed purchase payments are reported when paid.

N. Leases

For 2022, GASB Statement No.87, "*Leases"* was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

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

O. 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.

P. 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 2022, the Village has implemented GASB Statement No. 87, "*Leases*", GASB Implementation Guide 2019-3, "*Leases*", GASB Implementation Guide 2020-1, "*Implementation Guide Update - 2020*", GASB Statement No. 91, "*Conduit Debt Obligations*", GASB Statement No. 92, "*Omnibus 2020*", GASB Statement No. 93, "*Replacement of Interbank Offered Rates*", GASB Statement No. 97, " *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*" and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Since the Village does not prepare financial statements using generally accepted accounting principles, the implementation of GASB Statement No. 87 did not have an effect on the financial statements of the Village. The notes to the basic financial statements include the disclosure requirements under the Statement.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the Village.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the Village.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the Village.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the Village.

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the Village.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 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 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).

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING – (Continued)

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, and the Swimming Pool Fund. The table below presents these differences for the Village's General Fund:

	General
Budgetary Basis Fund Balances	$ 710,798
Encumbrances	16,250
Fund Balances of Funds Combined with the General Fund for Reporting Purposes	4,274,637
Fund Cash Balances	$ 5,001,685

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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. 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;

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

8. Certain banker's acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments 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. Except as noted above, 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. Payment for investments may be made only upon delivery of the securities representing the investments to the Fiscal Officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits with Financial Institutions

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in 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 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of December 31, 2022, the Village had the following investment:

Measurement/ Investment Type	Measurement Value	% of Total
Amortized Cost:		
STAR Ohio	$ 5,905,482	100.00
Total	$ 5,905,482	100.00

Measurement/ Investment Type	Measurement Value	Investment Maturities 6 months or less	Investment Maturities Total
Amortized Cost:			
STAR Ohio	$ 5,905,482	$ 5,905,482	$ 5,905,482
Total	$ 5,905,482	$ 5,905,482	$ 5,905,482

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, 2022:

Cash and investments per note	
Carrying amount of deposits	$ 3,653,500
Investments	5,905,482
Total	$ 9,558,982
Cash and investments per statement of net position	
Governmental activities	$ 5,693,610
Business type activities	3,865,372
Total	$ 9,558,982

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.

NOTE 6 - PROPERTY TAXES – (Continued)

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. 2022 public utility property taxes became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2022 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, 2022 and for which there is an enforceable legal claim. For 2022, 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.

The assessed values of real and public utility property upon which 2022 property tax receipts were based are as follows:

Real property	
Residential/agricultural	$ 78,935,700
Commercial/industrial	23,213,010
Public utility	
Personal	945,800
Total assessed value	$ 103,094,510

NOTE 7 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2022, consisted of the following, as reported in the fund financial statements:

Transfer from:	Transfer to:	Amount
General fund	Nonmajor govermental funds	$ 588,400
General fund	Electric fund	383,974
General fund	Jefferson St Reconstruction	1,049,773
Jefferson St Reconstruction	General fund	13,688
Total		$ 2,035,835

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.

NOTE 8 - LOCAL INCOME TAXES

The Village levies a 1.5% percent income tax whose proceeds are placed into the General Fund. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. 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 2022, the Village collected $5,162,060.

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 Government 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 (the latest information available).

Assets	$21,777,439
Liabilities	(15,037,383)
Members' Equity	$6,740,056

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/Asset

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions and 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 pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

NOTE 10 - DEFINED BENEFIT PENSION PLANS – (Continued)

The net pension liability/asset and the net OPEB liability/asset 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 net OPEB liability/asset 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.

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.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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. 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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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:

2022 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.
** 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 $154,609 for 2022.

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 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 2.50% 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 (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.00% of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

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

	Police
2022 Statutory Maximum Contribution Rates	
Employer	19.50
Employee	12.25
2022 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 $103,462 for 2022.

Net Pension Liabilities/Assets

The net pension liability and net pension asset for OPERS was measured as of December 31, 2021, 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, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. 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	0.00748700%	0.01272100%	0.01623120%	
Proportion of the net pension liability/asset current measurement date	0.00662900%	0.01248000%	0.01600570%	
Change in proportionate share	-0.00085800%	-0.00024100%	-0.00022550%	
Proportionate share of the net pension liability	$ 576,750	$ -	$ 999,944	$ 1,576,694
Proportionate share of the net pension asset	-	(2,266)	-	(2,266)

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, 2021, 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, 2021, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	3.25%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 0.50%, simple through 2021, then 2.15% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

In July 2021, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 0.50% simple through 2021 then 2.15% simple to 3.00% simple through 2022 then 2.05% simple.

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, 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 of 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 a gain of 15.3% for 2021.

The allocation of investment assets within 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, 2021, 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	24.00 %	1.03 %
Domestic equities	21.00	3.78
Real estate	11.00	3.66
Private equity	12.00	7.43
International equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00 %	4.21 %

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90%, 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, 2021 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 6.90%, 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 (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Village's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	$ 1,520,626	$ 576,750	$ (208,681)
Member-Directed Plan	(1,997)	(2,266)	(2,496)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, 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, 2022, are presented below.

Valuation date	1/1/21 with actuarial liabilities rolled forward to 12/31/21
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	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	2.20% per year simple

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 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.

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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, 2021 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	21.00	3.60
Non-US equity	14.00	4.40
Private markets	8.00	6.80
Core fixed income *	23.00	1.10
High yield fixed income	7.00	3.00
Private credit	5.00	4.50
U.S. inflation linked bonds *	17.00	0.80
Midstream energy infrastructure	5.00	5.00
Real assets	8.00	5.90
Gold	5.00	2.40
Private real estate	12.00	4.80
Total	125.00 %	

Note: assumptions are geometric.
* levered 2x

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 1.25 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 7.50%. A discount rate of 8.00% was used in the previous measurement date. 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.

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 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Village's proportionate share of the net pension liability	$ 1,482,902	$ 999,944	$ 597,758

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

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. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

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 with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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' Annual Comprehensive Financial Report referenced below for additional information.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 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 2022, 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. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. 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 2022 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 $3,021 for 2022.

