



**Village of Bremen
Fairfield County
Regular Audit
For the Years Ended
December 31, 2024 and 2023**

JH

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Village Council
Village of Bremen
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We have reviewed the *Independent Auditor's Report* of the Village of Bremen, Fairfield County, prepared by Jessica Heldman, CPA, for the audit period January 1, 2023 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 29, 2025

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**VILLAGE OF LITHOPOLIS, OHIO
FAIRFIELD COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report.....	1
Financial Statements:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2024.....	4
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – Proprietary Fund Type – For the Year Ended December 31, 2024.....	5
Notes to the Financial Statements – For the Year Ended December 31, 2024	6
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2023.....	15
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – Proprietary Fund Type – For the Year Ended December 31, 2023.....	16
Notes to the Financial Statements – For the Year Ended December 31, 2023	17
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Governmental Auditing Standards</i>	26
Schedule of Findings.....	28
Summary Schedule of Prior Audit Findings	30

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INDEPENDENT AUDITOR'S REPORT

Village of Bremen
Fairfield County
PO Box 127
Bremen, OH 43107

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Bremen, Fairfield County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2024 and 2023, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

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



Jessica Heldman, CPA

330 Muskingum Drive
Marietta, OH 45750

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2025, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Jessica Heldman, CPA
Marietta, Ohio

August 20, 2025

Village of Bremen, Ohio
Fairfield County
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2024

	Governmental Fund Types			Totals
	General	Special Revenue	Capital Projects	(Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 65,647	\$ 72,889	\$ -	\$ 138,536
Municipal Income Tax	400,728	-	-	400,728
Intergovernmental	28,148	150,495	273,407	452,050
Special Assessments	-	5,900	-	5,900
Licenses, Permits and Fees	11,269	-	-	11,269
Earnings on Investments	8,366	2,351	-	10,717
Miscellaneous	39,825	2,525	-	42,350
<i>Total Cash Receipts</i>	<i>553,983</i>	<i>234,160</i>	<i>273,407</i>	<i>1,061,550</i>
Cash Disbursements				
Current:				
Security of Persons and Property	15,064	24,605	-	39,669
Leisure Time Activities	46,557	-	-	46,557
Community Environment	31,226	-	-	31,226
Basic Utility Services	-	148,068	-	148,068
Transportation	-	230,106	-	230,106
General Government	142,212	-	-	142,212
Capital Outlay	-	44,371	273,407	317,778
Debt Service:				
Principal Retirement	-	7,648	-	7,648
<i>Total Cash Disbursements</i>	<i>235,059</i>	<i>454,798</i>	<i>273,407</i>	<i>963,264</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>318,924</i>	<i>(220,638)</i>	<i>-</i>	<i>98,286</i>
Other Financing Receipts (Disbursements)				
Transfers In	-	300,000	-	300,000
Transfers Out	(350,000)	-	-	(350,000)
Other Financing Sources	41	-	-	41
Other Financing Uses	(14)	-	-	(14)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>(349,973)</i>	<i>300,000</i>	<i>-</i>	<i>(49,973)</i>
<i>Net Change in Fund Cash Balances</i>	<i>(31,049)</i>	<i>79,362</i>	<i>-</i>	<i>48,313</i>
<i>Fund Cash Balances, January 1</i>	<i>737,030</i>	<i>451,449</i>	<i>-</i>	<i>1,188,479</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 705,981</i>	<i>\$ 530,811</i>	<i>\$ -</i>	<i>\$ 1,236,792</i>

See accompanying notes to the financial statements

Village of Bremen, Ohio
Fairfield County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2024

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$ 914,040
Miscellaneous	<u>102,853</u>
<i>Total Operating Cash Receipts</i>	<u>1,016,893</u>
Operating Cash Disbursements	
Personal Services	277,118
Fringe Benefits	37,869
Contractual Services	336,205
Supplies and Materials	189,664
Other	<u>2,491</u>
<i>Total Operating Cash Disbursements</i>	<u>843,347</u>
<i>Operating Income (Loss)</i>	<u>173,546</u>
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	311,512
Special Assessments	1,227
Capital Outlay	(330,819)
Principal Retirement	(61,048)
Interest and Other Fiscal Charges	<u>(10,038)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(89,166)</u>
<i>Income (Loss) before Transfers</i>	84,380
Transfers In	<u>50,000</u>
<i>Net Change in Fund Cash Balances</i>	134,380
<i>Fund Cash Balances, January 1</i>	<u>824,687</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 959,067</u>

See accompanying notes to the financial statements

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The Village of Bremen, Fairfield County (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. A publicly elected six-member Council directs the Village. The Village provides water and sewer utilities, park and pool operations. The Village does not provide fire protection services and relies upon Rushcreek Township to provide such emergency services.

