

**SYCAMORE TOWNSHIP**  
*HAMILTON COUNTY, OHIO*

**SINGLE AUDIT**

**FOR THE YEAR ENDED**  
**DECEMBER 31, 2020**



OHIO AUDITOR OF STATE  
KEITH FABER



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Columbus, Ohio 43215  
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Board of Trustees  
Sycamore Township  
8540 Kenwood Rd  
Cincinnati, OH 45236

We have reviewed the *Independent Auditor's Report* of Sycamore Township, Hamilton County, prepared by Bastin & Company, LLC, for the audit period January 1, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

**July 22, 2021**

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**SYCAMORE TOWNSHIP**  
*HAMILTON COUNTY, OHIO*

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# Bastin & Company, LLC

*Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT**

Sycamore Township  
Hamilton County  
8540 Kenwood Road  
Cincinnati, Ohio 45236

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2020 and related notes of Sycamore Township, Hamilton County, Ohio (the Township).

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

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

As described in Note 2 of the financial statements, the Township prepared these financial statements using 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), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2020, and the respective changes in financial position thereof for the year then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each fund type combined total as of and for the year ended December 31, 2020, and related notes of the Township, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matters***

As discussed in Note 16 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. Also, as discussed in Note 15 to the financial statements, during 2020, the Township made changes to their cash basis reporting model. We did not modify our opinion regarding these matters.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2021, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

*Bastin & Company, L L C*

Cincinnati, Ohio  
June 22, 2021



**SYCAMORE TOWNSHIP  
HAMILTON COUNTY, OHIO  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY 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>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$ 337,178	\$ 4,814,375	\$ -	\$ -	\$ 5,151,553
JEDZ Collections	-	6,260,653	-	-	6,260,653
Charges for Services	24,827	676,079	-	-	700,906
Licenses, Permits, and Fees	364,114	-	-	-	364,114
Fines and Forfeitures	8,222	3,902	-	-	12,124
Payments in Lieu of Taxes	-	14,796,619	-	-	14,796,619
Intergovernmental	326,264	2,012,844	-	3,303,286	5,642,394
Special Assessments	-	-	-	101,302	101,302
Investment Income	413,579	154,822	-	-	568,401
Miscellaneous	407,970	396,657	-	101	804,728
<b>Total Cash Receipts</b>	<b>1,882,154</b>	<b>29,115,951</b>	<b>-</b>	<b>3,404,689</b>	<b>34,402,794</b>
<b>Cash Disbursements:</b>					
Current:					
General Government	2,078,318	195,714	-	-	2,274,032
Public Safety	-	8,329,244	-	-	8,329,244
Public Works	-	3,969,075	-	73,048	4,042,123
Health	48,764	792,727	-	-	841,491
Conservation - Recreation	42,547	93,860	-	-	136,407
Economic Development	100,000	-	-	-	100,000
Other	-	9,544	-	-	9,544
Payments to Schools	-	6,268,560	-	-	6,268,560
Payments to Another Political Subdivision	-	1,266,422	-	-	1,266,422
Capital Outlay	-	2,733,618	-	4,938,390	7,672,008
Debt Service:					
Redemption of Principal	-	440,000	190,000	4,500,000	5,130,000
Interest and Other Fiscal Charges	-	356,850	81,800	152,302	590,952
<b>Total Cash Disbursements</b>	<b>2,269,629</b>	<b>24,455,614</b>	<b>271,800</b>	<b>9,663,740</b>	<b>36,660,783</b>
Excess of Receipts Over (Under) Disbursements	(387,475)	4,660,337	(271,800)	(6,259,051)	(2,257,989)
<b>Other Financing Receipts (Disbursements):</b>					
Proceeds From Note	-	-	-	4,275,000	4,275,000
Transfers-In	-	211,016	271,800	-	482,816
Transfers-Out	(288,316)	(194,500)	-	-	(482,816)
<b>Total Other Financing Receipts (Disbursements)</b>	<b>(288,316)</b>	<b>16,516</b>	<b>271,800</b>	<b>4,275,000</b>	<b>4,275,000</b>
Net Change in Fund Cash Balances	(675,791)	4,676,853	-	(1,984,051)	2,017,011
Fund Cash Balances, January 1	2,880,418	36,296,635	232,797	4,170,509	43,580,359
Fund Cash Balances, December 31	<u>\$ 2,204,627</u>	<u>\$ 40,973,488</u>	<u>\$ 232,797</u>	<u>\$ 2,186,458</u>	<u>\$ 45,597,370</u>

