

**Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)  
All Governmental Fund Types**

For the Year Ended December 31, 2019

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>						
Property and Other Taxes	\$32,588	\$0	\$0	\$0	\$0	\$32,588
Municipal Income Tax	140,419	0	0	0	0	140,419
Intergovernmental	25,376	32,290	0	0	0	57,666
Special Assessments	0	0	0	0	0	0
Charges for Services	44,857	0	0	0	0	44,857
Fines, Licenses and Permits	18,786	0	0	0	0	18,786
Earnings on Investments	3,168	325	0	0	1	3,494
Miscellaneous	1,859	0	0	0	0	1,859
<i>Total Cash Receipts</i>	<u>267,053</u>	<u>32,615</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>299,669</u>
<b>Cash Disbursements</b>						
Current:						
Security of Persons & Property	109,834	0	0	0	0	109,834
Public Health Services	1,388	0	0	0	0	1,388
Leisure Time Activities	5,000	0	0	0	0	5,000
Community Environment	216	0	0	0	0	216
Basic Utility Services	0	0	0	0	0	0
Transportation	0	19,196	0	0	0	19,196
General Government	98,268	0	0	0	0	98,268
Capital Outlay	15,380	3,353	0	0	0	18,733
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Payment of Capital Appreciation Bond Accretion	0	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Cash Disbursements</i>	<u>230,086</u>	<u>22,549</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>252,635</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>36,967</u>	<u>10,066</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>47,034</u>
<b>Other Financing Receipts (Disbursements)</b>						
Sale of Bonds	0	0	0	0	0	0
Sale of Refunding Bonds	0	0	0	0	0	0
Sale of Notes	0	0	0	0	0	0
Loans Issued	0	0	0	0	0	0
Other Debt Proceeds	0	0	0	0	0	0
Premium and Accrued Interest on Debt	0	0	0	0	0	0
Discount on Debt	0	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0	0

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

**Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)  
All Governmental Fund Types**

For the Year Ended December 31, 2019

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Sale of Capital Assets	0	400	0	0	0	400
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Advances In	0	0	0	0	0	0
Advances Out	0	0	0	0	0	0
Other Financing Sources	0	0	0	0	0	0
Other Financing Uses	0	0	0	0	0	0
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>400</u>
Special Item	0	0	0	0	0	0
Extraordinary Item	0	0	0	0	0	0
<i>Net Change in Fund Cash Balances</i>	<u>36,967</u>	<u>10,466</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>47,434</u>
<i>Fund Cash Balances, January 1</i>	<u>304,383</u>	<u>74,705</u>	<u>0</u>	<u>0</u>	<u>5,215</u>	<u>384,303</u>
<b>Fund Cash Balances, December 31</b>						
Nonspendable	0	0	0	0	5,000	5,000
Restricted	0	84,126	0	0	216	84,342
Committed	0	1,045	0	0	0	1,045
Assigned	47,941	0	0	0	0	47,941
Unassigned (Deficit)	293,409	0	0	0	0	293,409
<i>Fund Cash Balances, December 31</i>	<u><u>\$341,350</u></u>	<u><u>\$85,171</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$5,216</u></u>	<u><u>\$431,737</u></u>

**Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)  
All Governmental Fund Types**

For the Year Ended December 31, 2019

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
<b>GASB 54 Worksheet/Note Disclosure</b>						
<i>Net Change in Fund Cash Balances</i>	\$36,967	\$10,466	\$0	\$0	\$1	\$47,434
<i>Fund Cash Balances, January 1</i>	304,383	74,705	0	0	5,215	384,303
<i>Fund Cash Balances, December 31</i>	<u>\$341,350</u>	<u>\$85,171</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,216</u>	<u>\$431,737</u>
<b>Fund Balances</b>						
Amounts identified as:						
Nonspendable						
Cemetery Endowment	\$0	\$0	\$0	\$0	\$5,000	\$5,000
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>5,000</u>
Restricted for:						
Capital Improvements - Water Plant	0	0	0	0	0	0
Cemetery	0	0	0	0	216	216
Police Operations	0	0	0	0	0	0
Road Maintenance and Improvements	0	84,126	0	0	0	84,126
<i>Total Restricted</i>	<u>0</u>	<u>84,126</u>	<u>0</u>	<u>0</u>	<u>216</u>	<u>84,342</u>
Committed to:						
Recreation Programs	0	1,045	0	0	0	1,045
<i>Total Committed</i>	<u>0</u>	<u>1,045</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,045</u>
Assigned to:						
General	47,941	0	0	0	0	47,941
<i>Total Assigned</i>	<u>47,941</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>47,941</u>
<i>Unassigned</i>	293,409	0	0	0	0	293,409
<i>Total Fund Cash Balances, December 31</i>	<u>\$341,350</u>	<u>\$85,171</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,216</u>	<u>\$431,737</u>

**Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)**  
**All Proprietary and Fiduciary Fund Types**  
 For the Year Ended December 31, 2019

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Custodial</u>	<u>Investment Trust</u>	<u>Private Purpose Trust</u>	<u>Totals (Memorandum Only)</u>
<b>Operating Cash Receipts</b>						
Charges for Services	\$236,106	\$0	\$0	\$0	\$0	\$236,106
Fines, Licenses and Permits	0	0	0	0	0	0
Earnings on Investments (trust funds only)	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
<i>Total Operating Cash Receipts</i>	<u>236,106</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>236,106</u>
<b>Operating Cash Disbursements</b>						
Personal Services	31,069	0	0	0	0	31,069
Fringe Benefits	3,515	0	0	0	0	3,515
Contractual Services	103,873	0	0	0	0	103,873
Supplies and Materials	4,723	0	0	0	0	4,723
Claims	0	0	0	0	0	0
Other	0	0	2,724	0	0	2,724
<i>Total Operating Cash Disbursements</i>	<u>143,180</u>	<u>0</u>	<u>2,724</u>	<u>0</u>	<u>0</u>	<u>145,904</u>
<i>Operating Income (Loss)</i>	<u>92,926</u>	<u>0</u>	<u>(2,724)</u>	<u>0</u>	<u>0</u>	<u>90,202</u>
<b>Non-Operating Receipts (Disbursements)</b>						
Property and Other Local Taxes	0	0	0	0	0	0
Intergovernmental	8,548	0	0	0	0	8,548
Special Assessments	0	0	0	0	0	0
Earnings on Investments (proprietary funds only)	0	0	0	0	0	0
Sale of Bonds	0	0	0	0	0	0
Sale of Refunding Bonds	0	0	0	0	0	0
Sale of Notes	0	0	0	0	0	0
Loans Issued	99,610	0	0	0	0	99,610
Other Debt Proceeds	0	0	0	0	0	0
Premium and Accrued Interest on Debt	0	0	0	0	0	0
Sale of Fixed Assets	0	0	0	0	0	0
Miscellaneous Receipts	64	0	0	0	0	64
Capital Outlay	(103,030)	0	0	0	0	(103,030)
Excise Tax Payment - Electric	0	0	0	0	0	0
Principal Retirement	(55,196)	0	0	0	0	(55,196)
Payment of Capital Appreciation Bond Accretion	0	0	0	0	0	0
Interest and Other Fiscal Charges	(21,044)	0	0	0	0	(21,044)
Discount on Debt	0	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0	0
Other Financing Sources	0	0	0	0	0	0

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

**Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)**  
**All Proprietary and Fiduciary Fund Types**  
 For the Year Ended December 31, 2019

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Custodial</u>	<u>Investment Trust</u>	<u>Private Purpose Trust</u>	<u>Totals (Memorandum Only)</u>
Other Financing Uses	0	0	0	0	0	0
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(71,048)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(71,048)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	21,878	0	(2,724)	0	0	19,154
Capital Contributions	0	0	0	0	0	0
Special Item	0	0	0	0	0	0
Extraordinary Item	0	0	0	0	0	0
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Advances In	0	0	0	0	0	0
Advances Out	0	0	0	0	0	0
<i>Net Change in Fund Cash Balance</i>	<u>21,878</u>	<u>0</u>	<u>(2,724)</u>	<u>0</u>	<u>0</u>	<u>19,154</u>
<i>Fund Cash Balances, January 1</i>	<u>398,903</u>	<u>0</u>	<u>2,724</u>	<u>0</u>	<u>0</u>	<u>401,627</u>
<i>Fund Cash Balances, December 31</i>	<u>\$420,781</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$420,781</u>

**Village of Sugar Grove, Ohio**  
*Fairfield County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

The Constitution and laws of the State of Ohio establish the rights and privileges of the Village of Sugar Grove, Fairfield County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government services, including water, sewer and sanitation utilities, maintenance of Village roads and bridges, park operations, and police services.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Village participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments.