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.

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

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.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org 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.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, 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 $2,723 for 2022.

Net OPEB Liabilities/Assets

The net OPEB liability/asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, 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, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The Village's proportion of the net OPEB liability/asset was based on the Village's share of contributions to the retirement plan relative to the contributions of all participating entities.

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NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Following is information related to the proportionate share:

	OPERS	OP&F	Total
Proportion of the net OPEB liability/asset prior measurement date	0.00747800%	0.01623120%	
Proportion of the net OPEB liability/asset current measurement date	0.00667100%	0.01600570%	
Change in proportionate share	-0.00080700%	-0.00022550%	
Proportionate share of the net OPEB liability	$ -	$ 175,436	$ 175,436
Proportionate share of the net OPEB asset	(208,946)	-	(208,946)

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 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, 2020, rolled forward to the measurement date of December 31, 2021.

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NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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	
Current measurement date	2.75%
Prior Measurement date	3.25%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75% including wage inflation
Prior Measurement date	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	1.84%
Prior Measurement date	2.00%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2034
Prior Measurement date	8.50% initial, 3.50% ultimate in 2035
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

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.

During 2021, 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 was a gain of 14.3% for 2021.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2021, 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	34.00 %	0.91 %
Domestic equities	25.00	3.78
Real Estate Investment Trusts (REITs)	7.00	3.71
International equities	25.00	4.88
Risk parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00 %	3.45 %

Discount Rate - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. 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) a 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 1.84%. 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 the year 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the Village's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, as well as what the proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00%) or one-percentage-point higher (7.00%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
Village's proportionate share of the net OPEB asset	$ (122,880)	$ (208,946)	$ (280,382)

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the Village's Proportionate Share of the Net OPEB Asset 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 asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset 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 with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of healthcare; the trend starting in 2022 is 5.50%. 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 the health care 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 asset	$ (211,204)	$ (208,946)	$ (206,267)

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, 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.

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.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	2.84%
Prior measurement date	2.96%
Cost of Living Adjustments	2.20% simple per year

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 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 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.

NOTE 11 - DEFINED BENEFIT OPEB 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, 2020, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	21.00	3.60
Non-US equity	14.00	4.40
Private markets	8.00	6.80
Core fixed income *	23.00	1.10
High yield fixed income	7.00	3.00
Private credit	5.00	4.50
U.S. inflation linked bonds *	17.00	0.80
Midstream energy infrastructure	5.00	5.00
Real assets	8.00	5.90
Gold	5.00	2.40
Private real estate	12.00	4.80
Total	125.00 %	

Note: assumptions are geometric.
* levered 2x

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 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. For 2020, the total OPEB liability was calculated using the discount rate of 2.96%. 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 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 2.05% at December 31, 2021 and 2.12% at December 31, 2020 was blended with the long-term rate of 7.50%, which resulted in a blended discount rate of 2.84%.

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 2.84%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.84%), or one percentage point higher (3.84%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Village's proportionate share of the net OPEB liability	$ 220,527	$ 175,436	$ 138,371

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2022, was as follows:

	Balance Outstanding 12/31/21	Issued	Retired	Balance Outstanding 12/31/22	Amount Due in One Year
Governmental activities:					
Ohio public works - CM14R	$ 75,022	$ -	$ (3,127)	$ 71,895	$ 3,126
Ohio public works - CM03R	416,416	-	(16,656)	399,760	16,656
Ohio public works - CT33U	450,000	-	(25,000)	425,000	25,000
Ohio public works - CT24W	131,391	-	(6,915)	124,476	6,915
Ohio public works - CM09Y	200,000	-	(5,000)	195,000	10,000
Ohio public works - CT64X	245,000	-	-	245,000	4,084
Promissory Note	1,500,000	-	(1,500,000)	-	-
Total governmental activities	$ 3,017,829	$ -	$ (1,556,698)	$ 1,461,131	$ 65,781
Business-type activities:					
Ohio public works - CM17P	$ 59,354	$ -	$ (4,947)	$ 54,407	$ 4,946
Ohio public works - CT61P	44,999	-	(14,999)	30,000	15,000
North Substation Loan	5,196,515	-	(360,305)	4,836,210	368,680
Total business-type activities	$ 5,300,868	$ -	$ (380,251)	$ 4,920,617	$ 388,626
Total long-term obligations	$ 8,318,697	$ -	$ (1,936,949)	$ 6,381,748	$ 454,407

The Village has eight 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 CM09Y for Paving Program. Payments of $5,000 are due semi-annually for a term of 20 years at zero interest rate. The final payment is due January 1, 2042.

Loan CT64X for North Jefferson Street Reconstruction. Payments of $4,083 are due semi-annually for a term of 30 years at zero interest rate. The final payment is due January 1, 2053.

NOTE 12 - LONG-TERM DEBT - (Continued)

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.

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

Year Ending	Governmental Activities			Business-Type Activities		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2023	$ 65,781	$ -	$ 65,781	$ 19,946	$ -	$ 19,946
2024	69,865	-	69,865	19,946	-	19,946
2025	69,865	-	69,865	4,946	-	4,946
2026	69,865	-	69,865	4,946	-	4,946
2027	69,865	-	69,865	4,946	-	4,946
2028 - 2032	349,323	-	349,323	24,731	-	24,731
2033 - 2037	349,323	-	349,323	4,946	-	4,946
2038 - 2042	255,492	-	255,492	-	-	-
2043 - 2047	116,838	-	116,838	-	-	-
2048 - 2052	40,833	-	40,833	-	-	-
2053	4,083	-	4,083	-	-	-
Total	$ 1,461,131	$ -	$ 1,461,133	$ 84,407	$ -	$ 84,407

<u>*Promissory Note:*</u> On March 19, 2021 the Village entered into a promissory note with Komminsk Estate, Inc. for $1,500,000 for two parcels of property. The note matured on December 31, 2022.

<u>*North Substation Loan:*</u> 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 loan carries an interest rate of 2.45% and matures July 23, 2034.