*The notes to the financial statements are an integral part of this statement.*

**Sycamore Township**  
*Hamilton County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**1. Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Sycamore Township, Hamilton County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, park operations, fire protection and emergency medical services. The Township contracts with Hamilton County to provide police protection.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The Township's financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, organized on a fund type basis.

**Fund Accounting**

The Township 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 Township 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 Township 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 Township had the following significant Special Revenue Funds:

**Police Fund** The Police Fund receives property tax money and pays the contract with Hamilton County Sheriff's Department for police services and other costs associated with security of persons.

**Fire Fund** The Fire Fund accounts for monies received (from property tax receipts and charges for services) for providing fire and emergency services to Township residents.

**Tax Increment Funds** The Township has several tax increment funds which receive service payments in lieu of taxes to provide acquisition and construction of the Township's infrastructure and related debt service payments.

**JEDZ Funds** The Township has four JEDZ Funds which receive taxes levied on earnings sourced from within the JEDZ zones that are used to support public safety and economic development services provided within the JEDZ zones and throughout the Township.

**Sycamore Township**  
*Hamilton County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Debt Service Funds** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Funds:

**Kemper Road Service Fund** This fund is required by a trust agreement to maintain a minimum debt service reserve balance.

**Kemper Road Debt Retirement Fund** This fund is used to account for the debt service requirements of financed infrastructure improvements in the vicinity of the Kemper Road TIF.

**General Obligation Debt Service Fund** This fund is used to account for the debt service requirements on the Township's general obligation debt.

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

**Lighting Assessment Fund** This fund receives fiscal officer certified assessments which Hamilton County collects along with real estate taxes in order to pay Duke Energy for the individual lighting districts.

**Sycamore Township Capital Project Fund** This fund is used to account for the construction of capital projects within the Township.

**Road Improvement Bond Capital Project Fund** This fund is used to account for road improvements within the Township.

### **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 Township 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 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 Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year-end.

**Sycamore Township**  
*Hamilton County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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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 Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are carried over, and need not be re-appropriated.

A summary of 2020 budgetary activity appears in Note 3.

### **Deposits and Investments**

The Township'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 Township values U.S. Treasury Notes at fair market value. Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

### **Capital Assets**

The Township 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 Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable – The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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 – Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend 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.

**Sycamore Township**  
*Hamilton County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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

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

The Township 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.

**3. Budgetary Activity**

Budgetary activity for the year ended December 31, 2020 was as follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,252,363	\$ 1,882,154	\$ 629,791
Special Revenue	37,421,176	29,326,967	(8,094,209)
Debt Service	1,331,074	271,800	(1,059,274)
Capital Projects	13,996,268	7,679,689	(6,316,579)
Total	\$ 54,000,881	\$ 39,160,610	\$ (14,840,271)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,173,726	\$ 2,879,059	\$ 294,667
Special Revenue	35,662,747	28,152,076	7,510,671
Debt Service	388,500	271,800	116,700
Capital Projects	14,374,064	11,574,034	2,800,030
Total	\$ 53,599,037	\$ 42,876,969	\$ 10,722,068

**Sycamore Township**  
*Hamilton County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**4. Deposits and Investments**

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts at December 31, 2020 are as follows:

Cash Management Pool	2020
Demand Deposits	\$ 14,416,253
Certificates of Deposit	14,340,709
Total Deposits	28,756,962
U.S. Treasury Money Market Funds	1,645,716
U.S. Treasury Notes	914,593
Federal Home Loan Bank	2,708,350
Federal Home Loan Mortgage Corporation	5,706,974
Federal National Mortgage Association	2,238,219
Federal Farm Credit Bank	1,001,000
STAR Ohio	2,625,556
Total Investments	16,840,408
Total Deposits and Investments	\$ 45,597,370

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township 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 Township's U.S. Treasury Notes in book-entry form by, in the name of the Township's financial institution. The financial institution maintains records identifying the Township 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.

