

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

For the Year Ended December 31, 2017

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts						
Property and Other Taxes	\$31,975	\$0	\$0	\$0	\$0	\$31,975
Municipal Income Tax	106,771	0	0	0	0	106,771
Intergovernmental	17,359	26,865	0	0	0	44,224
Special Assessments	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	0
Fines, Licenses and Permits	28,923	0	0	0	0	28,923
Earnings on Investments	827	103	0	0	1	931
Miscellaneous	766	0	0	0	0	766
<i>Total Cash Receipts</i>	<u>186,621</u>	<u>26,968</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>213,590</u>
Cash Disbursements						
Current:						
Security of Persons & Property	52,268	0	0	0	0	52,268
Public Health Services	0	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0	0
Community Environment	1,300	0	0	0	0	1,300
Basic Utility Services	0	0	0	0	0	0
Transportation	0	20,260	0	0	0	20,260
General Government	86,142	0	0	0	0	86,142
Capital Outlay	14,483	5,000	0	0	0	19,483
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>154,193</u>	<u>25,260</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>179,453</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>32,428</u>	<u>1,708</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>34,137</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, 2017

	<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	0	0	0	0	0
Transfers Out	(30,000)	0	0	0	0	(30,000)
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>(30,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(30,000)</u>
Special Item	244	0	0	0	0	244
Extraordinary Item	0	0	0	0	0	0
<i>Net Change in Fund Cash Balances</i>	<u>2,672</u>	<u>1,708</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>4,381</u>
<i>Fund Cash Balances, January 1</i>	<u>287,501</u>	<u>77,310</u>	<u>0</u>	<u>0</u>	<u>5,214</u>	<u>370,025</u>
Fund Cash Balances, December 31						
Nonspendable	0	0	0	0	5,215	5,215
Restricted	0	79,018	0	0	0	79,018
Committed	0	0	0	0	0	0
Assigned	0	0	0	0	0	0
Unassigned (Deficit)	290,173	0	0	0	0	290,173
<i>Fund Cash Balances, December 31</i>	<u>\$290,173</u>	<u>\$79,018</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,215</u>	<u>\$374,406</u>

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

For the Year Ended December 31, 2017

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
GASB 54 Worksheet/Note Disclosure						
<i>Net Change in Fund Cash Balances</i>	\$2,672	\$1,708	\$0	\$0	\$1	\$4,381
<i>Fund Cash Balances, January 1</i>	287,501	77,310	0	0	5,214	370,025
<i>Fund Cash Balances, December 31</i>	<u>\$290,173</u>	<u>\$79,018</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,215</u>	<u>\$374,406</u>
Fund Balances						
Amounts identified as:						
Nonspendable						
Cemetery Endowment	\$0	\$0	\$0	\$0	\$5,215	\$5,215
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,215</u>	<u>5,215</u>
Restricted for:						
capital improvements - sewer lines	0	0	0	0	0	0
Parks	0	1,019	0	0	0	1,019
Police Operations	0	70	0	0	0	70
Road Maintenance and Improvements	0	77,929	0	0	0	77,929
<i>Total Restricted</i>	<u>0</u>	<u>79,018</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>79,018</u>
Committed to:						
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Assigned to:						
<i>Total Assigned</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Unassigned</i>	290,173	0	0	0	0	290,173
<i>Total Fund Cash Balances, December 31</i>	<u>\$290,173</u>	<u>\$79,018</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,215</u>	<u>\$374,406</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, 2017

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Agency</u>	<u>Investment Trust</u>	<u>Private Purpose Trust</u>	<u>Totals (Memorandum Only)</u>
Operating Cash Receipts						
Charges for Services	\$210,774	\$0	\$0	\$0	\$0	\$210,774
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>210,774</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>210,774</u>
Operating Cash Disbursements						
Personal Services	27,432	0	0	0	0	27,432
Fringe Benefits	2,137	0	0	0	0	2,137
Contractual Services	87,733	0	0	0	0	87,733
Supplies and Materials	4,338	0	0	0	0	4,338
Claims	0	0	0	0	0	0
Other	0	0	0	0	0	0
<i>Total Operating Cash Disbursements</i>	<u>121,640</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>121,640</u>
<i>Operating Income (Loss)</i>	<u>89,134</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>89,134</u>
Non-Operating Receipts (Disbursements)						
Property and Other Local Taxes	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
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	6,769	0	0	0	0	6,769
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
Sale of Fixed Assets	0	0	0	0	0	0
Miscellaneous Receipts	61	0	0	0	0	61
Capital Outlay	(7,562)	0	0	0	0	(7,562)
Excise Tax Payment - Electric	0	0	0	0	0	0
Principal Retirement	(65,721)	0	0	0	0	(65,721)
Payment of Capital Appreciation Bond Accretion	0	0	0	0	0	0
Interest and Other Fiscal Charges	(8,299)	0	0	0	0	(8,299)
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, 2017

	Enterprise	Internal Service	Agency	Investment Trust	Private Purpose Trust	Totals (Memorandum Only)
Other Financing Uses	0	0	0	0	0	0
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(74,752)</i>	0	0	0	0	<i>(74,752)</i>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	<i>14,382</i>	0	0	0	0	<i>14,382</i>
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	30,000	0	0	0	0	30,000
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>	<i>44,382</i>	0	0	0	0	<i>44,382</i>
<i>Fund Cash Balances, January 1</i>	<i>281,730</i>	0	2,724	0	0	<i>284,454</i>
<i>Fund Cash Balances, December 31</i>	<i>\$326,112</i>	\$0	\$2,724	\$0	\$0	<i>\$328,836</i>

Village of Sugar Grove, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2017

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, police services, and Mayor's Court.