NOTE 12 - LONG-TERM DEBT - (Continued)

The principal and interest requirements to retire the loan outstanding at December 31, 2022, are as follows:

Year Ending	Business - Type Activities		
December 31,	Principal	Interest	Total
2023	$ 368,680	$ 107,356	$ 476,036
2024	376,967	99,069	476,036
2025	386,012	90,024	476,036
2026	394,985	81,051	476,036
2027	404,165	71,871	476,036
2028 - 2032	2,165,917	214,263	2,380,180
2033 - 2034	739,484	14,241	753,725
Total	$ 4,836,210	$ 677,875	$ 5,514,085

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, 2022, 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 "Bltestelleville 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, 2022, $56,125,000 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, 2021, $0 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, 2022. 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.

NOTE 15 - CONTINGENT LIABILITIES - (Continued)

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 $16,046, interest expense incurred on AMP's line-of-credit of $93,651 and payments made amount to $386,666, resulting in a net impaired cost estimate at December 31, 2022 of $433,061. The Village does have a potential PHFU Liability of $391,941 resulting in a net total potential liability of $825,002, 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 construction and maintenance	$ -	$ 250,876	$ 250,876
Public safety	-	83,745	83,745
Capital projects	-	358,400	358,400
General government	-	18,128	18,128
Total restricted	-	711,149	711,149
Assigned:			
General government	154	-	154
Security persons and property	16,096	-	16,096
Leisure time activities	139,504	-	139,504
Capital outlay	4,127,284	-	4,127,284
Transportation	7,849	-	7,849
Subsequent year appropriations	391,010	-	391,010
Total assigned	4,681,897	-	4,681,897
Unassigned	300,564	-	300,564
Total fund cash balances	$ 4,982,461	$ 711,149	$ 5,693,610

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.

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 2022, the Village's property tax revenues were reduced as a result of these agreements as follows:

Tax Abatement Program	Village Taxes Abated
CRA	$ 28,922
Ezone	169
Total	$ 29,091

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. 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 may impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(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, 2021, 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 2021 are as follows:

- The total net cash position of the Village increased $363,137. The net cash position of governmental activities increased $52,539 or 0.99% from 2020 and the net cash position of business-type activities increased $310,598 or 10.11% from 2020.

- General cash receipts accounted for $8,066,522 or 92.88% of total governmental activities cash receipts. Program specific cash receipts accounted for $618,560 or 7.12% of total governmental activities cash receipts.

- The Village had $8,247,657 in cash disbursements related to governmental activities; $618,560 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 $8,066,522.

- The Village's major governmental fund is the general fund. The general fund had cash receipts and other financing sources of $7,552,505 in 2021. The cash disbursements and other financing uses of the general fund totaled $7,364,681 in 2021. The fund cash balance of the general fund increased $187,824 from $4,678,214 to $4,866,038.

- Net cash position for the business-type activities, which are composed of the water, sewer, refuse, utility deposits, library and electric enterprise funds, increased $310,598 from $3,073,671 to $3,384,269.

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 2021?" 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, refuse, utility deposits, library 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 68.

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, 2021 and December 31, 2020.

Net Cash Position

	2021		2020			
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities	2021 Total	2020 Total
Assets						
Equity in pooled cash and cash equivalents	$ 5,369,319	$ 3,384,269	$ 5,316,780	$ 3,073,671	$ 8,753,588	$ 8,390,451
Total assets	5,369,319	3,384,269	5,316,780	3,073,671	8,753,588	8,390,451
Net cash position						
Restricted	513,106	-	638,566	-	513,106	638,566
Unrestricted	4,856,213	3,384,269	4,678,214	3,073,671	8,240,482	7,751,885
Total net cash position	$ 5,369,319	$ 3,384,269	$ 5,316,780	$ 3,073,671	$ 8,753,588	$ 8,390,451

At December 31, 2021, a portion of the Village's net cash position, $513,106, 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 $4,856,213 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 2021 and 2020.

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Change in Net Cash Position

	Governmental Activities 2021	Business-type Activities 2021	Governmental Activities 2020	Business-type Activities 2020	2021 Total	2020 Total
Cash receipts:						
Program receipts:						
Charges for services	$ 279,484	$ 8,117,443	$ 207,287	$ 7,762,012	$ 8,396,927	$ 7,969,299
Operating grants and contributions	339,076	-	533,514	-	339,076	533,514
Capital grants and contributions	-	-	500,000	-	-	500,000
Total program receipts	618,560	8,117,443	1,240,801	7,762,012	8,736,003	9,002,813
General receipts:						
Property taxes	645,190	-	589,485	-	645,190	589,485
Income taxes	5,167,871	-	4,439,653	-	5,167,871	4,439,653
Unrestricted grants and entitlements	186,298	-	651,515	-	186,298	651,515
Loan issuance	445,000	-	138,306	5,142,957	445,000	5,281,263
Promissory note issuance	1,500,000	-	-	-	1,500,000	-
Investment earnings	13,094	-	50,552	-	13,094	50,552
Miscellaneous	109,069	-	139,503	-	109,069	139,503
Total general receipts	8,066,522	-	6,009,014	5,142,957	8,066,522	11,151,971
Total cash receipts	8,685,082	8,117,443	7,249,815	12,904,969	16,802,525	20,154,784
Cash disbursements:						
General government	446,523	-	729,366	-	-	729,366
Security of persons and property	1,313,481	-	1,114,612	-	-	1,114,612
Public health and welfare	-	-	131	-	-	131
Transportation	942,218	-	914,263	-	942,218	914,263
Leisure time activity	323,250	-	127,175	-	323,250	127,175
Capital outlay	3,120,788	-	3,055,409	-	3,120,788	3,055,409
Debt service:						
Principal retirement	1,991,573	-	672,391	-	1,991,573	672,391
Interest and fiscal charges	109,824	-	59,405	-	109,824	59,405
Electric	-	7,479,879	-	12,158,446	7,479,879	12,158,446
Other enterprise	-	711,852	-	644,721	711,852	644,721
Total cash disbursements	8,247,657	8,191,731	6,672,752	12,803,167	14,679,384	19,475,919
Transfers	(384,886)	384,886	(364,697)	364,697	-	-
Change in net cash position	52,539	310,598	212,366	466,499	363,137	678,865
Net cash position at beginning of year	5,316,780	3,073,671	5,104,414	2,607,172	8,390,451	7,711,586
Net cash position at end of year	$ 5,369,319	$ 3,384,269	$ 5,316,780	$ 3,073,671	$ 8,753,588	$ 8,390,451

Governmental Activities

Net cash position increased $52,539 or 0.99% in 2021. Total cash receipts decreased due to a decrease in unrestricted grants and contributions and capital grants in 2021 compared to 2020.

