Certified Public Accountants, A.C.

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY
Regular Audit
For the Years Ended December 31, 2018 and 2017

313 Second St.
Marietta, OH 45750
740 373 0056

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

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

1310 Market St., #300
Wheeling, WV 26003
304 232 1358

749 Wheeling Ave., #300
Cambridge, OH 43725
740 435 3417

www.perrycpas.com

OHIO AUDITOR OF STATE
KEITH FABER

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

Members of Council
Village of New Bremen
214 North Washington Street
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, 2017 through December 31, 2018. 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 17, 2019

This page intentionally left blank.

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY

TABLE OF CONTENTS

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY

TABLE OF CONTENTS

Perry & Associates
Certified Public Accountants, A.C.

313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

150 West Main St.
St. Clairsville, OH 43950
740.695.1569

1310 Market St., Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
740.435.3417

INDEPENDENT AUDITOR'S REPORT

June 20, 2019

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

To the Village Council:

Report on the Financial Statements
We have audited the accompanying cash-basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the **Village of New Bremen**, Auglaize County, Ohio (the Village), as of and for the years ended December 31, 2018 and 2017 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

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

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of New Bremen, Auglaize County, Ohio, as of December 31, 2018 and 2017, and the respective changes in cash financial position and where applicable cash flows and the budgetary comparison for the General Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

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

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2019 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Perry & Associates CPA's A.C.

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

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(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, 2018, 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 2018 are as follows:

- The total net cash position of the Village increased $393,879. The net cash position of governmental activities increased $106,305 or 2.81% from 2017 and the net cash position of business-type activities increased $287,574 or 15.72% from 2017.

- General cash receipts accounted for $6,000,573 or 87.45% of total governmental activities cash receipts. Program specific cash receipts accounted for $861,467 or 12.55% of total governmental activities cash receipts.

- The Village had $6,478,470 in cash disbursements related to governmental activities; $861,467 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 $6,000,573.

- The Village's major governmental funds include the general fund and the capital improvements fund. The general fund had cash receipts and other financing sources of $5,551,961 in 2018. The cash disbursements and other financing uses of the general fund totaled $5,653,360 in 2018. The fund cash balance of the general fund decreased $101,399 from $3,427,449 to $3,326,050.

- The capital improvements fund cash receipts and other financing sources of $1,566,500 in 2018. The cash disbursements of the capital improvements fund totaled $1,521,797 in 2018. The fund cash balance of the capital improvements fund increased $44,703 from $0 to $44,703.

- Net cash position for the business-type activities, which are composed of the water, sewer, refuse, utility deposits, library and electric enterprise funds, increased $287,574 from $1,829,677 to $2,117,251.

- In the general fund, actual budgetary basis receipts totaled $1,999,011 and actual budgetary basis disbursements totaled $2,219,083.

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.

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

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 is the most significant fund. The Village's major governmental funds are the general fund and the capital improvements 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 2018?" These statements include only net cash position using the cash basis of accounting, which is a basis of accounting other than GAAP. This basis of accounting takes into account only the current year receipts and disbursements if the cash is actually received or paid.

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

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

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

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

Fund Financial Statements

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

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

Governmental Funds

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

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

Proprietary Funds

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

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. An agency fund is the Village's only fiduciary fund type. The Village's fiduciary fund accounts for the Mayor's Court. There was no balance at December 31, 2018.

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.

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

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, 2018 and December 31, 2017.

Net Cash Position

	Governmental Activities 2018	Business-type Activities 2018	Governmental Activities 2017	Business-type Activities 2017	2018 Total	2017 Total
Assets						
Equity in pooled cash and cash equivalents	$ 3,895,357	$ 2,117,251	$ 3,789,052	$ 1,829,677	$ 6,012,608	$ 5,618,729
Total assets	3,895,357	2,117,251	3,789,052	1,829,677	6,012,608	5,618,729
Net cash position						
Restricted	569,307	-	361,603	-	569,307	361,603
Unrestricted	3,326,050	2,117,251	3,427,449	1,829,677	5,443,301	5,257,126
Total net cash position	$ 3,895,357	$ 2,117,251	$ 3,789,052	$ 1,829,677	$ 6,012,608	$ 5,618,729

The total net cash position of the Village increased $393,879. Net cash position of the governmental activities increased $106,305 or 2.81% from 2017, and the net cash position of business-type activities increased $287,574 or 15.72% from 2017.

At December 31, 2018, a portion of the Village's net cash position, $569,307, 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 $3,326,050 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 2018 and 2017.

Change in Net Cash Position

	Governmental Activities 2018	Business-type Activities 2018	Governmental Activities 2017	Business-type Activities 2017	2018 Total	2017 Total
Cash receipts:						
Program receipts:						
Charges for services	$ 114,047	$ 7,965,233	$ 122,417	$ 7,563,990	$ 8,079,280	$ 7,686,407
Operating grants and contributions	181,951	-	210,616	-	181,951	210,616
Capital grants and contributions	565,469	-	203,924	-	565,469	203,924
Total program receipts	861,467	7,965,233	536,957	7,563,990	8,826,700	8,100,947
General receipts:						
Property taxes	603,037	-	573,983	-	603,037	573,983
Income taxes	4,599,834	-	4,065,629	-	4,599,834	4,065,629
Unrestricted grants and entitlements	154,497	-	180,185	-	154,497	180,185
Loan issuance	500,000	-	1,868,099	-	500,000	1,868,099
Investment earnings	74,427	-	30,322	-	74,427	30,322
Miscellaneous	68,778	-	46,597	-	68,778	46,597
Total general receipts	6,000,573	-	6,764,815	-	6,000,573	6,764,815
Total cash receipts	6,862,040	7,965,233	7,301,772	7,563,990	14,827,273	14,865,762
Cash disbursements:						
General government	525,740	-	543,458	-	-	543,458
Security of persons and property	939,426	-	1,004,741	-	-	1,004,741
Public health and welfare	137	-	163	-	137	163
Transportation	626,771	-	760,417	-	626,771	760,417
Leisure time activity	489,557	-	520,650	-	489,557	520,650
Capital outlay	3,530,083	-	3,244,096	-	3,530,083	3,244,096
Debt service:						
Principal retirement	282,635	19,946	208,351	19,946	302,581	228,297
Interest and fiscal charges	84,121	-	88,893	-	84,121	88,893
Electric	-	7,245,834	-	6,999,962	7,245,834	6,999,962
Other enterprise	-	709,090	-	650,841	709,090	650,841
Total cash disbursements	6,478,470	7,954,924	6,372,838	7,650,803	12,968,228	14,023,641
Increase (decrease) in net cash position before advances	383,570	10,309	928,934	(86,813)	393,879	574,554
Advances	102,435	(102,435)	-	-	-	-
Transfers	(379,700)	379,700	(267,567)	267,567	-	-
Change in net cash position	106,305	287,574	661,367	(86,813)	393,879	574,554
Net cash position at beginning of year	3,789,052	1,829,677	3,127,685	1,916,490	5,618,729	5,044,175
Net cash position at end of year	$ 3,895,357	$ 2,117,251	$ 3,789,052	$ 1,829,677	$ 6,012,608	$ 5,618,729

Governmental Activities

Governmental activities net cash position increased $106,305 in 2018.

Security of persons and property disbursements primarily support the operations of the police and fire departments and totaled $939,426 during 2018, accounting for 14.50% of total governmental activities cash disbursements. Security of persons and property cash disbursements were partially funded by direct charges to users of $33,926 and operating grants and contributions of $720.

General government cash disbursements totaled $525,740. General government cash disbursements were partially funded by $20,650 in direct charges to users of the services.

Transportation cash disbursements of $626,771 were partially funded by direct charges to users of $10,119 and operating grants and contributions of $181,231.

Leisure time activity cash disbursements of $489,557 were funded by $49,352 in direct charges to users.

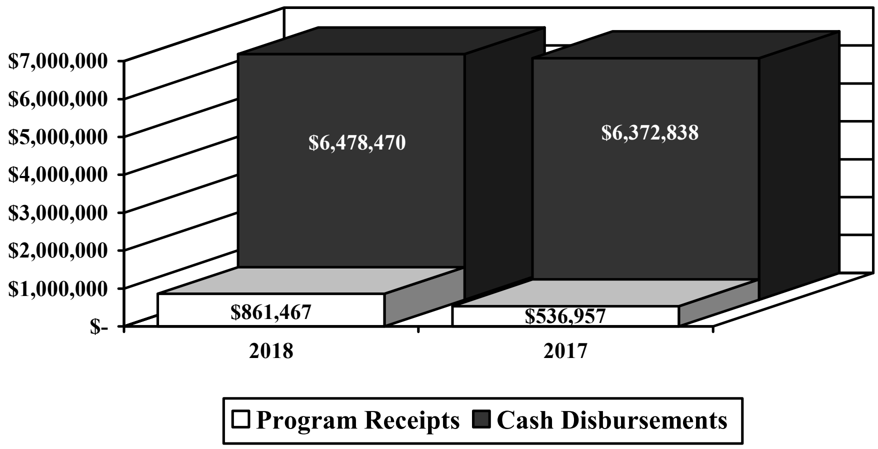
Capital outlay cash disbursements of $3,530,083 were partially funded by $565,469 in capital grants and contributions.

The State and federal government contributed to the Village a total of $181,951 in operating grants and contributions. These program cash receipts are restricted to a particular program or purpose. Operating grants and contributions subsidized transportation and security of persons and property expenses. The Village had $565,469 in capital grants and contributions.

General cash receipts totaled $6,000,573 and amounted to 87.45% of total governmental cash receipts. These cash receipts primarily consist of property and income tax receipts of $5,202,871. The other primary source of general cash receipts are grants and entitlements not restricted to specific programs, including local government and local government assistance, and loan proceeds making up $654,497.

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 on the following page, 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 2018.