**5. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees 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

**Sycamore Township**  
*Hamilton County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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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 Township.

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

**6. Debt**

Outstanding Debt

Debt outstanding at December 31, 2020 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Kemper Gold Coast Tax Increment Bonds	\$ 680,000	6.00%
2009 Ohio Public Works Commission Loan	394,519	1.50%
2014 Various Purpose G.O. Bonds	2,915,000	1.00% - 4.00%
2016 Refunding G.O. Bonds	7,075,000	2.00% - 4.00%
2020 Road Improvement Note	4,275,000	1.55%
Total	<u>\$ 15,339,519</u>	

The Township issued tax increment revenue bonds in 2005 in the amount of \$2,010,000 for 18 years. The bonds were issued to finance the acquisition and construction of infrastructure including storm water improvement for the Kemper/Gold Coast/Deerfield Office Project. The bonds are collateralized by the Township's taxing authority.

The 2009 Ohio Public Works Commission Loan relates to infrastructure improvements to the Sturbridge subdivision in the amount of \$1,004,044. The loan amount will be repaid over 16 years.

The Township issued series 2014 general obligation bonds on September 17, 2014 in the amount of \$3,250,000 for 30 years. The bonds were used to finance capital projects within the Township. The bonds are collateralized by the Township's taxing authority.

On June 22, 2016, the Township issued series 2016 Refunding G.O. Bonds of \$8,810,000 (par value) at varying coupon rates between 2.00% - 4.00% and an all-inclusive-true-interest-cost rate of 2.791% to advance refund previously issued bonds outstanding.

The 2020 Road Improvement Note was issued on May 5, 2020 at 1.55% and is due on May 4, 2021. The note was issued to finance road improvements within the Township and is collateralized by the Township's taxing authority.

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*Hamilton County, Ohio*  
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*For the Year Ended December 31, 2020*

Amortization of debt at December 31, 2020, including interest, is scheduled as follows:

Year ending December 31:	Kemper Gold Coast Tax Increment Bonds	OPWC Loan	2014 Various Purpose General Obligation Bonds	2016 General Obligation Refunding Bonds
2021	\$ 195,800	\$ 74,998	\$ 191,750	\$ 689,700
2022	196,500	74,998	190,050	692,700
2023	196,600	74,998	192,925	684,900
2024	196,100	74,998	190,675	686,700
2025	-	74,998	192,975	692,700
2026-2030	-	37,499	965,025	2,885,300
2031-2035	-	-	950,825	2,057,650
2036-2040	-	-	962,825	821,550
2041-2043	-	-	575,688	-
Total	<u>\$ 785,000</u>	<u>\$ 412,489</u>	<u>\$ 4,412,738</u>	<u>\$ 9,211,200</u>

Year ending December 31:	2020 Road Improvement Note	Total
2021	\$ 4,275,000	\$ 5,427,248
2022	-	1,154,248
2023	-	1,149,423
2024	-	1,148,473
2025	-	960,673
2026-2030	-	3,887,824
2031-2035	-	3,008,475
2036-2040	-	1,784,375
2041-2043	-	575,688
	<u>\$ 4,275,000</u>	<u>\$ 19,096,427</u>

**7. Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

The Township's employees, other than certified full-time fire fighters, 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 *Local* members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries while OPERS *Public Safety* members contributed 12% of their gross salaries and the Township contributed an amount equaling 18.10% of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.



**Sycamore Township**  
*Hamilton County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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***Ohio Police and Fire Retirement System***

The Township's certified full-time fire fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F 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. The Township's certified full-time fire fighters contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of certified full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2020.

**8. Postemployment Benefits**

Both OPERS and OP&F offer 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 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. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**9. Risk Management – Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

During 2020, there were no significant changes in coverage nor were there any losses that exceeded insurance coverage limits.