Jointly Governed Organization and Public Entity Risk Pool

The Village participates in a jointly governed organization and a public entity risk pool. Notes 6 and 12 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2024

American Rescue Plan Fund: The American Rescue Plan Fund accounts for monies received from the Federal government as part of the American Rescue Plan Act of 2021. This Act provides additional relief to address the continued impact of the COVID-19 pandemic.

Capital Projects Funds: These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Projects Fund:

Other Capital Projects Fund: The Other Capital Projects Fund accounts for grants for road and street construction projects.

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

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

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

Basis of Accounting

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

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

Budgetary Process

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

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

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

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

A summary of 2024 budgetary activity appears in Note 3.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Note 3 – Budgetary Activity

Budgetary activity for the year ended December 31, 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 459,000	\$ 554,024	\$ 95,024
Special Revenue	464,440	534,160	69,720
Capital Projects	273,407	273,407	-
Enterprise	1,054,200	1,379,632	325,432
Total	\$ 2,251,047	\$ 2,741,223	\$ 490,176

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 648,952	\$ 608,428	\$ 40,524
Special Revenue	615,569	526,208	89,361
Capital Projects	273,407	273,407	-
Enterprise	1,438,641	1,331,408	107,233
Total	\$ 2,976,569	\$ 2,739,451	\$ 237,118

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 4 – Deposits and Investments

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

	<u>2024</u>
Demand Deposits	<u>\$ 2,195,859</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the Village is holding \$0 in unremitted employee payroll withholdings.

Deposits

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

Note 5 – Taxes

Property Taxes

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

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

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

Income Taxes

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

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

Note 6 – Risk Management

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

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

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated, and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remained the same through October 31, 2022. Effective November 1, 2022, the property loss corridor was eliminated. OPRM had 847 members as of December 31, 2024.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2024. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2024.

Assets	\$ 24,456,615
Liabilities	(16,692,162)
Members' Equity	<u>\$ 7,764,453</u>

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

Workers' Compensation

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

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code prescribes contribution rates. OPERS members contributed 10% of their gross salaries, and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance and co-pays incurred by the eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contribution allocated to health care was 0% for members in the traditional pension plan and 2% for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4%; however, a portion of the health care rate was funded with reserves.

Note 9 – Debt

Debt outstanding at December 31, 2024, was as follows:

	Principal	Interest Rate
OPWC Loan #CQ19H	\$ 9,656	0.00%
OPWC Loan #CQ09Y	68,831	0.00%
OWDA Loan #7762	6,695	2.25%
OWDA Loan #7983	204,983	3.01%
OWDA Loan #9573	747,798	0.24%
Vinton County Bank Loan	31,181	3.99%
Total	\$ 1,069,144	

The Ohio Public Works Commission (OPWC) Loan #CQ19H relates to the wastewater treatment plant's clarifier project. OPWC approved \$96,559 in a loan for the Village for this project with a 0% interest rate. The Village repays the loan in semi-annual installments of \$2,414, over 20 years. The Village has agreed to set utility rates sufficient to cover debt service requirements.

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2024

OPWC Loan #CQ09Y relates to the Marietta Street Improvement Project. OPWC approved \$76,479 in a loan for the Village for this project with a 0% interest rate. The Village repays this loan in semi-annual installments of \$3,824, over 10 years.

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

OWDA Loan #7983 relates to the water treatment plant filter rehabilitation. OWDA approved \$238,380 in a loan to the Village for this project with a 3.01% interest rate. The Village repays the loan in semi-annual installments of \$5,240 over 30 years.

OWDA Loan #9573 relates to the wastewater influent screen project. OWDA approved \$861,486 in a loan to the Village for this project with a 0.24% interest rate. The Village will repay the loan in semi-annual installments of \$21,237 over 20 years. The loan balance as of January 1, 2024 is restated from \$786,811 to \$786,697 due to a cost change adjustment from OWDA.

Vinton County Bank equipment loan #8558. The total amount financed for this loan was \$50,000. The Village will repay this loan over 5 years at 3.99% interest rate.