Governmental Activities - Program Receipts vs. Total Cash Disbursements



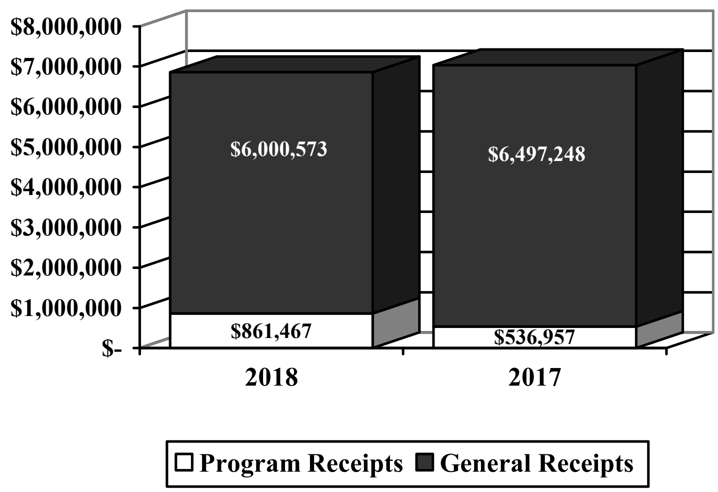
The following table shows, for the governmental activities, the total cost of services and the net cost of services for 2018 and 2017. That is, it identifies the cost of these services supported by tax receipts, unrestricted State grants and entitlements, and other general cash receipts.

	Governmental Activities			
	Total Cost of Services 2018	Net Cost of Services 2018	Total Cost of Services 2017	Net Cost of Services 2017
Cash disbursements:				
General government	$ 525,740	$ 505,090	$ 543,458	$ 519,748
Security of persons and property	939,426	904,780	1,004,741	971,501
Public health and welfare	137	137	163	163
Transportation	626,771	435,421	760,417	536,096
Leisure time activity	489,557	440,205	520,650	468,888
Capital outlay	3,530,083	2,964,614	3,244,096	3,040,172
Debt service:				
Principal retirement	282,635	282,635	208,351	208,351
Interest and fiscal charges	84,121	84,121	90,962	90,962
Total	$ 6,478,470	$ 5,617,003	$ 6,372,838	$ 5,835,881

The dependence upon general cash receipts for governmental activities is apparent, with 86.70% 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 2018 and 2017.

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 $8,344,933, and cash disbursements of $8,057,359 during 2018. The net cash position of these programs increased $287,574 from 2017.

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 are accounted for using the cash basis of accounting.

The Village's governmental funds reported a combined fund cash balance of $3,895,357, which is $106,305 higher than last year's total of $3,789,052.

The schedule below indicates the fund cash balances and the total change in fund cash balances as of December 31, 2018 and December 31, 2017 for all major and nonmajor governmental funds.

	Fund Cash Balances 12/31/2018	Fund Cash Balances 12/31/2017	Increase/ (Decrease)
Major funds:			
General	$ 3,326,050	$ 3,427,449	$ (101,399)
Capital improvements	44,703	-	44,703
Nonmajor governmental funds	524,604	361,603	163,001
Total	$ 3,895,357	$ 3,789,052	$ 106,305

General Fund

The Village's general fund cash balance decreased $101,399. The table that follows assists in illustrating the cash receipts of the general fund for 2018 and 2017.

	2018 Amount	2017 Amount	Amount Change	Percentage Change
Cash receipts:				
Taxes	$ 5,056,755	$ 4,493,766	$ 562,989	12.53 %
Charges for services	82,173	84,713	(2,540)	(3.00) %
Licenses, permits and fees	6,545	6,372	173	2.72 %
Fines and forfeitures	12,389	15,622	(3,233)	(20.70) %
Intergovernmental	84,709	87,233	(2,524)	(2.89) %
Investment income	74,427	30,322	44,105	145.46 %
Other	126,621	132,584	(5,963)	(4.50) %
Total	$ 5,443,619	$ 4,850,612	$ 593,007	12.26 %

Overall, cash receipts of the general fund increased $593,007 or 12.26%. Intergovernmental income decreased $2,524 or 2.89%. Taxes increased $562,989 or 12.53% due to an increase in municipal income tax collections and a change in reporting the kilowatt tax revenue. Investment income increased $44,105 or 145.46% due to payments received on manuscript debt. Fines and forfeitures decreased $3,233 or 20.70% due to decrease in parking fines.

The table that follows assists in illustrating the cash disbursements of the general fund for 2018 and 2017.

	2018 Amount	2017 Amount	Amount Change	Percentage Change
Cash disbursements:				
General government	$ 525,740	$ 543,458	$ (17,718)	(3.26) %
Security of persons and property	788,024	848,080	(60,056)	(7.08) %
Public health and welfare	137	163	(26)	(15.95) %
Leisure time activity	489,557	520,650	(31,093)	(5.97) %
Transportation	108,758	159,986	(51,228)	(32.02) %
Capital outlay	1,395,744	1,087,625	308,119	28.33 %
Debt service	365,707	297,244	68,463	23.03 %
Total	$ 3,673,667	$ 3,457,206	$ 216,461	6.26 %

Overall, cash disbursements of the general fund increased $216,461 or 6.26%. The increase in debt service expenditures was due to payments on a capital improvement loan entered into in 2016. Most general fund department expenditures decreased in fiscal year 2018.

Capital Improvements Fund

The capital improvements fund cash receipts and other financing sources of $1,566,500 in 2018. The cash disbursements of the capital improvements fund totaled $1,521,797 in 2018. The fund cash balance of the capital improvements fund increased $44,703 from $0 to $44,703.

Proprietary Funds

The Village's enterprise funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. During 2018, the Village's proprietary funds had total operating receipts of $7,965,233, total operating disbursements of $7,614,556, total nonoperating disbursements of $442,803 and transfers in of $379,700. The proprietary funds' net cash position increased $287,574 during 2018, from $1,829,677 to $2,117,251.

Budgeting Highlights

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

Budgetary information is presented in the Village's financial statements for the general fund, the Village's only major fund. In the general fund, original revenues and other financing sources were $2,099,925. These were increased slightly to $2,199,925 in the final budget. Actual budgetary receipts and other financing sources of $1,999,011 were $200,914 less than the final revenues.

General fund original and final appropriations and other financing uses were $2,878,025. The actual budget basis expenditures and other financing uses for 2018 totaled $2,219,083, which was $658,942 less than the final budget appropriations.

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 $3,530,083 in the governmental activities and $320,422 in the business-type activities during 2018.

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, 2018 and December 31, 2017.

	Governmental Activities	
	2018	2017
OPWC loans	$ 1,031,003	$ 563,638
Capital projects loan	3,375,000	3,625,000
Total long-term obligations	$ 4,406,003	$ 4,188,638

	Business-type Activities	
	2018	2017
OPWC loans	$ 144,246	$ 164,192
Total long-term obligations	$ 144,246	$ 164,192

In addition, 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.

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 2019. 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 2019 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, 2018

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	$ 3,895,357	$ 2,117,251	$ 6,012,608
Total assets	$ 3,895,357	$ 2,117,251	$ 6,012,608
Net cash position:			
Restricted for:			
Capital projects	$ 192,590	$ -	$ 192,590
Transportation projects	345,487	-	345,487
Public safety	17,636	-	17,636
Other purposes	13,594	-	13,594
Unrestricted	3,326,050	2,117,251	5,443,301
Total net cash position	$ 3,895,357	$ 2,117,251	$ 6,012,608

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, 2018

		Program Cash Receipts		
	Cash Disbursements	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental activities:				
Current:				
General government	$ 525,740	$ 20,650	$ -	$ -
Security of persons and property	939,426	33,926	720	-
Public health and welfare	137	-	-	-
Transportation	626,771	10,119	181,231	-
Leisure time activity	489,557	49,352	-	-
Capital outlay	3,530,083	-	-	565,469
Debt service:				
Principal retirement	282,635	-	-	-
Interest and fiscal charges	84,121	-	-	-
Total governmental activities	6,478,470	114,047	181,951	565,469
Business-type activities:				
Electric	7,245,834	7,308,938	-	-
Other enterprise	709,090	656,295	-	-
Total business-type activities	7,954,924	7,965,233	-	-
Totals	$ 14,433,394	$ 8,079,280	$ 181,951	$ 565,469

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

Total general cash receipts

Advances
Transfers

Total general cash receipts,
and advances

Change in net cash position

Net cash position at beginning of year

Net cash position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Governmental Activities	Business-type Activities	Total
Net Cash Receipts (Cash Disbursements) and Changes in Net Cash Position		
$ (505,090)	$ -	$ (505,090)
(904,780)	-	(904,780)
(137)	-	(137)
(435,421)	-	(435,421)
(440,205)	-	(440,205)
(2,964,614)	-	(2,964,614)
(282,635)	-	(282,635)
(84,121)	-	(84,121)
(5,617,003)	-	(5,617,003)
-	63,104	63,104
-	(52,795)	(52,795)
-	10,309	10,309
(5,617,003)	10,309	(5,606,694)
456,921	-	456,921
146,116	-	146,116
4,599,834	-	4,599,834
154,497	-	154,497
500,000	-	500,000
74,427	-	74,427
68,778	-	68,778
6,000,573	-	6,000,573
102,435	(102,435)	-
(379,700)	379,700	-
5,723,308	277,265	6,000,573
106,305	287,574	393,879
3,789,052	1,829,677	5,618,729
$ 3,895,357	$ 2,117,251	$ 6,012,608

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF ASSETS AND FUND CASH BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	$ 3,326,050	$ 44,703	$ 524,604	$ 3,895,357
Total assets	$ 3,326,050	$ 44,703	$ 524,604	$ 3,895,357
Fund cash balances:				
Restricted	$ -	$ 44,703	$ 524,604	$ 569,307
Assigned	3,326,050	-	-	3,326,050
Total fund cash balances	$ 3,326,050	$ 44,703	$ 524,604	$ 3,895,357

