

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

For the Year Ended December 31, 2020

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts						
Property and Other Taxes	\$113,448	\$0	\$0	\$0	\$0	\$113,448
Municipal Income Tax	144,786	0	0	0	0	144,786
Intergovernmental	28,803	39,422	0	0	0	68,225
Special Assessments	0	0	0	0	0	0
Charges for Services	49,012	0	0	0	0	49,012
Fines, Licenses and Permits	28,999	0	0	0	0	28,999
Earnings on Investments	1,092	102	0	0	0	1,194
Miscellaneous	1,363	0	0	0	0	1,363
<i>Total Cash Receipts</i>	<u>367,503</u>	<u>39,524</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>407,027</u>
Cash Disbursements						
Current:						
Security of Persons & Property	114,771	0	0	0	0	114,771
Public Health Services	7,920	0	0	0	0	7,920
Leisure Time Activities	1,614	0	0	0	0	1,614
Community Environment	173	0	0	0	0	173
Basic Utility Services	0	0	0	0	0	0
Transportation	0	16,742	0	0	0	16,742
General Government	109,923	0	0	0	0	109,923
Capital Outlay	39,832	78,988	0	0	0	118,820
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>274,233</u>	<u>95,730</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>369,963</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>93,270</u>	<u>(56,206)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>37,064</u>
Other Financing Receipts (Disbursements)						
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, 2020

	<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	0	0	0	0	0
Transfers In	0	31,880	0	0	0	31,880
Transfers Out	(31,880)	0	0	0	0	(31,880)
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>(31,880)</u>	<u>31,880</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</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>61,390</u>	<u>(24,326)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>37,064</u>
<i>Fund Cash Balances, January 1</i>	<u>341,506</u>	<u>85,171</u>	<u>0</u>	<u>0</u>	<u>5,216</u>	<u>431,893</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$402,896</u></u>	<u><u>\$60,845</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$5,216</u></u>	<u><u>\$468,957</u></u>

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

For the Year Ended December 31, 2020

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>
Operating Cash Receipts			
Charges for Services	\$246,585	\$0	\$246,585
Fines, Licenses and Permits	0	0	0
Miscellaneous	0	0	0
<i>Total Operating Cash Receipts</i>	<u>246,585</u>	<u>0</u>	<u>246,585</u>
Operating Cash Disbursements			
Personal Services	31,039	0	31,039
Fringe Benefits	3,419	0	3,419
Contractual Services	110,621	0	110,621
Supplies and Materials	12,059	0	12,059
Claims	0	0	0
Other	0	0	0
<i>Total Operating Cash Disbursements</i>	<u>157,138</u>	<u>0</u>	<u>157,138</u>
<i>Operating Income (Loss)</i>	<u>89,447</u>	<u>0</u>	<u>89,447</u>
Non-Operating Receipts (Disbursements)			
Property and Other Local Taxes	0	0	0
Intergovernmental	64,900	0	64,900
Special Assessments	0	0	0
Earnings on Investments (proprietary funds only)	0	0	0
Sale of Bonds	0	0	0
Sale of Refunding Bonds	0	0	0
Sale of Notes	0	0	0
Loans Issued	114,005	0	114,005
Other Debt Proceeds	0	0	0
Premium and Accrued Interest on Debt	0	0	0
Sale of Fixed Assets	0	0	0
Miscellaneous Receipts	725	0	725
Capital Outlay	(190,424)	0	(190,424)
Excise Tax Payment - Electric	0	0	0
Principal Retirement	(24,927)	0	(24,927)
Payment of Capital Appreciation Bond Accretion	0	0	0
Interest and Other Fiscal Charges	(19,175)	0	(19,175)
Discount on Debt	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0
Other Financing Sources	0	0	0
Other Financing Uses	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 Fund Types**

For the Year Ended December 31, 2020

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	(54,896)	0	(54,896)
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	34,551	0	34,551
Capital Contributions	0	0	0
Special Item	77	0	77
Extraordinary Item	0	0	0
Transfers In	0	0	0
Transfers Out	0	0	0
Advances In	0	0	0
Advances Out	0	0	0
<i>Net Change in Fund Cash Balance</i>	34,628	0	34,628
<i>Fund Cash Balances, January 1</i>	420,782	0	420,782
<i>Fund Cash Balances, December 31</i>	<u>\$455,410</u>	<u>\$0</u>	<u>\$455,410</u>