Amortization

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

Year Ending December 31:	OPWC Loan #CQ19H	OPWC Loan #CQ09Y	OWDA Loan #7762	OWDA Loan #7983	OWDA Loan #9573	Equipment Loan
2025	\$ 4,828	\$ 7,648	\$ 2,320	\$ 11,888	\$ 21,236	\$ 11,246
2026	4,828	7,648	2,320	11,887	42,473	11,246
2027	-	7,648	2,320	11,888	42,473	11,246
2028	-	7,648	2,320	11,887	42,473	-
2029	-	7,648	-	11,888	42,473	-
2030 - 2034	-	30,591	-	59,437	212,365	-
2035 - 2039	-	-	-	59,438	212,365	-
2040 - 2044	-	-	-	59,437	148,656	-
2045 - 2049	-	-	-	59,438	-	-
Total	<u>\$ 9,656</u>	<u>\$ 68,831</u>	<u>\$ 9,280</u>	<u>\$ 297,188</u>	<u>\$ 764,514</u>	<u>\$ 33,738</u>

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 10 – Fund Balances

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

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 23,355	\$ 71,410	\$ 94,765

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

Note 11 – Contingent Liabilities

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

Note 12 – Jointly Governed Organization

Fairfield County Regional Planning Commission

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

Village of Bremen, Ohio

Fairfield County

Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2023

	Governmental Fund Types			Totals (Memorandum Only)	
	General	Special Revenue			
Cash Receipts					
Property and Other Local Taxes	\$ 61,528	\$ 69,772	\$ 131,300		
Municipal Income Tax	388,048	-	388,048		
Intergovernmental	29,950	104,224	134,174		
Special Assessments	-	7,885	7,885		
Fines, Licenses and Permits	11,038	-	11,038		
Earnings on Investments	5,528	1,225	6,753		
Miscellaneous	7,289	1,055	8,344		
<i>Total Cash Receipts</i>	<u>503,381</u>	<u>184,161</u>	<u>687,542</u>		
Cash Disbursements					
Current:					
Security of Persons and Property	12,289	-	12,289		
Public Health Services	2,625	-	2,625		
Leisure Time Activities	-	15,613	15,613		
Community Environment	27,579	-	27,579		
Basic Utility Services	-	4,638	4,638		
Transportation	-	395,163	395,163		
General Government	117,643	-	117,643		
Capital Outlay	-	95,434	95,434		
<i>Total Cash Disbursements</i>	<u>160,136</u>	<u>510,848</u>	<u>670,984</u>		
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>343,245</u>	<u>(326,687)</u>	<u>16,558</u>		
Other Financing Receipts (Disbursements)					
Loans Issued	-	76,479	76,479		
Transfers In	-	250,000	250,000		
Transfers Out	(300,000)	-	(300,000)		
Other Financing Sources	3,722	-	3,722		
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(296,278)</u>	<u>326,479</u>	<u>30,201</u>		
<i>Net Change in Fund Cash Balances</i>	<u>46,967</u>	<u>(208)</u>	<u>46,759</u>		
<i>Fund Cash Balances, January 1</i>	<u>690,063</u>	<u>451,657</u>	<u>1,141,720</u>		
<i>Fund Cash Balances, December 31</i>	<u>\$ 737,030</u>	<u>\$ 451,449</u>	<u>\$ 1,188,479</u>		

See accompanying notes to the financial statements

Village of Bremen, Ohio
Fairfield County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2023

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 852,827
Miscellaneous	<u>24,292</u>
<i>Total Operating Cash Receipts</i>	<u>877,119</u>
Operating Cash Disbursements	
Personal Services	217,635
Fringe Benefits	35,036
Contractual Services	246,909
Supplies and Materials	291,718
Other	<u>1,263</u>
<i>Total Operating Cash Disbursements</i>	<u>792,561</u>
<i>Operating Income (Loss)</i>	<u>84,558</u>
Non-Operating Receipts (Disbursements)	
Special Assessments	860
Miscellaneous Receipts	345
Loans Issued	130,417
Capital Outlay	(164,484)
Principal Retirement	(63,663)
Interest and Other Fiscal Charges	<u>(10,761)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(107,286)</u>
<i>Income (Loss) before Transfers</i>	(22,728)
Transfers In	<u>50,000</u>
<i>Net Change in Fund Cash Balances</i>	27,272
<i>Fund Cash Balances, January 1 (Restated, See Note 13)</i>	<u>797,415</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 824,687</u>

See accompanying notes to the financial statements

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of Bremen, Fairfield County (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. A publicly elected six-member Council directs the Village. The Village provides water and sewer utilities, park and pool operations.

Jointly Governed Organization and Public Entity Risk Pool

The Village participates in a jointly governed organization and a public entity risk pool. Notes 6 and 12 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

State Highway Fund: The State Highway Fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance and repair of streets within the Village.