General government cash disbursements totaled $446,523. General government cash disbursements were partially funded by $208,408 in direct charges to users of the services.

Security of persons and property cash disbursements of $1,313,481 were partially funded by $50,960 in direct charges to users.

Transportation cash disbursements of $942,218 were partially funded by direct charges to users of $20,116 and operating grants and contributions of $339,076.

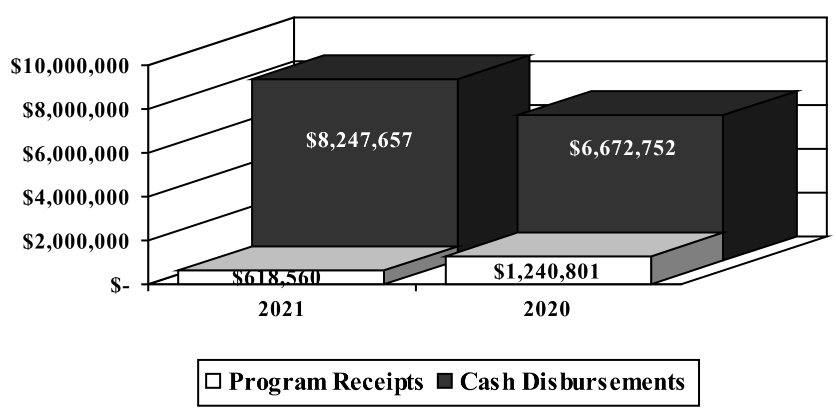
Capital outlay disbursements primarily support the acquisition of, or additions to, fixed assets. The Village had $3,120,788 in disbursements during 2021, accounting for 37.84% of total governmental activities cash disbursements.

The State and federal government contributed to the Village a total of $279,484 in operating grants and contributions. These program cash receipts are restricted to a particular program or purpose.

General cash receipts totaled $8,066,522 and amounted to 92.88% of total governmental cash receipts. These cash receipts primarily consist of property and income tax receipts of $5,813,061. 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 $186,298 in 2021.

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 2021.

Governmental Activities - Program Receipts vs. Total Cash Disbursements



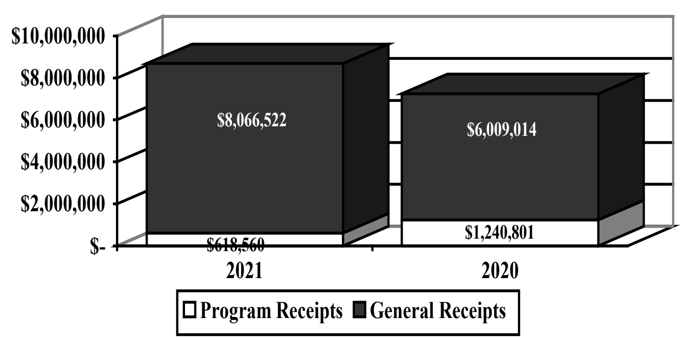
The following table shows, for the governmental activities, the total cost of services and the net cost of services for 2021 and 2020. That is, it identifies the cost of these services supported by taxes, unrestricted State grants and entitlements, and other general cash receipts.

	Governmental Activities			
	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Cash disbursements:				
General government	$ 446,523	$ 238,115	$ 729,366	$ 420,243
Security of persons and property	1,313,481	1,262,521	1,114,612	1,079,682
Public health and welfare	-	-	131	131
Transportation	942,218	583,026	914,263	517,515
Leisure time activity	323,250	323,250	127,175	127,175
Capital outlay	3,120,788	3,120,788	3,055,409	2,555,409
Debt service:				
Principal retirement	1,991,573	1,991,573	672,391	672,391
Interest and fiscal charges	109,824	109,824	59,405	59,405
Total	$ 8,247,657	$ 7,629,097	$ 6,672,752	$ 5,431,951

The dependence upon general cash receipts for governmental activities is apparent, with 92.50% 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 2021 and 2020.

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 $8,117,443, transfers in of $384,886, and cash disbursements of $8,191,731 during 2021. The net cash position of these programs increased $310,598 from 2020.

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 $5,369,319, which is $52,539 higher than last year's total of $5,316,780.

The schedule below indicates the fund cash balances and the total change in fund cash balances as of December 31, 2021 and December 31, 2020 for all major and nonmajor governmental funds.

	Fund Cash Balances 12/31/2021	Fund Cash Balances 12/31/2020	Change
Major fund:			
General	$ 4,866,038	$ 4,678,214	$ 187,824
Nonmajor governmental funds	503,281	638,566	(135,285)
Total	$ 5,369,319	$ 5,316,780	$ 52,539

General Fund

The Village's general fund cash balance increased $187,824 or 4.01%. The table that follows assists in illustrating the cash receipts of the general fund for 2021 and 2020.