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, 2018

	General	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Cash receipts:				
Municipal income taxes	$ 4,599,834	$ -	$ -	$ 4,599,834
Property and other taxes	456,921	-	146,116	603,037
Charges for services	82,173	-	1,716	83,889
Licenses, permits and fees	6,545	-	-	6,545
Fines and forfeitures	12,389	-	1,105	13,494
Intergovernmental	84,709	500,000	255,991	840,700
Special assessments	-	-	6,956	6,956
Investment income	74,427	-	3,374	77,801
Contributions and donations	57,843	-	-	57,843
Other	68,778	-	3,163	71,941
Total cash receipts	5,443,619	500,000	418,421	6,362,040
Cash disbursements:				
Current:				
General government	525,740	-	-	525,740
Security of persons and property	788,024	-	151,402	939,426
Public health and welfare	137	-	-	137
Transportation	108,758	-	518,013	626,771
Leisure time activity	489,557	-	-	489,557
Capital outlay	1,395,744	1,521,797	612,542	3,530,083
Debt service:				
Principal retirement	282,635	-	-	282,635
Interest and fiscal charges	83,072	-	1,049	84,121
Total cash disbursements	3,673,667	1,521,797	1,283,006	6,478,470
Excess (deficiency) of cash receipts over (under) cash disbursements	1,769,952	(1,021,797)	(864,585)	(116,430)
Other financing sources (uses):				
Advances in	108,342	-	-	108,342
Advances (out)	-	-	(5,907)	(5,907)
Transfers in	-	566,500	1,033,493	1,599,993
Transfers (out)	(1,979,693)	-	-	(1,979,693)
Loan proceeds	-	500,000	-	500,000
Total other financing sources (uses)	(1,871,351)	1,066,500	1,027,586	222,735
Net change in fund cash balances	(101,399)	44,703	163,001	106,305
Fund cash balances at beginning of year	3,427,449	-	361,603	3,789,052
Fund cash balances at end of year	$ 3,326,050	$ 44,703	$ 524,604	$ 3,895,357

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, 2018

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Budgetary basis receipts:				
Property and other taxes	$ 349,161	$ 417,500	$ 456,921	$ 39,421
Charges for services	39,474	47,200	32,821	(14,379)
Licenses, permits and fees	5,352	6,400	6,545	145
Fines and forfeitures	10,872	13,000	12,389	(611)
Intergovernmental	70,857	84,725	79,909	(4,816)
Investment income	5,854	7,000	14,448	7,448
Other	29,355	35,100	70,978	35,878
Total budgetary basis receipts	510,925	610,925	674,011	63,086
Budgetary basis disbursements:				
Current:				
General government	729,874	729,874	525,883	203,991
Security of persons and property	1,244,413	1,244,413	1,146,172	98,241
Public health and welfare	2,000	2,000	137	1,863
Transportation	387,738	387,738	153,014	234,724
Leisure time activity	79,000	79,000	14,177	64,823
Total budgetary basis disbursements	2,443,025	2,443,025	1,839,383	603,642
Excess of budgetary basis disbursements over budgetary basis receipts	(1,932,100)	(1,832,100)	(1,165,372)	666,728
Other financing sources (uses):				
Transfers in	1,589,000	1,589,000	1,325,000	(264,000)
Transfers (out)	(435,000)	(435,000)	(379,700)	55,300
Total other financing sources (uses)	1,154,000	1,154,000	945,300	(208,700)
Net change in fund cash balances	(778,100)	(678,100)	(220,072)	458,028
Fund cash balance at beginning of year	617,089	617,089	617,089	-
Prior year encumbrances appropriated	86,925	86,925	86,925	-
Fund cash balance (deficit) at end of year	$ (74,086)	$ 25,914	$ 483,942	$ 458,028

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, 2018

	Business-type Activities - Enterprise Funds		
	Electric	**Nonmajor**	**Total**
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	$ 1,746,572	$ 370,679	$ 2,117,251
Total assets	$ 1,746,572	$ 370,679	$ 2,117,251
Net cash position:			
Unrestricted	1,746,572	$ 370,679	$ 2,117,251
Total net cash position	$ 1,746,572	$ 370,679	$ 2,117,251

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, 2018

	Business-type Activities - Enterprise Funds		
	Electric	**Nonmajor**	**Total**
Operating receipts:			
Charges for services	$ 7,157,757	$ 652,538	$ 7,810,295
Other	151,181	3,757	154,938
Total operating receipts	7,308,938	656,295	7,965,233
Operating disbursements:			
Personal services	444,526	223,365	667,891
Contract services	6,513,166	427,158	6,940,324
Materials and supplies	1,856	4,485	6,341
Total operating disbursements	6,959,548	655,008	7,614,556
Operating income	349,390	1,287	350,677
Nonoperating disbursements:			
Capital outlay	(286,286)	(34,136)	(320,422)
Advances out	(102,435)	-	(102,435)
Debt service:			
Principal retirement	-	(19,946)	(19,946)
Total nonoperating disbursements	(388,721)	(54,082)	(442,803)
Loss before transfers	(39,331)	(52,795)	(92,126)
Transfers in	379,700	-	379,700
Change in net cash position	340,369	(52,795)	287,574
Net cash position at beginning of year	1,406,203	423,474	1,829,677
Net cash position at end of year	$ 1,746,572	$ 370,679	$ 2,117,251

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 16 to the financial statements provide additional information for these entities:

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

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

B. Basis of Presentation

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

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

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

Fund Financial Statements - Fund financial statements report detailed information about the Village. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

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

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

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

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

C. Fund Accounting

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

Governmental Funds - The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following 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.

Capital improvements - The capital improvements fund is used to account for capital improvements to village facilities and other assets.

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.

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

Fiduciary Funds **-** Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust, and agency funds. Trust funds account for assets held by the Village under a trust agreement for individuals, private organizations or other governmental entities and are therefore not available to support the Village's programs. The Village's only fiduciary fund is an agency fund which accounts for the Village's Mayor's Court. The agency fund did not have cash assets to report at December 31, 2018.

D. Basis of Accounting

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

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

E. Budgetary Process

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

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

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

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

F. Fund Cash Balance

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

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

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

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

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

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

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

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

G. Cash and Cash Equivalents

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

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

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

During 2018, the Village invested in STAR Ohio Plus and interest bearing checking accounts.

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 2018 was $74,427 which includes $25,151 assigned from other Village funds.

H. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Amounts restricted for other purposes represent special revenue funds restricted to a specific use.

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.

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

L. Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for postretirement health care benefits.

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 an other 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. Net position restricted for other purposes include resources restricted for grants.

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

A. Change in Accounting Principles

For fiscal year 2018, the Village has implemented GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", GASB Statement No. 85, "*Omnibus 2017*" and GASB Statement No. 86, "*Certain Debt Extinguishments*".

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 effected the Village's postemployment benefit plan disclosures, as presented in Note 11 to the basic financial statements.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the Village.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the Village.

B. Compliance

Ohio Administrative Code Section 117-2-03(B) requires the Village to prepare its annual financial report in accordance with generally accepted accounting principles. However, the Village prepared its basic financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying basic financial statements omit assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The Village can be fined and various other administrative remedies may be taken against 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 Statements of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budgetary Basis, presented for the General Fund and Street Construction Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balances (cash basis).

The encumbrances outstanding at year end 2018 (budgetary basis) for the General Fund amounted to $25,263.

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

Inactive deposits are public deposits that the Village Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

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

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

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

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

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

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

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

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

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

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

A. Deposits with Financial Institutions

At December 31, 2018, the carrying amount of all Village deposits was $3,997,376. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2018, $1,563,867 of the Village's bank balance of $4,138,286 was exposed to custodial risk as discussed below, while $2,574,419 was covered by the FDIC.

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

B. Investments

Measurement/ Investment Type	Measurement Value	% of Total
Amortized Cost:		
STAR Ohio	$ 2,015,232	100.00
Total	$ 2,015,232	100.00

As of December 31, 2018, the Village had the following investments:

		Investment Maturities	
Measurement/ Investment Type	Measurement Value	6 months or less	Total
Amortized Cost:			
STAR Ohio	$ 2,015,232	$ 2,015,232	$ 2,015,232
Total	$ 2,015,232	$ 2,015,232	$ 2,015,232

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2018:

Cash and investments per note	
Carrying amount of deposits	$ 3,997,376
Investments	2,015,232
Total	$ 6,012,608
Cash and investments per statement of net position	
Governmental activities	$ 3,895,357
Business type activities	2,117,251
Total	$ 6,012,608

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. 2018 public utility property taxes became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 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, 2018 and for which there is an enforceable legal claim. For 2018, the Village's financial statements are presented on the cash basis of accounting and therefore the Village does not record a receivable for property taxes either on a modified accrual or full accrual basis of accounting.

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values of real and public utility property upon which 2018 property tax receipts were based are as follows:

Real property	
Residential/agricultural	$ 63,801,160
Commercial/industrial	18,193,020
Public utility	
Personal	630,350
Total assessed value	$ 82,624,530

NOTE 7 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2018, consisted of the following, as reported in the fund financial statements. The following are the transfers from the general fund:

Transfer from:	Transfer to:	Amount
General fund	Nonmajor governmental fund	$ 1,599,993
General fund	Electric fund	379,700
Total		$ 1,979,693

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

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

B. Advances to/from other funds at December 31, 2018, as reported on the fund statements, consisted of the following:

Advances In	Advances Out	Amount
General Fund	Nonmajor governmental fund	$ 5,907
Income tax fund	Electric fund	102,435
Total		$ 108,342

NOTE 7 - INTERFUND TRANSACTIONS – (Continued)

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

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

The Village has advanced from general fund for sidewalk and curb projects to be repaid with special assessment revenue. The projects were from years 2003 through 2012. The manuscript debt will mature over a ten year period and carry an interest rate at 8%. During 2018, $1,049 in interest and $5,907 was repaid to the general fund through advances.

	Village of New Bremen General Fund		
Year Ending December 31,	Principal	Interest	Total
2019	$ 3,841	$ 578	$ 4,419
2020	2,002	271	2,273
2021	1,379	110	1,489
Total	$ 7,222	$ 959	$ 8,181

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 2018, the Village collected $4,599,834.

NOTE 9 - RISK MANAGEMENT

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

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

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (YORK), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP) which is also administered by ARPCO. Member governments pay annual contributions to the fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

NOTE 9 - RISK MANAGEMENT - (Continued)

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2018, PEP retained $350,000 for casualty claims and $100,000 for property claims.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective PEP member.