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

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

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

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

A summary of 2023 budgetary activity appears in Note 3.

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

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

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

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Note 3 – Budgetary Activity

Budgetary activity for the year ended December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 422,075	\$ 507,103	\$ 85,028
Special Revenue	400,265	510,640	110,375
Enterprise	754,450	1,058,741	301,291
Total	<u>\$ 1,576,790</u>	<u>\$ 2,076,484</u>	<u>\$ 496,694</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 598,101	\$ 463,526	\$ 134,575
Special Revenue	700,681	680,017	20,664
Enterprise	1,224,964	1,033,840	191,124
Total	<u>\$ 2,523,746</u>	<u>\$ 2,177,383</u>	<u>\$ 346,363</u>

Note 4 – Deposits and Investments

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

	2023
Demand Deposits	<u>\$ 2,013,166</u>

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Village is holding \$0 in unremitted employee payroll withholdings.

Deposits

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

Note 5 – Taxes

Property Taxes

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

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

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

Income Taxes

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

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

Note 6 – Risk Management

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

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

and other administrative services to Ohio governments (“Members”). The Plan is legally separate from its member governments.

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

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

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

Assets	\$ 23,113,696
Liabilities	(<u>16,078,587</u>)
Members’ Equity	<u>\$ 7,035,109</u>

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

Workers’ Compensation

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

The Ohio Revised Code prescribes contribution rates. OPERS members contributed 10% of their gross salaries, and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance and co-pays incurred by the eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contribution allocated to health care was 0% for members in the traditional pension plan and 2% for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4%; however, a portion of the health care rate was funded with reserves.

Note 9 – Debt

Debt outstanding at December 31, 2023, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Loan #CQ19H	\$ 14,484	0.00%
OPWC Loan #CQ09Y	76,479	0.00%
OWDA Loan #7762	8,829	2.25%
OWDA Loan #7983	210,574	3.01%
OWDA Loan #9573	786,811	0.24%
Vinton County Bank Loan	40,777	3.99%
Total	<u>\$ 1,137,954</u>	

The Ohio Public Works Commission (OPWC) Loan #CQ19H relates to the wastewater treatment plant's clarifier project. OPWC approved \$96,559 in a loan for the Village for this project with a 0% interest rate. The Village repays the loan in semi-annual installments of \$2,414, over 20 years. The Village has agreed to set utility rates sufficient to cover debt service requirements.

OPWC Loan #CQ09Y relates to the Marietta Street Improvement Project. OPWC approved \$76,479 in a loan for the Village for this project with a 0% interest rate. The Village repays this loan in semi-annual installments of \$3,824, over 10 years.

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

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

OWDA Loan #7983 relates to the water treatment plant filter rehabilitation. OWDA approved \$238,380 in a loan to the Village for this project with a 3.01% interest rate. The Village repays the loan in semi-annual installments of \$5,240 over 30 years.

OWDA Loan #9573 relates to the wastewater influent screen project. OWDA approved \$861,486 in a loan to the Village for this project with a 0.24% interest rate. The Village will repay the loan over 20 years. No amortization schedule is available for this loan as it has not been fully disbursed.

Vinton County Bank equipment loan #8558. The total amount financed for this loan was \$50,000. The Village will repay this loan over 5 years at 3.99% interest rate.

Amortization

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

Year Ending December 31:	OPWCLoan #CQ19H	OPWCLoan #CQ09Y	OWDA Loan #7762	OWDA Loan #7983	Equipment Loan
2024	\$ 4,828	\$ 7,648	\$ 2,320	\$ 11,887	\$ 11,246
2025	4,828	7,648	2,320	11,888	11,246
2026	4,828	7,648	2,320	11,887	11,246
2027	-	7,648	2,320	11,888	11,246
2028	-	7,648	2,320	11,887	-
2029 - 2033	-	38,239	-	59,438	-
2034 - 2038	-	-	-	59,437	-
2039 - 2043	-	-	-	59,438	-
2044 - 2048	-	-	-	59,437	-
2049	-	-	-	11,888	-
Total	\$ 14,484	\$ 76,479	\$ 11,600	\$ 309,075	\$ 44,984

Note 10 – Fund Balances

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

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 3,390	\$ 169,169	\$ 172,559

Village of Bremen, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

Note 11 – Contingent Liabilities

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

Note 12 – Jointly Governed Organization

Fairfield County Regional Planning Commission

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

Note 13 – Restatement of Beginning Cash Fund Balances

A restatement of beginning cash fund balances as of January 1, 2023 was due to voided checks from the prior period. Voiding the checks had the following effect on cash fund balances at January 1, 2023:

	<u>Enterprise</u>
January 1, 2023 Fund Balances	\$ 796,526
Adjustment: Voided Checks	889
January 1, 2023 Fund Balances, Restated	<u>\$ 797,415</u>



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

Village of Bremen
Fairfield County
PO Box 127
Bremen, OH 43107

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of the Village of Bremen, Fairfield County, Ohio (the Village) and have issued our report thereon dated August 20, 2025, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings as item 2024-001 to be a material weakness.