	2021 Amount	2020 Amount	Amount Change	Percentage Change
Cash receipts:				
Taxes	$ 5,643,532	$ 4,863,463	$ 780,069	16.04 %
Charges for services	49,781	34,287	15,494	45.19 %
Licenses, permits and fees	5,989	2,079	3,910	188.07 %
Fines and forfeitures	14,967	11,849	3,118	26.31 %
Intergovernmental	151,877	595,429	(443,552)	(74.49) %
Special assessments	30,673	108,002	(77,329)	(71.60) %
Investment income	13,094	50,552	(37,458)	(74.10) %
Other	141,210	184,668	(43,458)	(23.53) %
Total	$ 6,051,123	$ 5,850,329	$ 200,794	3.43 %

Overall, cash receipts of the general fund increased $200,794 or 3.43%. Taxes increased $780,069 or 16.04% due to increased income taxes collected during 2021. Intergovernmental receipts decreased $443,552 or 74.49% due to increased grants received by the Village during 2020 compared to 2021. Special assessments in 2021 consisted of amounts received from Village residents for street, sidewalk, and gutter repairs. Investment income decreased $37,458 or 74.10% due to lower returns for the Village's investment in STAR Ohio. The most significant percentage increase was licenses, permits, and fees, which increased $3,910 or 188.07%. This was a result of the Village selling more liquor and beer permits during 2021.

The table that follows assists in illustrating the cash disbursements of the general fund for 2021 and 2020.

	2021 Amount	2020 Amount	Amount Change	Percentage Change
Cash disbursements:				
General government	$ 446,433	$ 729,366	$ (282,933)	(38.79) %
Security of persons and property	1,014,721	798,714	216,007	27.04 %
Public health and welfare	-	131	(131)	(100.00) %
Transportation	188,317	353,164	(164,847)	(46.68) %
Leisure time activity	323,250	127,175	196,075	154.18 %
Capital outlay	2,675,788	2,007,393	668,395	33.30 %
Debt service	2,101,286	731,525	1,369,761	187.25 %
Total	$ 6,749,795	$ 4,747,468	$ 2,002,327	42.18 %

Overall, cash disbursements of the general fund increased $2,002,327 or 42.18%. Security of persons and property disbursements increased 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. Leisure time activity disbursements increased primarily due to the COVID-19 pandemic which resulted in lower disbursements during 2020. Capital outlay disbursements were higher in 2021 due to more disbursements for the various projects paid for from the general fund. Debt service disbursements increased due to the Village retiring their capital projects loan during 2021.

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 2021, the Village's proprietary funds had total operating receipts of $8,117,443, total operating disbursements of $7,501,121, nonoperating disbursements of $690,610 and transfers in of $384,886. The proprietary funds' net cash position increased $310,598 during 2021, from $3,073,671 to $3,384,269.

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 and final receipts and other financing sources were $1,723,025. Actual budgetary receipts and other financing sources of $1,815,399 were $92,374 more than the final budget. This variance is primarily due to an increase in the amount of money collected for both property taxes and intergovernmental.

General fund original and final budgetary basis disbursements and other financing uses amounted to $2,411,975. The actual budget basis disbursements and other financing uses for 2021 totaled $2,032,783, which was $379,192 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 $3,120,788 in the governmental activities and $194,627 in the business-type activities during 2021.

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, 2021 and December 31, 2020.

	Governmental Activities	
	2021	2020
OPWC loans	$ 1,517,829	$ 1,124,527
Promissory note	1,500,000	-
Capital projects loan	-	1,939,875
Total long-term obligations	$ 3,017,829	$ 3,064,402

	Business-type Activities	
	2021	2020
OPWC loans	$ 104,353	$ 124,300
North substation loan	5,196,515	5,548,636
Total long-term obligations	$ 5,300,868	$ 5,672,936

In addition to the above obligations, the Village has manuscript debt for an electric project and sidewalk and curb projects. 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 2022. 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 2022 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.

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2021

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	$ 5,369,319	$ 3,384,269	$ 8,753,588
Total assets	$ 5,369,319	$ 3,384,269	$ 8,753,588
Net cash position:			
Restricted for:			
Capital projects	$ 17,738	$ -	$ 17,738
Transportation projects	267,025	-	267,025
Public safety	211,413	-	211,413
Other purposes	16,930	-	16,930
Unrestricted	4,856,213	3,384,269	8,240,482
Total net cash position	$ 5,369,319	$ 3,384,269	$ 8,753,588

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, 2021

	Cash Disbursements	Program Cash Receipts: Charges for Services and Sales	Program Cash Receipts: Operating Grants and Contributions
Governmental activities:			
Current:			
General government	$ 446,523	$ 208,408	$ -
Security of persons and property	1,313,481	50,960	-
Transportation	942,218	20,116	339,076
Leisure time activity	323,250	-	-
Capital outlay	3,120,788	-	-
Debt service:			
Principal retirement	1,991,573	-	-
Interest and fiscal charges	109,824	-	-
Total governmental activities	8,247,657	279,484	339,076
Business-type activities:			
Electric	7,479,879	7,359,687	-
Other enterprise	711,852	757,756	-
Total business-type activities	8,191,731	8,117,443	-
Totals	$ 16,439,388	$ 8,396,927	$ 339,076

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
Promissory note issuance
Investment earnings
Miscellaneous

Total general cash receipts

Transfers

Total general cash receipts, and transfers

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
$ (238,115)	$ -	$ (238,115)
(1,262,521)	-	(1,262,521)
(583,026)	-	(583,026)
(323,250)	-	(323,250)
(3,120,788)	-	(3,120,788)
(1,991,573)	-	(1,991,573)
(109,824)	-	(109,824)
(7,629,097)	-	(7,629,097)
-	(120,192)	(120,192)
-	45,904	45,904
-	(74,288)	(74,288)
(7,629,097)	(74,288)	(7,703,385)
475,661	-	475,661
169,529	-	169,529
5,167,871	-	5,167,871
186,298	-	186,298
445,000	-	445,000
1,500,000	-	1,500,000
13,094	-	13,094
109,069	-	109,069
8,066,522	-	8,066,522
(384,886)	384,886	-
7,681,636	384,886	8,066,522
52,539	310,598	363,137
5,316,780	3,073,671	8,390,451
$ 5,369,319	$ 3,384,269	$ 8,753,588

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF ASSETS AND FUND CASH BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	$ 4,866,038	$ 503,281	$ 5,369,319
Total assets	$ 4,866,038	$ 503,281	$ 5,369,319
Fund cash balances:			
Restricted	$ -	$ 503,281	$ 503,281
Assigned	4,854,731	-	4,854,731
Unassigned	11,307	-	11,307
Total fund cash balances	$ 4,866,038	$ 503,281	$ 5,369,319