The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain. As a result of this risk analysis, PEP has elected to increase its retention for casualty and property claims to $500,000 and $250,000, respectively, effective January 1, 2018.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2017 and 2016, this is the most recent information available:

	2017	2016
Assets	$ 44,452,326	$ 42,182,281
Liabilities	(13,004,011)	(13,396,700)
Net Position	31,448,315	28,785,581

The assets above also include approximately $12.0 million and $12.0 million of unpaid claims to be billed to approximately 527 member governments in the future, as of December 31, 2017 and 2016, respectively. These amounts will be included in future contributions from members when the related claims are due for payment.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount financial contributions required to be made to PEP for year of membership.

2018
$ 77,253

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing (via certified mail) 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

NOTE 10 - DEFINED BENEFIT PENSION PLANS

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
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	**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	**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.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.25%.

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

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2018 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0 %
Total Employer	14.0 %
Employee	10.0 %

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 $192,664 for 2018.

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

Plan Description - Village full-time police and firefighters 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 OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

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

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

	Police
2018 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2018 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 $84,417 for 2018.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Net Pension Liabilities/Assets

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2017, 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, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. 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 and pension expense:

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.01003700%	0.00000000%	0.00023800%	0.01724600%	
Proportion of the net pension liability/asset current measurement date	0.01002500%	0.00000000%	0.00897600%	0.01760200%	
Change in proportionate share	-0.00001200%	0.00000000%	0.00873800%	0.00035600%	
Proportionate share of the net pension liability	$ 1,572,728	$ -	$ -	$ 1,080,337	$ 2,653,065
Proportionate share of the net pension asset	-	-	(313)	-	(313)

Actuarial Assumptions - OPERS

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

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

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

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

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

During 2017, 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 16.82% for 2017.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.20 %
Domestic equities	19.00	6.37
Real estate	10.00	5.26
Private equity	10.00	8.97
International equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. 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 to Changes in the Discount Rate - The following table presents the Village's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.50%, as well as what the Village's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Village's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	$ 2,792,765	$ 1,572,728	$ 555,586
Combined Plan	-	-	-
Member-Directed Plan	(180)	(313)	(449)

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below. The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the investment rate of return from 8.25% to 8.00%, (b) projected salary increases decreased from 4.25% - 11.00% to 3.75% - 10.50%, (c) payroll increases decreased from 3.75% to 3.25%, (d) inflation assumptions decreased from 3.25% to 2.75% and (e) Cost of Living Adjustments (COLAs) decreased from 2.60% to 2.20%.

Valuation date	January 1, 2017
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25%
Inflation assumptions	2.75%
Cost of living adjustments	2.20% and 3.00% simple

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2017 actuarial valuation.

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2017 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.22 %	5.39 %
Non-US Equity	16.00	4.41	5.59
Private Markets	8.00	6.67	8.08
Core Fixed Income *	23.00	1.57	2.71
High Yield Fixed Income	7.00	2.94	4.71
Private Credit	5.00	6.93	7.26
Global Inflation Protected Securities *	17.00	0.98	2.52
Master Limited Partnerships	8.00	7.50	7.93
Real Assets	8.00	6.88	7.24
Private Real Estate	12.00	5.58	6.34
Total	120.00 %		

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

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

Discount Rate - The total pension liability was calculated using the discount rate of 8.00%. A discount rate of 8.25% was used in the prior measurement period. 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 (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Village's proportionate share of the net pension liability	$ 1,497,599	$ 1,080,337	$ 739,980

NOTE 11 - DEFINED BENEFIT OPEB PENSION PLANS

Ohio Public Employees Retirement System

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

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

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

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

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

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

NOTE 11 - DEFINED BENEFIT OPEB PENSION PLANS - (Continued)

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. 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 2018, 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 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was $2,888 for 2018.

Ohio Police and Fire Pension Fund

Plan Description – The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

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

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

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

NOTE 11 - DEFINED BENEFIT OPEB PENSION PLANS - (Continued)

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

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

The Village's contractually required contribution to OP&F was $2,222 for 2018.

Net OPEB Liabilities

The net OPEB liability for the OPERS OPEB Plan was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. OP&F's total OPEB liability was measured as of December 31, 2017 and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating entities.

NOTE 11 - DEFINED BENEFIT OPEB PENSION PLANS - (Continued)

Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportion of the net OPEB liability prior measurement date	0.00936403%	0.01724600%	
Proportion of the net OPEB liability current measurement date	0.00970000%	0.01760200%	
Change in proportionate share	0.00033597%	0.00035600%	
Proportionate share of the net OPEB liability	$ 1,053,349	$ 997,322	$ 2,050,671

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. 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:

Actuarial Valuation Date	December 31, 2016
Roll-Forward Measurment Date	December 31, 2017
Experience Study	5-Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age normal
Actuarial Assumptions:	
Single Discount Rate	3.85%
Investment Rate of Return	6.50%
Municipal Bond Rate	3.31%
Wage Inflation	3.25%
Projected Salary Increases	3.25%-10.75% (includes wage inflation at 3.25%)
Health Care Cost Trend Rate	7.50% initial, 3.25% ultimate in 2028

NOTE 11 - DEFINED BENEFIT OPEB PENSION PLANS - (Continued)

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2% for 2017.

The allocation of investment assets within the Health Care portfolio is approved by the Board 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. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit.

The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	34.00 %	1.88 %
Domestic equities	21.00	6.37
REITs	6.00	5.91
International equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

NOTE 11 - DEFINED BENEFIT OPEB PENSION PLANS - (Continued)

Discount Rate - A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50% and a municipal bond rate of 3.31%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB liability as of December 31, 2017, calculated using the current period discount rate assumption of 3.85 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.85 percent) or one percentage point higher (4.85 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
Village's proportionate share of the net OPEB liability	$ 1,399,419	$ 1,053,349	$ 773,381

	1% Decrease	Current Trend Rate	1% Increase
Village's proportionate share of the net OPEB liability	$ 1,007,830	$ 1,053,349	$ 1,100,368

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Currrent measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

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 percent.

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	120.00 %	

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. 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 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

	1% Decrease (2.24%)	Discount Rate (3.24%)	1% Increase (4.24%)
Village's proportionate share of the net OPEB liability	$ 1,246,643	$ 997,322	$ 805,450

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

Year	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
Village's proportionate share of the net OPEB liability	$ 774,724	$ 997,322	$ 1,297,268

NOTE 12 - LONG-TERM DEBT

The Village's long-term debt activity for the year ended December 31, 2018, was as follows:

	Balance Outstanding 12/31/17	Issued	Retired	Balance Outstanding 12/31/18	Amount Due in One Year
Governmental activities:					
Ohio public works - CM12Q	$ 12,852	$ -	$ (12,852)	$ -	$ -
Ohio public works - CM14R	84,400	-	(3,126)	81,274	3,126
Ohio public works - CM03R	466,386	-	(16,657)	449,729	16,657
Ohio public works - C3TTU	-	500,000	-	500,000	12,500
Capital Projects Loan	3,625,000	-	(250,000)	3,375,000	250,000
Total governmental activities	$ 4,188,638	$ 500,000	$ (282,635)	$ 4,406,003	$ 282,283
Business-type activities:					
Ohio public works - CM17P	$ 74,193	$ -	$ (4,946)	$ 69,247	$ 4,946
Ohio public works - CT61P	89,999	-	(15,000)	74,999	15,000
Total business-type activities	$ 164,192	$ -	$ (19,946)	$ 144,246	$ 19,946

The Village has six loans outstanding to Ohio Public Works for various projects:

Loan CM12Q for Walnut Street resurfacing project. Payments are due semi-annually of $6,427 are due for a term of 5 years at zero interest rate. The final payment on this loan was made in 2018.

Loan CM14R for Cherry Street water main replacement project. Payments are due semi-annually of $1,563 are due for term of 30 years at zero interest rate. Balance $81,274.

Loan CM03R for First and Washington streets. Payments are due semi-annually of $8,328 are due for term of 30 years at zero interest rate. Balance $449,729.

Loan C3TTU for Eastmoor Drive and Front streets. Payments are due semi-annually of $12,500 are due for term of 20 years at zero interest rate. Balance $500,000.

NOTE 12 - LONG-TERM DEBT - (Continued)

Loan CM17P for Franklin Street sanitary sewer project. Payments are due semi-annually of $2,473 are due for a term of 20 years at zero interest rate. Balance of $69,247.

Loan CT61P for Circle Drive sanitary sewer project. Payments are due semi-annually of $7,500 are due for a term of 10 years at zero interest rate. Balance of $74,999.

The following is a summary of the Village's future annual debt service requirements for the Ohio Public Works Loans:

Year Ending	OPWC - Governmental		
December 31,	Principal	Interest	Total
2019	$ 32,283	$ -	$ 32,283
2020	44,782	-	44,782
2021	44,782	-	44,782
2022	44,783	-	44,783
2023 - 2027	223,913	-	223,913
2028 - 2032	223,913	-	223,913
2033 - 2037	223,913	-	223,913
2038 - 2042	136,413	-	136,413
2043 - 2046	56,221	-	56,221
Total	$ 1,031,003	$ -	$ 1,031,003

Year Ending	OPWC - BTA		
December 31,	Principal	Interest	Total
2019	$ 19,946	$ -	$ 19,946
2020	19,946	-	19,946
2021	19,946	-	19,946
2022	19,946	-	19,946
2023 - 2027	39,731	-	39,731
2028 - 2032	24,731	-	24,731
Total	$ 144,246	$ -	$ 144,246

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 Village had an outstanding loan balance of $3,375,000 at December 31, 2018. The loan was issued for a seven year period, with final maturity on June 1, 2023 at an interest rate of 2.30%.

NOTE 12 - LONG-TERM DEBT - (Continued)

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2018, are as follows:

Year Ending December 31,	Capital Projects Loan Principal	Interest	Total
2019	$ 250,000	$ 77,242	$ 327,242
2020	250,000	71,611	321,611
2021	250,000	65,582	315,582
2022	250,000	59,752	309,752
2023	2,375,000	27,616	2,402,616
Total	$ 3,375,000	$ 301,803	$ 3,676,803

Under the cash basis of accounting, debt obligations at year end are not reported on the financial statements.