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.

Village of Sugar Grove, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2017

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

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.

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.

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

Village of Sugar Grove, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2017

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 CY2017 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.

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 the amounts intact.

Village of Sugar Grove, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2017

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 2017 consists as follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$149,260	\$186,866	\$37,606
Special Revenue	22,050	26,967	4,917
Debt Service			0
Capital Projects			0
Enterprise	175,000	247,603	72,603
Internal Service			0
Permanent			0
Fiduciary			0
Total	\$346,310	\$461,435	\$115,126

Village of Sugar Grove, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2017

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$204,893	\$185,499	\$19,394
Special Revenue	39,757	26,598	13,158
Debt Service			0
Capital Projects			0
Enterprise	258,896	203,919	54,977
Internal Service			0
Permanent			0
Fiduciary			0
Total	\$503,545	\$416,017	\$87,529

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:

Demand deposits	2017 \$702,671
Certificates of deposit	
Other time deposits (savings and NOW accounts)	
Total deposits	702,671
U.S. Treasury Notes	5,000
STAR Ohio	
Repurchase agreement	
Common stock (at cost, fair value was \$XXXX at December 31, 20XXCY)	
Total investments	5,000
Total deposits and investments	\$707,671

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

Investments

The Federal Reserve holds the Village's U.S. Treasury Notes in 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

Village of Sugar Grove, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2017

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 exposed to various risks of property and casualty losses, and injuries to employees.

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

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

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2017, PEP retained \$822,311 for casualty claims and \$325,000 for property claims.

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

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2015 and 2016 (the latest information available):

Village of Sugar Grove, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2017

	<u>2016</u>	<u>2015</u>
Assets	\$42,182,281	\$35,402,177
Liabilities	<u>(13,396,700)</u>	<u>(12,759,127)</u>
Net Position	<u>\$28,785,581</u>	<u>\$25,548,550</u>

At December 31, 2015 and 2016, respectively, the liabilities above include approximately \$11.5 million and \$12 million of estimated incurred claims payable. The assets above also include approximately \$10.8 million and \$11.4 million of unpaid claims to be billed. The Pool's membership increased from 499 members in 2015 to 519 members in 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Government's share of these unpaid claims collectible in future years is approximately \$8,000.

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

<u>Contributions to PEP</u>	
<u>2017</u>	<u>2016</u>
\$11,139	\$13,401

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.

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, 2017.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2017</i>	<i>10%</i>	<i>14%</i>

Village of Sugar Grove, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Social Security

Several Village employees contributed to social Security. This plan provides retirement benefits, including 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, 2017.

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. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2017 was as follows:

	Principal	Interest Rate
OWDA - Waterline Replacement (4859)	\$203,131	4.45%
OWDA - WTP Improvements Design (5737)	0	3.91%
OWDA - WWTP Improvements Design (6274)	27,698	3.74%
OWDA - WTP Improvement Design (6915)	0	3.06%
OWDA - WTP Improvements (7803)	114,088	2.78%
OPWC - Sanitary Sewer Improvements (CQ07N)	29,276	0.00%
OPWC - WWTP Repair (CQ15Q)	15,499	0.00%
OPWC - Waterline Replacement Phase 1 (CQ16K)	133,360	0.00%
OPWC - Waterline Replacement, Ph. II (CQ22L)	45,786	0.00%
OPWC - Sanitary Sewer Rehabilitation Ph II (CT38P)	88,331	0.00%
Total	<u>\$657,169</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 \$936,993 and the OPWC has approved up to \$694,928 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, 2017, the Village re-paid \$157,174 of principal on OWDA loans, of which \$119,381 consisted of roll-over of design loans into construction loan. Additionally, the Village repaid \$20,287 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.

Village of Sugar Grove, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 9 – Debt (continued)

Schedule of OWDA and OPWC debt service requirements for the Year Ended December 31, 2017 is as follows:

Fiscal Year Ending	Principal (A)	Interest (B)	Total Columns A & B (C)
2018	\$53,997.42	\$8,973.18	\$62,970.60
2019	26,570.26	7,822.59	34,392.85
2020	26,852.99	7,568.44	34,421.43
2021	27,148.44	7,302.86	34,451.30
2022	27,457.20	7,025.32	34,482.52
2027	142,425.95	30,506.48	172,932.43
2032	109,996.73	21,436.31	131,433.04
2037	88,957.92	10,133.56	99,091.48
2042	36,367.03	436.13	36,803.16
2047	3,397.34	0.00	3,397.34
Total	\$543,171.28	\$101,204.87	\$644,376.15

Leases

The Village leased a vehicle under a non-cancelable lease. The Village disbursed \$7,251 to pay lease costs for the year ended December 31, 2017. As of December 8, 2017, Village fulfilled the terms of the lease, upon which the lien was discharged on the vehicle title.

Note 10 – Construction and Contractual Commitments

For the year ending December 31, 2017, the Council approved expenditures for the Water Treatment Plant design and construction amounting to \$75,452.46. The Village's public water system anticipates substantial construction and improvements to its Water Treatment Plant in the ensuing year. The total projected cost of the project is \$1,356,145. 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.

Village of Sugar Grove, Ohio
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2017

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.