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, 2021

	General	Nonmajor Governmental Funds	Total Governmental Funds
Cash receipts:			
Municipal income taxes	$ 5,167,871	$ -	$ 5,167,871
Property and other taxes	475,661	169,529	645,190
Charges for services	49,781	2,067	51,848
Licenses, permits and fees	5,989	-	5,989
Fines and forfeitures	14,967	702	15,669
Intergovernmental	151,877	496,014	647,891
Special assessments	30,673	1,493	32,166
Investment income	13,094	531	13,625
Contributions and donations	32,141	-	32,141
Other	109,069	18,623	127,692
Total cash receipts	6,051,123	688,959	6,740,082
Cash disbursements:			
Current:			
General government	446,433	90	446,523
Security of persons and property	1,014,721	298,760	1,313,481
Transportation	188,317	753,901	942,218
Leisure time activity	323,250	-	323,250
Capital outlay	2,675,788	445,000	3,120,788
Debt service:			
Principal retirement	1,991,573	-	1,991,573
Interest and fiscal charges	109,713	111	109,824
Total cash disbursements	6,749,795	1,497,862	8,247,657
Excess (deficiency) of cash receipts over (under) cash disbursements	(698,672)	(808,903)	(1,507,575)
Other financing sources (uses):			
Advances in	1,382	-	1,382
Advances (out)	-	(1,382)	(1,382)
Transfers in	-	230,000	230,000
Transfers (out)	(614,886)	-	(614,886)
OPWC Loan proceeds	-	445,000	445,000
Promissory note issuance	1,500,000	-	1,500,000
Total other financing sources (uses)	886,496	673,618	1,560,114
Net change in fund cash balances	187,824	(135,285)	52,539
Fund cash balances at beginning of year	4,678,214	638,566	5,316,780
Fund cash balances at end of year	$ 4,866,038	$ 503,281	$ 5,369,319

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Budgetary basis receipts:				
Property and other taxes	$ 421,000	$ 421,000	$ 475,661	$ 54,661
Charges for services	32,500	32,500	49,781	17,281
Licenses, permits and fees	4,600	4,600	5,989	1,389
Fines and forfeitures	10,000	10,000	14,967	4,967
Intergovernmental	81,175	81,175	119,521	38,346
Special assessments	25,000	25,000	30,673	5,673
Investment income	8,000	8,000	8,245	245
Other	140,750	140,750	110,562	(30,188)
Total budgetary basis receipts	723,025	723,025	815,399	92,374
Budgetary basis disbursements:				
Current:				
General government	643,292	643,292	449,704	193,588
Security of persons and property	1,126,283	1,126,283	1,020,268	106,015
Public health and welfare	1,875	1,875	-	1,875
Transportation	192,525	192,525	173,425	19,100
Leisure time activity	8,000	8,000	4,500	3,500
Total budgetary basis disbursements	1,971,975	1,971,975	1,647,897	324,078
Excess of budgetary basis disbursements over budgetary basis receipts	(1,248,950)	(1,248,950)	(832,498)	416,452
Other financing sources (uses):				
Transfers in	1,000,000	1,000,000	1,000,000	-
Transfers (out)	(440,000)	(440,000)	(384,886)	55,114
Total other financing sources (uses)	560,000	560,000	615,114	55,114
Net change in fund cash balances	(688,950)	(688,950)	(217,384)	471,566
Fund cash balance at beginning of year	652,041	652,041	652,041	-
Prior year encumbrances appropriated	73,600	73,600	73,600	-
Fund cash balance at end of year	$ 36,691	$ 36,691	$ 508,257	$ 471,566

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, 2021

	Business-type Activities - Enterprise Funds		
	Electric	**Nonmajor**	**Total**
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	$ 2,754,246	$ 630,023	$ 3,384,269
Total assets	$ 2,754,246	$ 630,023	$ 3,384,269
Net cash position:			
Unrestricted	2,754,246	$ 630,023	$ 3,384,269
Total net cash position	$ 2,754,246	$ 630,023	$ 3,384,269

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, 2021

	Business-type Activities - Enterprise Funds		
	Electric	**Nonmajor**	**Total**
Operating receipts:			
Charges for services	$ 7,279,218	$ 750,091	$ 8,029,309
Other	80,469	7,665	88,134
Total operating receipts	7,359,687	757,756	8,117,443
Operating disbursements:			
Personal services	392,610	104,555	497,165
Contract services	6,560,491	440,734	7,001,225
Materials and supplies	984	1,747	2,731
Total operating disbursements	6,954,085	547,036	7,501,121
Operating income	405,602	210,720	616,322
Nonoperating receipts (disbursements):			
Capital outlay	(49,758)	(144,869)	(194,627)
Debt service:			
Principal retirement	(352,121)	(19,947)	(372,068)
Interest and fiscal charges	(123,915)	-	(123,915)
Total nonoperating receipts (disbursements)	(525,794)	(164,816)	(690,610)
Income (loss) before transfers	(120,192)	45,904	(74,288)
Transfers in	384,886	-	384,886
Change in net cash position	264,694	45,904	310,598
Net cash position at beginning of year	2,489,552	584,119	3,073,671
Net cash position at end of year	$ 2,754,246	$ 630,023	$ 3,384,269

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, 2021

	Custodial
Cash additions:	
Fines and forfeitures for other governments	$ 5,371
Total cash additions	5,371
Cash deductions:	
Fines and forfeitures distributions to other governments	5,371
Total cash deductions	5,371
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

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.

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 is the Village's major enterprise fund:

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, 2021.

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.

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

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.

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:

<u>Nonspendable</u> - 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.

<u>Restricted</u> - 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.

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

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.

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 2021, 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.

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

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $100 million. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

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 2021 was $13,094 which includes $5,517 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.

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.