The Village is also associated with jointly governed organizations consisting of the Fairfield County Regional Planning Commission and the District Advisory Council (DAC). Note 12 to the financial statements provides additional information for these jointly governed organizations.

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 and fiduciary fund types which are 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:

**1. 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.

**2. 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 - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Permissive Motor Vehicle License Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

**Village of Sugar Grove, Ohio**  
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**3. Permanent Funds**

These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant permanent fund:

Cemetery Bequest Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Village's cemetery.

**4. Enterprise Funds**

This fund accounts 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 - This fund receives charges for services from residents to cover the costs of providing the citizens of the Village with water services.

Water Replacement & Improvement – This fund receives charges for services from residents to cover the costs of providing the citizens of the Village with water system replacement and improvement services and debt services.

Sewer Fund - This fund receives charges for services from residents to cover the costs of providing the citizens of the Village with sewer services, including debt services.

Sanitation Fund - This fund receives charges for services from residents for the garbage and trash services provided to the citizens of the Village and commercial users.

**5. Fiduciary Funds**

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for Mayor's Court. The Village Mayor's Court restarted operations in 2015, but suspended operations in 2017. As of the year ending December 31, 2018, the Village had not settled the funds due for the State of Ohio as per previous audit finding. As of the year ending December 31, 2019, the Village settled the funds due for the State of Ohio on recommendation of the Village Solicitor and remitted the remaining balance to the General Fund.

***Basis of Accounting***

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

**Village of Sugar Grove, Ohio**  
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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 (D) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

**2. 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 also approve estimated resources.

**3. 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. The Village did not encumber all commitments required by Ohio law. A summary of CY2019 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.

The Village values U.S. Treasury Notes and common stock at cost.

***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:

**1. Non-spendable**

The Village classifies assets as *non-spendable* when legally or contractually required to maintain



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the amounts intact.

**2. 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.

**3. 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.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

**5. 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.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2019 consists as follows:

**Village of Sugar Grove, Ohio**  
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**2019 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$168,890	\$267,052	\$98,162
Special Revenue	23,085	33,014	9,929
Debt Service	0	0	0
Capital Projects	99,610	99,610	0
Enterprise	194,233	244,719	50,486
Internal Service	0	0	0
Permanent	0	1	1
Fiduciary	0	0	0
Total	<u>\$485,818</u>	<u>\$644,396</u>	<u>\$158,578</u>

**2019 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$320,878	\$230,084	\$90,794
Special Revenue	67,783	22,548	45,235
Debt Service	0	0	0
Capital Projects	0	0	0
Enterprise	355,450	322,452	32,997
Internal Service	0	0	0
Permanent	0	0	0
Fiduciary	0	2,724	-2,724
Total	<u>\$744,111</u>	<u>\$577,808</u>	<u>\$166,303</u>

**Note 4 – Deposits and Investments**

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	<u>2019</u>
Demand deposits	\$847,518
Certificates of deposit	
Other time deposits (savings and NOW accounts)	
Total deposits	<u>847,518</u>
U.S. Treasury Notes	5,000
STAR Ohio	0
Repurchase agreement	
Common stock (at cost, fair value was \$XXXX at December 31, 20XCY)	
Total investments	<u>5,000</u>
Total deposits and investments	<u>\$852,518</u>

***Deposits***

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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.

***Investments***

The Federal Reserve holds the Village's U.S. Treasury Notes in book-entry form by, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

***Income Taxes***

The Village levies a municipal income tax of three-quarter percent [0.75% or 0.0075] on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

**Note 6 – Risk Management**

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Villages policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay

**Village of Sugar Grove, Ohio**  
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those liabilities as of December 31:

	<u>2018</u>
Cash and investments	\$ 35,381,789
Actuarial liabilities	\$12,965,015

During 2019, the Village made significant changes to coverage from prior year by approving changes to property values based upon CBIZ independent appraiser recommendations. The appraisals resulted in a variance of \$1,286,969 in additional property valuation (\$3,330,869 total values in 2019 minus \$2,043,900 total values in 2018). The Village reviewed schedules with PEP to ensure accuracy for all property, plant, and equipment values.

<b><u>Contributions to PEP</u></b>	
<b><u>2018</u></b>	<b><u>2019</u></b>
\$14,175	\$12,786

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 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.