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

For the Year Ended December 31, 2020

	<u>Private Purpose Trust</u>	<u>Investment Trust</u>	<u>External Investment Pool</u>	<u>Other Custodial</u>	<u>Totals (Memorandum Only)</u>
Additions					
Property and Other Local Taxes Collected for Distribution	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0	0
Fines, Licenses and Permits for Distribution	0	0	0	0	0
Earnings on Investments (trust funds only)	0	0	0	0	0
Gifts and Donations (trust funds only)	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Special Assessment Collections for Distribution	0	0	0	0	0
Deposits Received	0	0	0	0	0
Amounts Held for Employees	0	0	0	0	0
Amounts Received as Fiscal Agent	0	0	0	0	0
Other Amounts Collected for Distribution	0	0	0	0	0
<i>Total Additions</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deductions					
Distributions as Fiscal Agent	0	0	0	0	0
Distributions to Other Governments	0	0	0	0	0
Distributions to Other Funds (Primary Gov't)	0	0	0	0	0
Distributions of Deposits	0	0	0	0	0
Distributions on Behalf of Employees	0	0	0	0	0
Other Distributions	0	0	0	0	0
<i>Total Deductions</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	0	0	0	0
<i>Fund Cash Balances, January 1</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Cash Balances, December 31</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Village of Sugar Grove, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The Village of Sugar Grove (the Village), Fairfield County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general government services, including water and sewer utilities, maintenance of Village roads and bridges, park operations, and police services.

Jointly Governed Organizations and Public Entity Risk Pools

The Village participates in jointly governed organizations 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 and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all 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:

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 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.

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

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 general maintenance and upkeep of the Village's cemetery.

Village of Sugar Grove, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

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 Operating Fund The water fund receives charges for services to cover the costs of providing the citizens of the Village with water services.

Water Operating Replacement & Improvement Fund The water fund receives charges for services to cover the costs of providing the citizens of the Village with water system replacement and improvement services and debt services.

Sewer Operating Fund The fund receives charges for services from residents to cover the cost of providing the citizens of the Village with sewer services, including debt service.

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

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

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).

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 custodial funds) 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.

Village of Sugar Grove, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

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

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

A summary of 2020 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 Bonds 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:

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 Sugar Grove, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

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 13.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$208,945	\$367,504	\$158,559
Special Revenue	60,605	71,404	10,799
Enterprise	399,003	426,294	27,292
Permanent	0	0	0
Total	\$668,553	\$865,202	\$196,649

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$385,907	\$322,853	\$63,055
Special Revenue	104,848	98,263	6,585
Enterprise	474,381	399,134	75,246
Total	\$965,136	\$820,250	\$144,885

Note 4 – Deposits and Investments

The Village maintains a deposits 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:

Village of Sugar Grove, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 4 – Deposits and Investments (Continued)

	2020
Demand deposits	\$ 919,367
Total deposits	919,367
U.S. Treasury Notes	5,000
Total investments	5,000
Total deposits and investments	\$ 924,367

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.

Investments

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

Note 5 – Taxes

Property Taxes

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

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

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

Income Taxes

The Village levies a municipal income tax of .75 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

Village of Sugar Grove, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 Village's 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 those liabilities as of December 31, 2019 (the most recent information available at the time the footnotes were prepared):

	<u>2019</u>
Cash and investments	\$ 38,432,610
Actuarial liabilities	\$14,705,917

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent (Local) and 13 percent (Law Enforcement) of their gross salaries, and the Village contributed an amount equaling 14 percent (Local) and 18.10 percent (Law Enforcement) of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2020</i>	<i>10%</i>	<i>14%</i>
<i>OPERS – Law Enforcement</i>	<i>2014-2020</i>	<i>13.00%</i>	<i>18.10%</i>

Social Security

Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Village of Sugar Grove, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 7 – Defined Benefit Pension Plans (continued)

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, 2020.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit post employment 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 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020.