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 ORGANIZATIONS

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 electriVillage 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, 2018, the Village of New Bremen has met their debt coverage obligation.

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

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

OMEGA JV5 (42 Members): In 1993, OMEGA JV5 assigned to a trustee the obligations of its participants to make payments for their respective ownership shares in the "Belleville Project," a 42 MW run-of-the-river hydroelectric generating facility on an Army Corps dam near Parkersburg, West Virginia and an associated transmission line in Ohio owned by OMEGA JV5. AMP is responsible for operation of the Belleville Project. The hydroelectric generation associated with the Belleville Project has been operational since June 1999. The Federal Energy Regulatory Commission license for the Belleville Project runs through August 31, 2039. As of January 1, 2019, $35,966,390 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 January 1, 2019, $28,315,000 aggregate principal amount of the 2016 BICs was outstanding. The 2001 BICs and 2016 BICs are non-recourse to AMP.

The Village's net investment to date in OMEGA JV5 was $71,112 (this is the latest available information) at December 31, 2017. 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 Village 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. Mary's.

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 $15,456 and interest expense incurred on AMP's line-of-credit of $52,069, resulting in a net impaired cost estimate at December 31, 2018 of $630,889. The Village does have a potential PHFU Liability of $362,782 resulting in a net total potential liability of $993,671, 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	Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:				
Street constuction and maintenance	$ -	$ -	$ 345,487	$ 345,487
Public safety	-	-	17,636	17,636
Capital projects	-	44,703	147,887	192,590
General government	-	-	13,594	13,594
Total restricted	-	44,703	524,604	569,307
Assigned:				
General government	143	-	-	143
Security persons and property	25,076	-	-	25,076
Leisure time activities	105,764	-	-	105,764
Capital outlay	2,698,433	-	-	2,698,433
Transportation	12,692	-	-	12,692
Subsequent year appropriations	483,942	-	-	483,942
Total assigned	3,326,050	-	-	3,326,050
Total fund cash balances	$ 3,326,050	$ 44,703	$ 524,604	$ 3,895,357

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(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, 2017, 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 2017 are as follows:

- The total net cash position of the Village increased $574,554. The net cash position of governmental activities increased $661,367 or 21.15% from 2016 and the net cash position of business-type activities decreased $86,813 or 4.53% from 2016.

- General cash receipts accounted for $6,764,815 or 92.37% of total governmental activities cash receipts. Program specific cash receipts accounted for $536,957 or 7.63% of total governmental activities cash receipts.

- The Village had $6,372,838 in cash disbursements related to governmental activities; $536,957 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 $6,764,815.

- The Village's major governmental funds include the general fund, capital improvements fund and the Public Works Building fund. The general fund had cash receipts and other financing sources of $4,850,612 in 2017. The cash disbursements and other financing uses of the general fund totaled $4,074,773 in 2017. The fund cash balance of the general fund increased $782,201 from $2,645,248 to $3,427,449.

- The capital projects fund had loan proceeds of $1,490,600 in 2017. The cash disbursements of the capital improvements fund totaled $1,421,015 in 2017. The fund cash balance of the capital improvements fund increased $69,585 from $0 to $69,585.

- Net cash position for the business-type activities, which are composed of the water, sewer, refuse, utility deposits, library and electric enterprise funds, decreased $86,813 from $1,916,490 to $1,829,677.

- In the general fund, actual budgetary basis receipts totaled $2,181,734 and actual budgetary basis disbursements totaled $2,287,377.

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 is the most significant fund. The Village's major governmental funds are the general fund and the capital improvements 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 2017?" These statements include only net cash position using the cash basis of accounting, which is a basis of accounting other than GAAP. This basis of accounting takes into account only the current year receipts and disbursements if the cash is actually received or paid.

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

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

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

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

Fund Financial Statements

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

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

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, 2017 and December 31, 2016.

Net Cash Position

	Governmental Activities 2017	Business-type Activities 2017	Governmental Activities 2016	Business-type Activities 2016	2017 Total	2016 Total
Assets						
Equity in pooled cash and cash equivalents	$ 3,789,052	$ 1,829,677	$ 3,127,685	$ 1,916,490	$ 5,618,729	$ 5,044,175
Total assets	3,789,052	1,829,677	3,127,685	1,916,490	5,618,729	5,044,175
Net cash position						
Restricted	361,603	-	482,437	-	361,603	482,437
Unrestricted	3,427,449	1,829,677	2,645,248	1,916,490	5,257,126	4,561,738
Total net cash position	$ 3,789,052	$ 1,829,677	$ 3,127,685	$ 1,916,490	$ 5,618,729	$ 5,044,175

The total net cash position of the Village increased $574,554. Net cash position of the governmental activities increased $661,367 or 21.14% from 2016, and the net cash position of business-type activities decreased $86,813 or 4.53% from 2016.

At December 31, 2017, a portion of the Village's net cash position, $361,603, 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 $3,427,449 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 2017 and 2016.

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

Change in Net Cash Position

	Governmental Activities 2017	Business-type Activities 2017	Governmental Activities 2016	Business-type Activities 2016	2017 Total	2016 Total
Cash receipts:						
Program receipts:						
Charges for services	$ 122,417	$ 7,563,990	$ 170,918	$ 7,162,344	$ 7,686,407	$ 7,333,262
Operating grants and contributions	210,616	-	244,336	-	210,616	244,336
Capital grants and contributions	203,924	-	598,056	-	203,924	598,056
Total program receipts	536,957	7,563,990	1,013,310	7,162,344	8,100,947	8,175,654
General receipts:						
Property taxes	573,983	-	286,169	-	573,983	286,169
Income taxes	4,065,629	-	4,183,957	-	4,065,629	4,183,957
Unrestricted grants and entitlements	180,185	-	194,941	-	180,185	194,941
Loan issuance	1,868,099	-	1,881,901	-	1,868,099	1,881,901
Investment earnings	30,322	-	20,174	-	30,322	20,174
Miscellaneous	46,597	-	37,204	-	46,597	37,204
Total general receipts	6,764,815	-	6,604,346	-	6,764,815	6,604,346
Total cash receipts	7,301,772	7,563,990	7,617,656	7,162,344	14,865,762	14,780,000
Cash disbursements:						
General government	543,458	-	435,149	-	543,458	435,149
Security of persons and property	1,004,741	-	928,549	-	1,004,741	928,549
Public health and welfare	163	-	249	-	163	249
Transportation	760,417	-	730,516	-	760,417	730,516
Leisure time activity	520,650	-	487,758	-	520,650	487,758
Capital outlay	3,244,096	-	5,094,521	-	3,244,096	5,094,521
Debt service:	-					
Principal retirement	208,351	19,946	81,949	-	228,297	81,949
Interest and fiscal charges	90,962	-	4,918	-	90,962	4,918
Electric	-	6,980,016	-	6,268,056	6,980,016	6,268,056
Other enterprise	-	650,841	-	665,078	650,841	665,078
Total cash disbursements	6,372,838	7,650,803	7,763,609	6,933,134	14,023,641	14,696,743
Increase (decrease) in net cash position before advances	928,934	(354,380)	(145,953)	229,210	574,554	83,257
Advances	-	-	102,433	(102,433)	-	-
Transfers	(267,567)	267,567	-	-	-	-
Change in net cash position	661,367	(86,813)	(43,520)	126,777	574,554	83,257
Net cash position at beginning of year	3,127,685	1,916,490	3,171,205	1,789,713	5,044,175	4,960,918
Net cash position at end of year	$ 3,789,052	$ 1,829,677	$ 3,127,685	$ 1,916,490	$ 5,618,729	$ 5,044,175

Governmental Activities

Governmental activities net cash position increased $661,367 in 2017.

Security of persons and property disbursements primarily support the operations of the police and fire departments and totaled $1,004,741 during 2017, accounting for 15.77% of total governmental activities cash disbursements. Security of persons and property cash disbursements were partially funded by direct charges to users of $33,240.

General government cash disbursements totaled $543,458. General government cash disbursements were partially funded by $23,710 in direct charges to users of the services.

Transportation cash disbursements of $760,417 were partially funded by direct charges to users of $13,705 and operating grants and contributions of $210,616.

Leisure time activity cash disbursements of $520,650 were funded by $51,762 in direct charges to users.

Capital outlay cash disbursements of $3,244,096 were partially funded by $203,924 in capital grants and contributions.

The State and federal government contributed to the Village a total of $210,616 in operating grants and contributions. These program cash receipts are restricted to a particular program or purpose. Of the total operating grants and contributions all of them subsidized transportation expenses. The Village had $203,924 in capital grants and contributions.

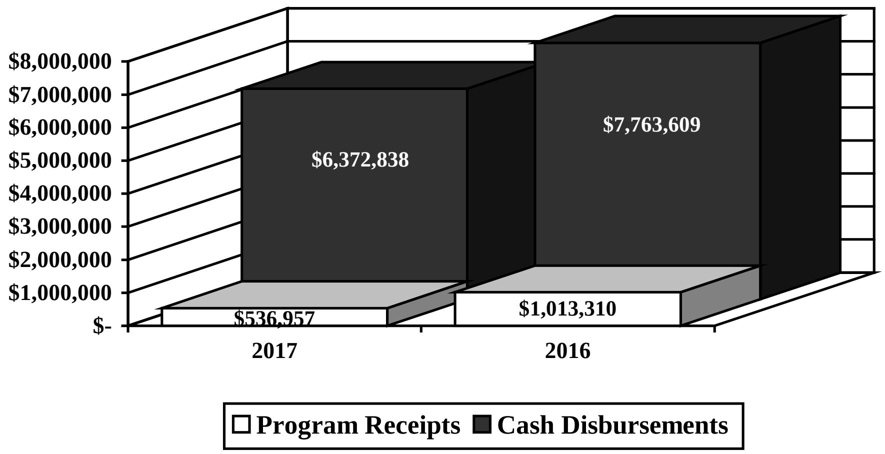
General cash receipts totaled $6,764,815 and amounted to 92.65% of total governmental cash receipts. These cash receipts primarily consist of property and income tax receipts of $4,639,612. The other primary source of general cash receipts are grants and entitlements not restricted to specific programs, including local government and local government assistance, and loan proceeds making up $2,048,284.