Jessica Heldman, CPA

330 Muskingum Drive
Marietta, OH 45750

Village of Bremen
Fairfield County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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. We consider the deficiency described in the accompanying schedule of findings as item 2024-002 to be a significant deficiency.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Jessica Heldman CPA

Jessica Heldman, CPA
Marietta, Ohio

August 20, 2025

**VILLAGE OF BREMEN, OHIO
FAIRFIELD COUNTY
SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

FINDING NUMBER 2024-001

Material Weakness

Financial Reporting

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

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

- RITA income tax distributions classified as Intergovernmental instead of Municipal Income Tax in the General Fund in 2023.
- Rollback receipts classified as Property and Other Local Taxes instead of Intergovernmental in the General Fund in 2024.
- Oktoberfest receipts classified as Special Items instead of Miscellaneous in the General Fund in 2024.
- Federal grant receipt classified as Miscellaneous instead of Intergovernmental in the Street Construction, Maintenance and Repair Fund in 2024.
- OPWC and BWC grant receipts classified as Miscellaneous and Special Assessments instead of Intergovernmental in the Other Capital Projects Fund in 2024.
- Village of Rushville contract recorded as Municipal Income Tax and Miscellaneous in the General Fund instead of Miscellaneous in the Water Fund in 2023.
- OPWC Loan proceeds not properly booked in the Street Construction, Maintenance and Repair Fund in 2023.
- OPWC Loan payments classified as Transportation and Capital Outlay instead of Principal Retirement in the Street Construction, Maintenance and Repaid Fund in 2024.
- OWDA Loan payments classified as Capital Outlay instead of Principal Retirement and Interest and Fiscal Charges in the Water and Sewer Funds in 2023.
- OWDA Loan proceeds not properly booked in the Sewer Fund in 2023.
- Equipment Loan payment classified as Capital Outlay instead of Principal Retirement and Interest and Fiscal Charges in the Water and Sewer Funds in 2023.
- OPWC Loan payments classified as Capital Outlay instead of Principal Retirement in the Sewer Fund in 2024.
- Septic sewage dumping contract receipts classified as Miscellaneous instead of Charges for Services in the Sewer Fund in 2024.

All of the above-noted adjustments and reclassifications are reflected in the financial statements and all adjustments have been posted to the Village's accounting system.

The Village should establish and implement procedures to verify that financial activity is recorded correctly and in a timely manner. The Uniform Accounting Network (UAN) Accounting & General Manual and other resources on the Auditor of State Web site can be used for guidance in the recording of financial activity.

Officials' Response: We did not receive a response from the client to this finding.

**VILLAGE OF BREMEN, OHIO
FAIRFIELD COUNTY
SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

FINDING NUMBER 2024-002

Significant Deficiency

Oktoberfest Receipts

Village management has the responsibility of establishing effective internal controls over all Village revenues. These controls should ensure revenues are charged appropriately and recorded accurately, completely and in the appropriate reporting period.

During 2024, the Village held an Oktoberfest Festival that included a beer garden. The proceeds from beer garden sales were deposited with the Fiscal Officer in one lump sum. However, there was no record to support the deposit for beer garden sales of \$2,962. The lack of accountability over these funds could lead to or otherwise indicate that errors, irregularities, misappropriation of assets, or fraud are occurring and going undetected.

We recommend the Village establish control procedures that would allow them to determine the completeness and existence of revenues and require all supporting documentation to be maintained in order for the Village to ensure that all receipts are accurate and appropriate. We also recommend the Village utilize a sale summary sheet during its Oktoberfest festival to track inventory, amounts sold and amounts collected reconciled to amounts deposited for its beer garden and involve multiple individuals in this process.

Officials' Response: We did not receive a response from the client to this finding.

VILLAGE OF BREMEN, OHIO
FAIRFIELD COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	Financial Reporting	Not Corrected	Repeated as Finding 2024-001

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BREMEN

FAIRFIELD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/8/2026

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

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