Note 9 – Debt

Debt outstanding at December 31, 2020, was as follows:

	Principal	Interest Rate
OWDA - Waterline Replacement (4859)	\$184,268	4.45%
OWDA - WTP Improvements (7803)	362,910	2.78%
OPWC - Sanitary Sewer Improvements (CQ07N)	26,226	0.00%
OPWC - WWTP Repair (CQ15Q)	13,285	0.00%
OPWC - Waterline Replacement Phase 1 (CQ16K)	105,648	0.00%
OPWC - Waterline Replacement, Ph. II (CQ22L)	36,629	0.00%
OPWC - Sanitary Sewer Rehabilitation Ph II (CT38P)	79,837	0.00%
OPWC - Water Treatment Plant Improvements (CT26U)	234,924	0.00%
OPWC - WWTP Improvements (CQ46V)	114,005	0.00%
Total	<u>\$1,157,733</u>	

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 \$626,465 and the OPWC has approved up to \$808,934 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, 2020, the Village repaid \$8,834 of principal and \$19,175 of interest on OWDA loans. Additionally, the Village repaid \$14,194 of principal on OPWC loans. The OWDA and OPWC will adjust scheduled payments to reflect any revisions in the 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.

In July of 2020, the OPWC completed its process of restructuring its amortization schedules to reflect the July 2020 automatic loan period deferment effective due to the COVID-19 Pandemic (see Note 15). As a result of this deferment, amortization schedules in preceding financial statements do not agree from year-to-year. The amortization schedule that follows reflects the OPWC loan deferment.

Village of Sugar Grove, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 9 – Debt (Continued)

Amortization

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

Year ending	OWDA	OWDA
December 31:	#4859	#7803
2021	\$ 14,165	\$ 18,739
2022	14,196	18,739
2023	14,229	18,739
2023	14,263	18,739
2025	14,298	18,739
2026-2030	71,184	93,695
2031-2035	73,249	93,695
2036-2040	44,625	93,695
2041-2045	-	93,695
2046-2050	-	56,217
Total	<u>\$ 260,209</u>	<u>\$ 524,690</u>

Year ending	OPWC	OPWC	OPWC	OPWC	OPWC	OPWC	OPWC
December 31:	CQ16K	CQ07N	CQ22L	CT38P	CQ15Q	CT26U	CQ46V
2021	\$ 11,121	\$ 1,220	\$ 3,663	\$ 3,397	\$ 886	\$ 8,101	\$ 3,800
2022	11,121	1,220	3,663	3,397	886	8,101	3,800
2023	11,121	1,220	3,663	3,397	886	8,101	3,800
2023	11,121	1,220	3,663	3,397	886	8,101	3,800
2025	11,121	1,220	3,663	3,397	886	8,101	3,800
2026-2030	50,044	6,099	18,315	16,987	4,428	40,504	19,001
2031-2035	-	6,099	-	16,987	4,428	40,504	19,001
2036-2040	-	6,099	-	16,987	-	40,504	19,001
2041-2045	-	1,220	-	10,192	-	40,504	19,001
2046-2050	-	-	-	-	-	32,403	19,001
Total	<u>\$ 105,648</u>	<u>\$ 25,616</u>	<u>\$ 36,629</u>	<u>\$ 78,139</u>	<u>\$ 13,285</u>	<u>\$ 234,924</u>	<u>\$ 114,005</u>

Note 10 – Construction and Contractual Commitments

For the year ending December 31, 2020, the Council approved expenditures for the Wastewater Treatment Plant Improvements totaling \$10,010 with Stantec (Logan, OH) engineering firm and \$163,624 with Workman Industrial Services for the improvements. As of December 31, 2020, the project reached substantial completion. Funding for this project consisted of grant and loan with Fairfield County Critical Infrastructure and CDBG funding and with the Ohio Public Works Commission.

Note 11 – Contingent Liabilities

The Village is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

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.

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For the Year Ended December 31, 2020

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 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.

Note 13 - Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. 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	Debt Service	Capital Projects	Permanent	Total
Nonspendable:						\$0
Unclaimed Monies	\$0					0
Corpus					5,000	5,000
Outstanding Encumbrances	16,738	2,533	0	0	0	19,271
<i>Total</i>	<u>\$16,738</u>	<u>\$2,533</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,000</u>	<u>\$24,271</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 14 – Change in Accounting Principles

For 2020, the Village has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) -- All Fiduciary Fund Types, and removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

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For the Year Ended December 31, 2020

Note 14 – Change in Accounting Principles (continued)

The effect of this change restated beginning cash balance in the Special Revenue Fund Type from \$0.00 to \$0.00, and in the in the Fiduciary Fund Type from \$0.00 to \$0.00.

Note 15 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.