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 on the following page, 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 2017.

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

Governmental Activities - Program Receipts vs. Total Cash Disbursements



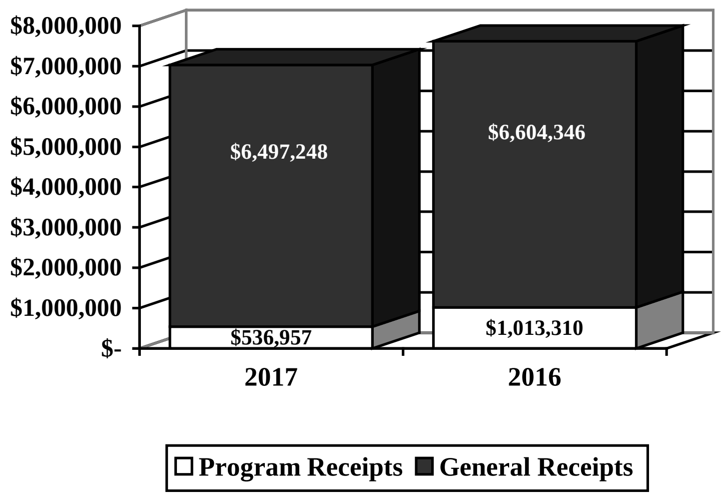
The following table shows, for the governmental activities, the total cost of services and the net cost of services for 2017 and 2016. That is, it identifies the cost of these services supported by tax receipts, unrestricted State grants and entitlements, and other general cash receipts.

	Services 2017	Services 2017	Services 2016	Services 2016
Cash disbursements:				
General government	$ 543,458	$ 519,748	$ 435,149	$ 413,160
Security of persons and property	1,004,741	971,501	928,549	891,293
Public health and welfare	163	163	249	249
Transportation	760,417	536,096	730,516	412,457
Leisure time activity	520,650	468,888	487,758	449,808
Capital outlay	3,244,096	3,040,172	5,094,521	4,496,465
Debt service:				
Principal retirement	208,351	208,351	81,949	81,949
Interest and fiscal charges	90,962	90,962	4,918	4,918
Total	$ 6,372,838	$ 5,835,881	$ 7,763,609	$ 6,750,299

The dependence upon general cash receipts for governmental activities is apparent, with 91.57% 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 2017 and 2016.

Governmental Activities - General and Program Receipts



Business-type Activities

Business-type activities include the water, sewer, refuse, utility deposits, library, and electric enterprise funds. These programs had program cash receipts of $7,563,990, and cash disbursements of $7,687,311 during 2017. The net cash position of these programs decreased $86,813 from 2016.

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 are accounted for using the cash basis of accounting.

The Village's governmental funds reported a combined fund cash balance of $3,789,052, which is $661,367 higher than last year's total of $3,127,685.

The schedule below indicates the fund cash balances and the total change in fund cash balances as of December 31, 2017 and December 31, 2016 for all major and nonmajor governmental funds.

	Fund Cash Balances 12/31/2017	Fund Cash Balances 12/31/2016	Increase/ (Decrease)
Major funds:			
General	$ 3,427,449	$ 2,645,248	$ 782,201
Capital projects	69,585	-	69,585
Nonmajor governmental funds	292,018	482,437	(190,419)
Total	$ 3,789,052	$ 3,127,685	$ 661,367

General Fund

The Village's general fund cash balance increased $782,201. The table that follows assists in illustrating the cash receipts of the general fund for 2017 and 2016.

	2017 Amount	2016 Amount	Amount Change	Percentage Change
Cash receipts:				
Taxes	$ 4,493,766	$ 4,329,815	$ 163,951	3.79 %
Charges for services	84,713	74,923	9,790	13.07 %
Licenses, permits and fees	6,372	7,078	(706)	(9.97) %
Fines and forfeitures	15,622	13,442	2,180	16.22 %
Intergovernmental	87,233	187,961	(100,728)	(53.59) %
Investment income	30,322	20,174	10,148	50.30 %
Other	132,584	110,927	21,657	19.52 %
Total	$ 4,850,612	$ 4,744,320	$ 106,292	2.24 %

Overall, cash receipts of the general fund increased $106,292 or 2.24%. Intergovernmental income decreased $100,728 or 53.59%. Other cash receipts increased $21,657 or 19.52% primarily due to an increase in special assessments.

The table that follows assists in illustrating the cash disbursements of the general fund for 2017 and 2016.

Cash disbursements:				
General government	$ 543,458	$ 426,207	$ 117,251	27.51 %
Security of persons and property	848,080	781,789	66,291	8.48 %
Public health and welfare	163	249	(86)	(34.54) %
Leisure time activity	520,650	487,758	32,892	6.74 %
Transportation	159,986	208,311	(48,325)	(23.20) %
Capital outlay	1,087,625	2,459,569	(1,371,944)	(55.78) %
Debt service	299,313	65,016	234,297	360.37 %
Total	$ 3,459,275	$ 4,428,899	$ (969,624)	(21.89) %

Overall, cash disbursements of the general fund decreased $969,624 or 21.89%.

Capital Projects Fund

The capital projects fund had loan proceeds of $1,490,600 in 2017. The cash disbursements of the capital improvements fund totaled $1,421,015 in 2017, all in capital outlay. The fund cash balance of the capital improvements fund increased $69,585 from $0 to $69,585.

Proprietary Funds

The Village's enterprise funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. During 2017, the Village's proprietary funds had total operating receipts of $7,563,990, total operating disbursements of $7,687,311, and total nonoperating disbursements of $231,059. The proprietary funds' net cash position decreased $86,813 during 2017, from $1,916,490 to $1,829,677.

Budgeting Highlights

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

Budgetary information is presented in the Village's financial statements for the general fund, the Village's only major fund. In the general fund, original and final revenues and other financing sources were both $2,000,000 which was $85,833 more than actual budgetary basis receipts and other financing sources of $1,914,167.

General fund original and final appropriations and other financing uses were $2,700,997. The actual budget basis expenditures and other financing uses for 2017 totaled $2,019,810, which was $681,187 less than the final budget appropriations.

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 $3,244,096 in the governmental activities and $211,113 in the business-type activities during 2017.

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, 2017 and December 31, 2016.

	Governmental Activities	
	2017	2016
OPWC loans	$ 563,638	$ 596,272
Capital projects loan	3,625,000	1,881,901
Lease-purchase agreement	-	50,717
Total long-term obligations	$ 4,188,638	$ 2,528,890

	Business-type Activities	
	2017	2016
OPWC loans	$ 164,192	$ 184,138
Total long-term obligations	$ 164,192	$ 184,138

In addition, 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.

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 2018. 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 2018 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, 2017

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	$ 3,789,052	$ 1,829,677	$ 5,618,729
Total assets	$ 3,789,052	$ 1,829,677	$ 5,618,729
Net cash position:			
Restricted for:			
Capital projects	$ 76,467	$ -	$ 76,467
Transportation projects.	264,106	-	264,106
Public safety	9,152	-	9,152
Other purposes.	11,878	-	11,878
Unrestricted	3,427,449	1,829,677	5,257,126
Total net cash position	$ 3,789,052	$ 1,829,677	$ 5,618,729

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, 2017

		Program Cash Receipts		
	Cash Disbursements	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental activities:				
Current:				
General government	$ 543,458	$ 23,710	$ -	$ -
Security of persons and property	1,004,741	33,240	-	-
Public health and welfare	163	-	-	-
Transportation	760,417	13,705	210,616	-
Leisure time activity	520,650	51,762	-	-
Capital outlay	3,244,096	-	-	203,924
Debt service:				
Principal retirement	208,351	-	-	-
Interest and fiscal charges	90,962	-	-	-
Total governmental activities	6,372,838	122,417	210,616	203,924
Business-type activities:				
Electric	7,267,529	6,895,915	-	-
Other enterprise	650,841	668,075	-	-
Total business-type activities	7,918,370	7,563,990	-	-
Totals	$ 14,291,208	$ 7,686,407	$ 210,616	$ 203,924

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

Total general cash receipts

Transfers

Total general cash receipts, and advances

Change in net cash position

Net cash position at beginning of year

Net cash position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net Cash Receipts (Cash Disbursements) and Changes in Net Cash Position		
Governmental Activities	Business-type Activities	Total
$ (519,748)	$ -	$ (519,748)
(971,501)	-	(971,501)
(163)	-	(163)
(536,096)	-	(536,096)
(468,888)	-	(468,888)
(3,040,172)	-	(3,040,172)
(208,351)	-	(208,351)
(90,962)	-	(90,962)
(5,835,881)	-	(5,835,881)
-	(371,614)	(371,614)
-	17,234	17,234
-	(354,380)	(354,380)
(5,835,881)	(354,380)	(6,190,261)
428,137	-	428,137
145,846	-	145,846
4,065,629	-	4,065,629
180,185	-	180,185
1,868,099	-	1,868,099
30,322	-	30,322
46,597	-	46,597
6,764,815	-	6,764,815
(267,567)	267,567	-
6,497,248	267,567	6,764,815
661,367	(86,813)	574,554
3,127,685	1,916,490	5,044,175
$ 3,789,052	$ 1,829,677	$ 5,618,729

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY, OHIO

STATEMENT OF ASSETS AND FUND CASH BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	General	Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	$ 3,427,449	$ 69,585	$ 292,018	$ 3,789,052
Total assets	$ 3,427,449	$ 69,585	$ 292,018	$ 3,789,052
Fund cash balances:				
Restricted	$ -	$ 69,585	$ 292,018	$ 361,603
Assigned	3,427,449	-	-	3,427,449
Total fund cash balances	$ 3,427,449	$ 69,585	$ 292,018	$ 3,789,052