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

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

For 2021, the Village has implemented GASB Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period.*"

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. Since the Village does not prepare financial statements using generally accepted accounting principles, the implementation of GASB Statement No. 89 did not have an effect on the financial statements of the Village.

For 2021, the Village has applied GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*" to GASB Statement Nos. 91, 92 and 93, which were originally due to be implemented in 2021 and to GASB Statement No. 87, which was originally due to be implemented in 2020. 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.

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

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

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	$ 508,257
Encumbrances	8,818
Fund Balances of Funds Combined with the General Fund for Reporting Purposes	4,348,963
Fund Cash Balances	$ 4,866,038

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;

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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, and Government National Mortgage 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, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. 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;

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

8. Certain banker's acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments 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. Except as noted above, 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. Payment for investments may be made only upon delivery of the securities representing the investments to the Fiscal Officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits with Financial Institutions

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in 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 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of December 31, 2021, the Village had the following investments:

Measurement/ Investment Type	Measurement Value	% of Total
Amortized Cost:		
STAR Ohio	$ 3,807,486	100.00
Total	$ 3,807,486	100.00

		Investment Maturities	
Measurement/ Investment Type	Measurement Value	6 months or less	Total
Amortized Cost:			
STAR Ohio	$ 3,807,486	$ 3,807,486	$ 3,807,486
Total	$ 3,807,486	$ 3,807,486	$ 3,807,486

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, 2021:

Cash and investments per note	
Carrying amount of deposits	$ 4,946,102
Investments	3,807,486
Total	$ 8,753,588
Cash and investments per statement of net position	
Governmental activities	$ 5,369,319
Business type activities	3,384,269
Total	$ 8,753,588

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. 2021 public utility property taxes became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2021 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, 2021 and for which there is an enforceable legal claim. For 2021, 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.

The assessed values of real and public utility property upon which 2021 property tax receipts were based are as follows:

Real property	
Residential/agricultural	$ 78,213,230
Commercial/industrial	23,278,570
Public utility	
Personal	873,270
Total assessed value	$ 102,365,070

NOTE 7 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2021, 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 fund	$ 230,000
General fund	Electric fund	384,886
Total		$ 614,886

NOTE 7 - INTERFUND TRANSACTIONS – (Continued)

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, 2021, as reported on the fund statements, consisted of the following:

Advances In	Advances Out	Amount
General fund	Nonmajor governmental fund	$ 1,382

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

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 2021, $110 in interest and $1,382 in principal was repaid to the general fund through advances.

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 2021, the Village collected $5,167,871.

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 Government 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)

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	(15,037,383)
Members' Equity	$ 6,740,056

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/Asset

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/asset 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.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

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 Annual 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. 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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	0.0 %
Total Employer	14.0 %
Employee	10.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.
**** 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 $213,482 for 2021.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year 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.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.00% of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

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
2021 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2021 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 $84,809 for 2021.

Net Pension Liabilities/Assets

The net pension liability and net pension asset for OPERS was measured as of December 31, 2020, 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, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. 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	0.00918500%	0.01194700%	0.01698750%	
Proportion of the net pension liability/asset current measurement date	0.00748700%	0.01272100%	0.01623120%	
Change in proportionate share	-0.00169800%	0.00077400%	-0.00075630%	
Proportionate share of the net pension liability	$ 1,108,662	$ -	$ 1,106,495	$ 2,215,157
Proportionate share of the net pension asset	-	(2,319)	-	(2,319)

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, 2020, 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, 2020, 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: 0.50%, simple through 2021, 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 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.40% simple through 2020 then 2.15% simple to 0.50% simple through 2021 then 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 2020, 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 11.70% for 2020.

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, 2020, 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 %	1.32 %
Domestic equities	21.00	5.64
Real estate	10.00	5.39
Private equity	12.00	10.42
International equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

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, 2020 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	$ 2,114,778	$ 1,108,662	$ 272,078
Member-Directed Plan	(2,035)	(2,319)	(2,544)

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, 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, 2021, are presented below.

Valuation date	1/1/20 with actuarial liabilities rolled forward to 12/31/20
Actuarial cost method	Entry age normal (level percent of payroll)
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	2.20% per year simple

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
67 or less	77%
68-77	105%
78 and up	115%

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
59 or less	35%
60-69	60%
70-79	75%
80 and up	100%

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, 2020 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	6.40
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds *	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	125.00 %	

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 1.25 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	$ 1,540,383	$ 1,106,495	$ 743,375

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

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. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The heath care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

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 with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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' Annual Comprehensive Financial Report 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 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 2021, 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. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. 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 2021 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 $3,130 for 2021.

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 health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

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

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.

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org 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.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, 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 $2,232 for 2021.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Net OPEB Liabilities/Asset

The net OPEB liability/asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, 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, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. 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	0.00902400%	0.01698750%	
Proportion of the net OPEB liability/asset current measurement date	0.00747800%	0.01623120%	
Change in proportionate share	-0.00154600%	-0.00075630%	
Proportionate share of the net OPEB liability	$ -	$ 171,972	$ 171,972
Proportionate share of the net OPEB asset	(133,227)	-	(133,227)

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 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, 2019, rolled forward to the measurement date of December 31, 2020.

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NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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	6.00%
Prior Measurement date	3.16%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.00%
Prior Measurement date	2.75%
Health Care Cost Trend Rate	
Current measurement date	8.50% initial, 3.50% ultimate in 2035
Prior Measurement date	10.00%, initial 3.50%, ultimate in 2030
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.

During 2020, 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 10.50% for 2020.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2020, 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	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

Discount Rate **-** A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2020. 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) a 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. 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 the year 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Change in Benefit Terms - On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-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 non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements, however, they are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

Sensitivity of the Village's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate **-** The following table presents the proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, 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 (5.00%) or one-percentage-point higher (7.00%) than the current rate:

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
Village's proportionate share of the net OPEB asset	$ (33,128)	$ (133,227)	$ (215,516)

Sensitivity of the Village's Proportionate Share of the Net OPEB Asset 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 asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset 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 2021 is 8.50%. 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 asset	$ (136,474)	$ (133,227)	$ (129,594)

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, 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.