***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***

Some 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also 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, 2019.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2019</i>	<i>10%</i>	<i>14%</i>

***Social Security***

Other Village employees contributed to social Security. This plan provides retirement benefits, including

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survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

**Note 8 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019.

**Note 9 – Debt**

Debt outstanding at December 31, 2019 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
OWDA - Waterline Replacement (4859)	\$190,835	4.45%
OPWC - Waterline Replacement Phase 1 (CQ16K)	111,209	0.00%
OPWC - Waterline Replacement, Ph. II (CQ22L)	38,461	0.00%
OPWC - Sanitary Sewer Improvements (CQ07N)	26,836	0.00%
OPWC - Sanitary Sewer Rehabilitation Ph II (CT38P)	81,536	0.00%
OPWC - WWTP Repair (CQ15Q)	13,728	0.00%
OWDA - WTP Improvements (7803)	369,243	2.78%
OPWC - Water Treatment Plant Improvement (CT26U)	238,975	0.00%
OPWC - WWTP Improvements (CQ46V)	27,481	0.00%
<b>Total</b>	<b><u>\$1,098,302</u></b>	

The Ohio Water Development Authority (OWDA) and Ohio Public Works Commission (OPWC) loans relate to water and sewer plant improvement projects as mandated by the Ohio Environmental Protection Agency. Since 2008, the OWDA has approved up to \$725,023 and the OPWC has approved up to \$844,927 in financing for the Village in a series of loans for ongoing improvement and rehabilitation projects. The Village repays the loans in semiannual installments, including interest, over 20 to 30 years. The balance includes capitalized interest and capitalized interest credit posted for the loans.

For the year ending December 31, 2019, the Village re-paid \$16,666 of principal and \$21,910 in interest on OWDA loans. Additionally, the Village repaid \$24,337 of principal on OPWC loans. The OWDA and OPWC will adjust scheduled payments to reflect any revisions in amounts the Village actually borrows. Water and sewer receipts collateralize the loans. The Village has agreed to set utility rates sufficient to cover OWDA and OPWC debt service requirements.

**Note 9 – Debt (continued)**

Schedule of OWDA and OPWC debt service requirements for the Year Ended December 31, 2019 is as follows:

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Fiscal Year Ending	Principal (A)	Interest (B)	Total Columns A & B (C)
2020	\$34,953.83	\$7,568.44	\$42,522.27
2021	35,249.28	7,302.86	42,552.14
2022	3,558.04	7,025.32	10,583.36
2023	35,880.68	6,735.32	42,616.00
2024	36,217.84	6,432.25	42,650.09
2029	186,702.12	27,115.94	213,818.06
2034	125,633.88	17,211.20	142,845.08
2039	118,395.73	5,017.77	123,413.50
2044	56,533.20	0.00	56,533.20
2049	36,453.58	0.00	36,453.58
2050	0.00	0.00	0.00
Total	\$669,578.18	\$84,409.10	\$753,987.28

The schedule of debt does not include the Ohio Water Development Authority Loan for Water Treatment Plant Improvements (7803), as amortization of that loan has not been completed.

**Note 10 – Construction and Contractual Commitments**

For the year ending December 31, 2019, the Council approved expenditures for the Wastewater Treatment Plant Improvements totaling \$27,481 with Stantec (Logan, OH) engineering firm. As of December 31, 2019, the project had not reached substantial completion. Funding for this project consisted of grant and loan with Fairfield County Critical Infrastructure and Ohio Public Works Commission.

The Village's public water system completed substantial construction and improvements to its Water Treatment Plant in 2018. The final contract price as approved by Council amounted to \$1,045,452. The Village accepted \$1,037,000 bid from Mechanical Construction (Portsmouth, OH) during the project bid opening on August 9, 2017 for the Water Treatment Plant improvements.

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. 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 Organizations**

***Fairfield County Regional Planning Commission***

The Village is associated with the Fairfield County Regional Planning Commission as a jointly governed organization. The Commission is a statutorily created political subdivision of the State. The Commission is jointly governed by Fairfield County municipalities and townships. Each member's control over the operation of the Commission is limited to its representation on the board. The Commission makes studies, maps, plans, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County.

***District Advisory Council (DAC)***

The Village is associated with the District Advisory Council as a jointly governed organization. The

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District Advisory Council is a requirement according to the State ORC 3709.03. The DAC consists of the President of the County Commissioners, the Mayors of each Village and one township representative from each township. The purpose of the DAC is to review the health department fees, approve the health department budget, and appoint Board of Health members.