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, 2017

	General	Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
Cash receipts:				
Municipal income taxes	$ 4,065,629	$ -	$ -	$ 4,065,629
Property and other taxes	428,137	-	145,846	573,983
Charges for services	84,713	-	1,716	86,429
Licenses, permits and fees	6,372	-	-	6,372
Fines and forfeitures	15,622	-	289	15,911
Intergovernmental	87,233	-	420,866	508,099
Special assessments	-	-	8,431	8,431
Investment income	30,322	-	639	30,961
Contributions and donations	85,987	-	-	85,987
Other	46,597	-	5,274	51,871
Total cash receipts	4,850,612	-	583,061	5,433,673
Cash disbursements:				
Current:				
General government	543,458	-	-	543,458
Security of persons and property	848,080	-	156,661	1,004,741
Public health and welfare	163	-	-	163
Transportation	159,986	-	600,431	760,417
Leisure time activity	520,650	-	-	520,650
Capital outlay	1,087,625	1,421,015	735,456	3,244,096
Debt service:				
Principal retirement	208,351	-	-	208,351
Interest and fiscal charges	88,893	-	2,069	90,962
Total cash disbursements	3,457,206	1,421,015	1,494,617	6,372,838
Excess (deficiency) of cash receipts over (under) cash disbursements	1,393,406	(1,421,015)	(911,556)	(939,165)
Other financing sources (uses):				
Advances in	6,362	-	-	6,362
Advances (out)	-	-	(6,362)	(6,362)
Transfers in	-	-	350,000	350,000
Transfers (out)	(617,567)	-	-	(617,567)
Loan proceeds	-	1,490,600	377,499	1,868,099
Total other financing sources (uses)	(611,205)	1,490,600	721,137	1,600,532
Net change in fund cash balances	782,201	69,585	(190,419)	661,367
Fund cash balances at beginning of year	2,645,248	-	482,437	3,127,685
Fund cash balances at end of year	$ 3,427,449	$ 69,585	$ 292,018	$ 3,789,052

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, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Budgetary basis receipts:				
Property and other taxes	$ 152,000	$ 152,000	$ 428,137	$ 276,137
Charges for services	100,000	100,000	32,951	(67,049)
Licenses, permits and fees	7,000	7,000	6,372	(628)
Fines and forfeitures	15,500	15,500	15,622	122
Intergovernmental	123,200	123,200	82,833	(40,367)
Special assessments	20,000	20,000	-	(20,000)
Investment income	7,000	7,000	11,060	4,060
Contributions and donations	1,000	1,000	65,500	64,500
Other	44,300	44,300	46,692	2,392
Total budgetary basis receipts	470,000	470,000	689,167	219,167
Budgetary basis disbursements:				
Current:				
General government	865,800	865,800	562,431	303,369
Security of persons and property	1,052,035	1,052,035	911,294	140,741
Public health and welfare	500	500	163	337
Transportation	166,920	166,920	52,085	114,835
Leisure time activity	76,000	76,000	21,528	54,472
Debt service:				
Principal retirement	103,297	103,297	103,297	-
Interest and fiscal charges	1,445	1,445	1,445	-
Total budgetary basis disbursements	2,265,997	2,265,997	1,652,243	613,754
Excess of budgetary basis disbursements over budgetary basis receipts	(1,795,997)	(1,795,997)	(963,076)	832,921
Other financing sources (uses):				
Transfers in	1,530,000	1,530,000	1,492,567	(37,433)
Transfers (out)	(435,000)	(435,000)	(635,134)	(200,134)
Total other financing sources (uses)	1,095,000	1,095,000	857,433	(237,567)
Net change in fund cash balances	(700,997)	(700,997)	(105,643)	595,354
Fund cash balance at beginning of year	701,543	701,543	701,543	-
Prior year encumbrances appropriated	21,189	21,189	21,189	-
Fund cash balance (deficit) at end of year	$ 21,735	$ 21,735	$ 617,089	$ 595,354

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, 2017

	Business-type Activities - Enterprise Funds		
	Electric	**Nonmajor**	**Total**
Assets:			
Equity in pooled cash and cash equivalents	$ 1,406,203	$ 423,474	$ 1,829,677
Total assets	$ 1,406,203	$ 423,474	$ 1,829,677
Net cash position:			
Unrestricted	$ 1,406,203	$ 423,474	$ 1,829,677
Total net cash position	$ 1,406,203	$ 423,474	$ 1,829,677

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, 2017

	Business-type Activities - Enterprise Funds		
	Electric	**Nonmajor**	**Total**
Operating receipts:			
Charges for services	$ 6,792,488	$ 665,720	$ 7,458,208
Other	103,427	2,355	105,782
Total operating receipts	6,895,915	668,075	7,563,990
Operating disbursements:			
Personal services	429,452	208,756	638,208
Contract services	6,666,093	376,130	7,042,223
Materials and supplies	1,968	4,912	6,880
Total operating disbursements	7,097,513	589,798	7,687,311
Operating income	(201,598)	78,277	(123,321)
Nonoperating disbursements:			
Capital outlay	(170,016)	(41,097)	(211,113)
Debt service:			
Principal retirement	-	(19,946)	(19,946)
Total nonoperating disbursements	(170,016)	(61,043)	(231,059)
Loss before transfers	(371,614)	17,234	(354,380)
Transfers in	267,567	-	267,567
Change in net cash position	(104,047)	17,234	(86,813)
Net cash position at beginning of year	1,510,250	406,240	1,916,490
Net cash position at end of year	$ 1,406,203	$ 423,474	$ 1,829,677

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 16 to the financial statements provide additional information for these entities:

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

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

B. Basis of Presentation

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

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

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

Fund Financial Statements - Fund financial statements report detailed information about the Village. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

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

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

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

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

C. Fund Accounting

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

Governmental Funds - The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following 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.

Capital projects- The capital projects fund is used to account for capital improvements to village facilities and other assets.

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.

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

Fiduciary Funds **-** Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust, and agency funds. Trust funds account for assets held by the Village under a trust agreement for individuals, private organizations or other governmental entities and are therefore not available to support the Village's programs. The Village's only fiduciary fund is an agency fund which accounts for the Village's Mayor's Court. The agency fund did not have cash assets to report at December 31, 2017.

D. Basis of Accounting

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

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

E. Budgetary Process

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

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

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

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

F. Fund Cash Balance

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

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

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

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

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

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

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

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

G. Cash and Cash Equivalents

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

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

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

During 2017, the Village invested in STAR Ohio Plus and interest bearing checking accounts.

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 2017 was $30,322 which includes $12,774 assigned from other Village funds.

H. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Amounts restricted for other purposes represent special revenue funds restricted to a specific use.

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.

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

L. Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for postretirement health care benefits.

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 an other 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. Net position restricted for other purposes include resources restricted for grants.

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

For 2017, the Village has implemented GASB Statement No. 80, "Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14", GASB Statement No. 81 "Irrevocable Split-Interest Agreements", and GASB Statement No. 82, "Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73".

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the Village.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the Village.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 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 Statements of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budgetary Basis, presented for the General Fund and Street Construction Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balances (cash basis).

The encumbrances outstanding at year end 2017 (budgetary basis) for the General Fund amounted to $86,925.

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.

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

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

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

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

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

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

A. Deposits with Financial Institutions

At December 31, 2017, the carrying amount of all Village deposits was $5,618,729. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2017, $3,347,836 of the Village's bank balance of $6,142,250 was exposed to custodial risk as discussed below, while $2,794,414 was covered by the FDIC.

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

B. 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, 2017:

Carrying amount of deposits	$ 5,618,729

Cash and investments per statement of net position	
Governmental activities	$ 3,789,052
Business type activities	1,829,677
Total	$ 5,618,729

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. 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 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, 2017 and for which there is an enforceable legal claim. For 2017, 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 2017 property tax receipts were based are as follows:

Real property	
Residential/agricultural	$ 63,630,690
Commercial/industrial	17,888,580
Public utility	
Personal	514,980
Total assessed value	$ 82,034,250

NOTE 7 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2017, consisted of the following, as reported in the fund financial statements. The following are the transfers from the general fund:

Transfer from:	Transfer to:	Amount
General fund	Nonmajor governmental fund	$ 350,000
General fund	Electric fund	267,567
Total		$ 617,567

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

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

NOTE 7 - INTERFUND TRANSACTIONS – (Continued)

B. Advances to/from other funds at December 31, 2017, as reported on the fund statements, consisted of the following:

Advances In	Advances Out	Amount
General Fund	Nonmajor governmental fund	$ 6,365

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

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

The Village has advanced from general fund for sidewalk and curb projects to be repaid with special assessment revenue. The projects were from years 2003 through 2012. The manuscript debt will mature over a ten year period and carry an interest rate at 8%. During 2017, $2,069 in interest and $6,362 was repaid to the general fund through advances.

Year Ending	Village of New Bremen General Fund		
December 31,	Principal	Interest	Total
2018	$ 5,908	$ 1,049	$ 6,957
2019	3,841	578	4,419
2020	2,002	271	2,273
2021	1,379	110	1,489
Total	$ 13,130	$ 2,008	$ 15,138

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 2017, the Village collected $4,065,629.

NOTE 9 - RISK MANAGEMENT

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

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

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (YORK), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP) which is also administered by ARPCO. Member governments pay annual contributions to the fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage
APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2017, PEP retained $350,000 for casualty claims and $100,000 for property claims.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective PEP member.

Financial Position
PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2017:

	2017
Assets	$ 44,452,326
Liabilities	(13,004,011)
Net Position	31,448,315

At December 31, 2017 the liabilities above also include approximately $11.8 million of estimated incurred claims payable. The assets above also include approximately $11.2 million of unpaid claims to be billed. The Pool's membership increased to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Village's share of these unpaid claims collectible in future years is approximately $61,491.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount financial contributions required to be made to PEP for year of membership.

Contributions to PEP
2017
$ 97,604

NOTE 9 - RISK MANAGEMENT - (Continued)

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing (via certified mail) 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

NOTE 10 - DEFINED BENEFIT PENSION PLANS

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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
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	**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	**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.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.25%.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0 %
Total Employer	14.0 %
Employee	10.0 %

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 $178,659 for 2017.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Plan Description - Village full-time police 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 OPF 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 after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

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

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	Police
2017 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2017 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 $81,337 for 2017.

Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.01001000%	0.00000000%	0.00073500%	0.01697800%	
Proportion of the net pension liability/asset current measurement date	0.01003700%	0.00000000%	0.00023800%	0.01724600%	
Change in proportionate share	0.00002700%	0.00000000%	-0.00049700%	0.00026800%	
Proportionate share of the net pension liability	$ 2,279,232	$ -	$ -	$ 1,092,332	$ 3,371,564

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, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, for the defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, 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: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	7.50%
Actuarial cost method	Individual entry age

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

NOTE 10- DEFINED BENEFIT PENSION PLANS - (Continued)

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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 is 8.3% for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.75 %
Domestic equities	20.70	6.34
Real estate	10.00	4.75
Private equity	10.00	8.97
International equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. A discount rate of 8.00% was used in the previous measurement period. 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 to Changes in the Discount Rate - The following table presents the Village's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.50%, as well as what the Village's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Village's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	$ 3,482,036	$ 2,279,232	$ 1,276,907

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Valuation date	January 1, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8.25%
Projected salary increases	4.25% - 11.00%
Payroll increases	3.75%
Inflation assumptions	3.25%
Cost of living adjustments	2.60% and 3.00% simple

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2017 actuarial valuation.

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2016 are summarized below:

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.46 %	5.21 %
Non-US Equity	16.00	4.66	5.40
Core Fixed Income *	20.00	1.67	2.37
Global Inflation Protected Securities *	20.00	0.49	2.33
High Yield	15.00	3.33	4.48
Real Estate	12.00	4.71	5.65
Private Markets	8.00	7.31	7.99
Timber	5.00	6.87	6.87
Master Limited Partnerships	8.00	6.92	7.36
Total	120.00 %		

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

OPF'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 1.2 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 8.25%. 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 8.25%. 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 8.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25%), or one percentage point higher (9.25%) than the current rate.

	1% Decrease (7.25%)	Discount Rate (8.25%)	1% Increase (9.25%)
Village's proportionate share of the net pension liability	$ 1,454,873	$ 1,092,332	$ 785,096

NOTE 11 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension Plan and the Combined Plan. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting https://www.opers.org/financial/reports.shtml, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2017, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2017 was 1.00%.

NOTE 11 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The Village's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017, 2016, and 2015 were $13,743, $25,974, and $24,925, respectively.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

Plan Description - The Village contributes to the OP&F Pension Fund sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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 statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the website at www.op-f.org.

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

OP&F maintains funds for health care in two separate accounts, one account is for health care benefits under an Internal Revenue Code Section 115 trust and the other account is for Medicare Part B reimbursements administered as an Internal Revenue Code Section 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

NOTE 11 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2017 thru December 31, 2017. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is 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 contributions to OP&F which were allocated to fund post-employment healthcare benefits for police were $2,198 for the year ended December 31, 2017, $2,125 for the year ended December 31, 2016, and $1,945 for the year ended December 31, 2015.

NOTE 12 - LONG-TERM DEBT

The Village's long-term debt activity for the year ended December 31, 2017, was as follows:

	Balance Outstanding 12/31/16	Issued	Retired	Balance Outstanding 12/31/17	Amount Due in One Year
Governmental activities:					
Ohio public works - CM12Q	$ 25,704	$ -	$ (12,852)	$ 12,852	$ 12,852
Ohio public works - CM14R	87,525	-	(3,125)	84,400	3,126
Ohio public works - CM03R	483,043	-	(16,657)	466,386	16,657
Capital Projects Loan	1,881,901	1,868,099	(125,000)	3,625,000	250,000
Lease purchase agreement	50,717	-	(50,717)	-	-
Total governmental activities	$ 2,528,890	$ 1,868,099	$ (208,351)	$ 4,188,638	$ 282,635
Business-type activities:					
Ohio public works - CM17P	$ 79,139	$ -	$ (4,946)	$ 74,193	$ 4,946
Ohio public works - CT61P	104,999	-	(15,000)	89,999	15,000
Total business-type activities	$ 184,138	$ -	$ (19,946)	$ 164,192	$ 19,946

See Note 13 for detail on the lease purchase agreement.

The Village has five loans outstanding to Ohio Public Works for various projects:

Loan CM12Q for Walnut Street resurfacing project. Payments are due semi-annually of $6,427 are due for a term of 5 years at zero interest rate. Balance of $12,852.

Loan CM14R for Cherry Street water main replacement project. Payments are due semi-annually of $1,563 are due for term of 30 years at zero interest rate. Balance $84,400.

Loan CM03R for First and Washington streets. Payments are due semi-annually of $8,328 are due for term of 30 years at zero interest rate. Balance $466,386.

Loan CM17P for Franklin Street sanitary sewer project. Payments are due semi-annually of $2,473 are due for a term of 20 years at zero interest rate. Balance of $74,193.

Loan CT61P for Circle Drive sanitary sewer project. Payments are due semi-annually of $7,500 are due for a term of 10 years at zero interest rate. Balance of $89,999.

NOTE 12 - LONG-TERM DEBT - (Continued)

The following is a summary of the Village's future annual debt service requirements for the Ohio Public Works Loans:

Year Ending	OPWC - Governmental		
December 31,	Principal	Interest	Total
2018	$ 32,635	$ -	$ 32,635
2019	19,783	-	19,783
2020	19,783	-	19,783
2021	19,783	-	19,783
2022	19,783	-	19,783
2023 - 2027	98,912	-	98,912
2028 - 2032	98,912	-	98,912
2033 - 2037	98,912	-	98,912
2038 - 2042	98,913	-	98,913
2043 - 2046	56,222	-	56,222
Total	$ 563,638	$ -	$ 563,638

Year Ending	OPWC - BTA		
December 31,	Principal	Interest	Total
2018	$ 19,946	$ -	$ 19,946
2019	19,946	-	19,946
2020	19,946	-	19,946
2021	19,946	-	19,946
2022	19,946	-	19,946
2023 - 2027	39,731	-	39,731
2028 - 2032	24,731	-	24,731
Total	$ 164,192	$ -	$ 164,192

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 Village had an outstanding loan balance of $3,625,000 at December 31, 2017. The loan was issued for a seven year period, with final maturity on June 1, 2023 at an interest rate of 2.30%.

NOTE 12 - LONG-TERM DEBT - (Continued)

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2017, are as follows:

Year Ending	Capital Projects Loan		
December 31,	Principal	Interest	Total
2018	$ 250,000	$ 83,072	$ 333,072
2019	250,000	77,242	327,242
2020	250,000	71,611	321,611
2021	250,000	65,582	315,582
2022	250,000	59,752	309,752
2023	2,375,000	27,616	2,402,616
Total	$ 3,625,000	$ 384,875	$ 4,009,875

Under the cash basis of accounting, debt obligations at year end are not reported on the financial statements.

NOTE 13 - LEASE-PURCHASE AGREEMENT

The Village entered into a five year lease agreement for $240,980 with Leasing 2, Inc. for the acquisition of a fire truck with annual payments beginning July 1, 2013 through 2017 in the amount of $52,162 including interest at 2.85%. This lease purchase agreement was retired during 2017.

NOTE 14 - 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 15 - JOINT VENTURE AND RELATED ORGANIZATIONS

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 electriVillage from its operations to OMEGA JV5 Participants.

NOTE 15 - JOINT VENTURE AND RELATED ORGANIZATIONS - (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, 2017, 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 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued $153,415,000 and $13,899,981 respectively of 30 year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of $56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of $116,910,000, which resulted in a savings to the membership of $34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was $65,891,509 at February 28, 2014. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of $49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to $49,243,377 at the time of refunding as compared to its value at December 31, 2015 of $49,803,187. The promissory note represented the February 2014 redemption of the 2004 Certificates from funds held under the trust agreement securing the 2004 BIRCs.

The Village's net investment to date in OMEGA JV5 was $71,112 (this is the latest available information) at December 31, 2016. Complete financial statements for OMEGA JV5 may be obtained from AMP-Ohio or from the State Auditor's website at www.ohioauditor.gov

NOTE 15 - JOINT VENTURE AND RELATED ORGANIZATIONS - (Continued)

<u>Western Ohio Rail Authority</u>

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 Village 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. Mary's.

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

NOTE 16 - 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 $12,966 and interest expense incurred on AMP's line-of-credit of $20,963, resulting in a net impaired cost estimate at December 31, 2016 of $743,959. The Village does have a potential PHFU Liability of $346,177 resulting in a net total potential liability of $1,090,136, 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 17 - 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	Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:				
Street constuction and maintenance	$ -	$ -	$ 264,106	$ 264,106
Public safety	-	-	9,152	9,152
Capital projects	-	69,585	6,882	76,467
General government	-	-	11,878	11,878
Total restricted	-	69,585	292,018	361,603
Assigned:				
General government	18,974	-	-	18,974
Security persons and property	63,214	-	-	63,214
Leisure time activities	111,239	-	-	111,239
Capital outlay	2,578,189	-	-	2,578,189
Transportation	17,955	-	-	17,955
Subsequent year appropriations	637,878	-	-	637,878
Total assigned	3,427,449	-	-	3,427,449
Total fund cash balances	$ 3,427,449	$ 69,585	$ 292,018	$ 3,789,052

This page intentionally left blank.

Perry & Associates
Certified Public Accountants, A.C.

313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

150 West Main St.
St. Clairsville, OH 43950
740.695.1569

1310 Market St., Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
740.435.3417

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

June 20, 2019

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

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash basis financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the **Village of New Bremen**, Auglaize County, (the Village) as of and for the years ended December 31, 2018 and 2017, 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 20, 2019, wherein we noted the Village uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

Internal Control Over Financial Reporting (Continued)

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

Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 20, 2019.

Purpose of this Report

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

Perry & Associates CPA's A.C.

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

VILLAGE OF NEW BREMEN
AUGLAIZE COUNTY
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

Finding Number	Finding Summary	Status	Additional Information
2016-001	Posting and classification of receipts and disbursements	Partially Corrected	Moved to Management Letter

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER

VILLAGE OF NEW BREMEN

AUGLAIZE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 7, 2019

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