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.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
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	3.25%
Single discount rate:	
Current measurement date	2.96%
Prior measurement date	3.56%
Cost of Living Adjustments	2.20% simple per year

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
67 or less	77%
68-77	105%
78 and up	115%

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
59 or less	35%
60-69	60%
70-79	75%
80 and up	100%

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.

NOTE 11 - DEFINED BENEFIT OPEB 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, 2020, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds *	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	125.00 %	

Note: assumptions are geometric.
* levered 2.5x
** 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 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - For 2020, the total OPEB liability was calculated using the discount rate of 2.96%. For 2019, the total OPEB liability was calculated using the discount rate of 3.56%. 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 2.12% at December 31, 2020 and 2.75% at December 31, 2019, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 2.96% for 2020 and 3.56% for 2019. 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 2.96%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96%), or one percentage point higher (3.96%) than the current rate.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
Village's proportionate share of the net OPEB liability	$ 214,440	$ 171,972	$ 136,942

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, 2021, was as follows:

	Balance Outstanding 12/31/20	Issued	Retired	Balance Outstanding 12/31/21	Amount Due in One Year
Governmental activities:					
Ohio public works - CM14R	$ 78,148	$ -	$ (3,126)	$ 75,022	$ 3,126
Ohio public works - CM03R	433,073	-	(16,657)	416,416	16,657
Ohio public works - CT33U	475,000	-	(25,000)	450,000	25,000
Ohio public works - CT24W	138,306	-	(6,915)	131,391	6,915
Ohio public works - CM09Y	-	200,000	-	200,000	-
Ohio public works - CT64X	-	245,000	-	245,000	-
Promissory Note	-	1,500,000	-	1,500,000	1,500,000
Capital Projects Loan	1,939,875	-	(1,939,875)	-	-
Total governmental activities	$ 3,064,402	$ 1,945,000	$ (1,991,573)	$ 3,017,829	$1,551,698
Business-type activities:					
Ohio public works - CM17P	$ 64,301	$ -	$ (4,947)	$ 59,354	$ 4,946
Ohio public works - CT61P	59,999	-	(15,000)	44,999	15,000
North Substation Loan	5,548,636	-	(352,121)	5,196,515	360,305
Total business-type activities	$ 5,672,936	$ -	$ (372,068)	$ 5,300,868	$ 380,251
Total long-term obligations	$ 8,737,338	$ 1,945,000	$ (2,363,641)	$ 8,318,697	$1,931,949

The Village has eight 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.

NOTE 12 - LONG-TERM DEBT - (Continued)

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 CM09Y for Paving Program. Payments of $5,000 are due semi-annually for a term of 20 years at zero interest rate. The amortization schedule has not been finalized for this project.

Loan CT64X for North Jefferson Street Reconstruction. The amortization schedule has not been finalized for this project.

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.

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

Year Ending	Governmental Activities			Business-Type Activities		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2022	$ 51,698	$ -	$ 51,698	$ 19,946	$ -	$ 19,946
2023	51,698	-	51,698	19,946	-	19,946
2024	51,698	-	51,698	19,946	-	19,946
2025	51,698	-	51,698	4,946	-	4,946
2026	51,698	-	51,698	4,946	-	4,946
2027 - 2031	258,489	-	258,489	24,731	-	24,731
2032 - 2036	258,489	-	258,489	9,892	-	9,892
2037 - 2041	201,574	-	201,574	-	-	-
2042 - 2046	95,787	-	95,787	-	-	-
Total	$ 1,072,829	$ -	$ 1,072,829	$ 104,353	$ -	$ 104,353

Promissory Note: On March 19, 2021 the Village entered into a promissory note with Komminsk Estate, Inc. for $1,500,000 for two parcels of property. The note will mature on December 31, 2022 at an interest rate of 1.00%.

Year Ending	Promissory Note		
December 31,	Principal	Interest	Total
2022	$ 1,500,000	$ 7,500	$ 1,507,500
Total	$ 1,500,000	$ 7,500	$ 1,507,500

NOTE 12 - LONG-TERM DEBT - (Continued)

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%. During 2021, the Village made a final payment to retire the loan.

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 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, 2021, are as follows:

Year Ending	Governmental Activities		
December 31,	Principal	Interest	Total
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	394,985	81,051	476,036
2027 - 2031	2,116,786	263,394	2,380,180
2032 - 2034	1,192,780	36,981	1,229,761
Total	$ 5,196,515	$ 793,606	$ 5,990,121

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.

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

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, 2021, 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.

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, 2021, $56,125,000 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, 2021, $0 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, 2021. 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 $15,854, interest expense incurred on AMP's line-of-credit of $83,728 and payments made amount to $326,666, resulting in a net impaired cost estimate at December 31, 2021 of $482,946. The Village does have a potential PHFU Liability of $382,239 resulting in a net total potential liability of $865,185, 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.

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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 construction and maintenance	$ -	$ 267,025	$ 267,025
Public safety	-	211,413	211,413
Capital projects	-	17,738	17,738
General government	-	16,930	16,930
Total restricted	-	513,106	513,106
Assigned:			
General government	3,271	-	3,271
Security persons and property	5,547	-	5,547
Leisure time activities	163,163	-	163,163
Capital outlay	4,177,010	-	4,177,010
Transportation	8,790	-	8,790
Subsequent year appropriations	496,950	-	496,950
Total assigned	4,854,731	-	4,854,731
Unassigned	1,482	-	1,482
Total fund cash balances	$ 4,856,213	$ 513,106	$ 5,369,319

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 2021, the Village's property tax revenues were reduced as a result of these agreements as follows:

Tax Abatement Program	Village Taxes Abated
CRA	$ 16,386
Ezone	5,855
Total	$ 22,241

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. 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 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*

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

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the 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, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated June 14, 2023 wherein we noted the Village uses a special purpose framework other than generally accepted accounting principles.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

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.

Perry & Associates CPA's A.C.

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

June 14, 2023

OHIO AUDITOR OF STATE
KEITH FABER

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 10/17/2023

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