**Sycamore Township**  
*Hamilton County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**10. Interfund Activity**

During the normal course of operations, the Township has numerous transfers between funds.

Transfer activity for 2020 is summarized as follows:

	2020	
	Transfers In	Transfers Out
General Fund	\$ -	\$ 288,316
Mandatory Law Enforcement Fund	16,516	-
Kemper Deerfield Special Revenue Fund	194,500	-
Kemper Gold Coast Special Revenue Fund	-	194,500
General Obligation Debt Service Fund	271,800	-
	\$ 482,816	\$ 482,816

The General fund transferred out \$271,800 to the General Obligation Debt Service Fund to make required debt service payments and \$16,516 to the Mandatory Law Enforcement Fund to provide current resources for expenditures.

The Kemper Gold Coast Special Revenue Fund transferred out \$194,500 to the Kemper Deerfield Special Revenue Fund to make required debt service payments.

**11. Joint Economic Development Zones**

The Township participates with the following three entities in four Joint Economic Development Zones (JEDZs):

- City of Deer Park (Kenwood Northwest Zone)
- City of Madeira (Kenwood Central Zone and Kenwood East Zone)
- Village of Amberley (Kenwood Southwest Zone)

The JEDZs are located in four separate sections of the Township.

The purpose of the JEDZs is to facilitate the development of jobs and employment opportunities along with improving the welfare of people in the State of Ohio and the area of the participating parties. Each JEDZ creates a Board of Directors which consists of three members appointed by the Township and three members appointed by the other entity participating in the JEDZ. The Township selects the Chairperson of the Board.

The proceeds of the JEDZs (a three-quarters of one percent earnings tax levied on the wages earned in the Zones) are used to pay a portion of the costs associated with maintaining Township infrastructure and the provision of public services such as police and fire protection as well as to provide for improvements that benefit the Township as a whole.

The contracts between the Township and participating entities allocate the earnings tax in the following manner:

**Sycamore Township**  
*Hamilton County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

- Sycamore Township receives 90% of the net earnings tax revenues collected.
- The respective participating entity receives 10% of the net earnings tax revenues collected.

The respective participating entity administers and collects earnings tax for the JEDZ and reports quarterly or monthly to the Township, per the contract with that entity.

The JEDZs became effective on October 1, 2013 and the Township began receiving distributions of earnings taxes from the participating entities in 2014.

**12. Community Improvement Corporation**

In 2013, the Sycamore Township Board of Trustees created the Sycamore Township Community Improvement Corporation (CIC) to promote economic, commercial and civic development within the Township. The CIC Board is comprised of three Board members appointed by the Sycamore Township Board of Trustees.

The CIC is a legally-separate entity from the Township and issues stand-alone financial statements that are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles. Those financial statements can be obtained by contacting the Executive Director of the Sycamore Township Community Improvement Corporation at 8540 Kenwood Road, Cincinnati, Ohio 45236.

During 2020, the Township made contributions to the CIC totaling \$100,000. The contributions have been reported in the Township’s financial statements as economic development cash disbursements.

**13. Fund Balance**

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 facilities effective cash planning and control. At December 31, the balances of these amounts were as follows:

Fund Balances	2020				
	General	Special Revenue	Debt Service	Capital Projects	Total
Outstanding Encumbrances	\$ 321,114	\$ 3,501,962	\$ -	\$ 1,910,294	\$ 5,733,370

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

**Sycamore Township**  
*Hamilton County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**14. Contingent Liabilities**

The Township 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 Township's financial condition.

Amounts grantor agencies pay to the Township 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.

**15. Change in Accounting Principle**

For 2020, the Township has made changes to its cash basis reporting model. These changes include removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

The effect of this change had no effect on beginning cash balances.

**16. COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**SYCAMORE TOWNSHIP  
HAMILTON COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>Federal Grantor/ Pass-through Grantor/ Program/Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b><u>U. S. Department of Transportation</u></b>				
<i>Federal Highway Administration - Highway Planning and Construction Cluster</i>				
<i>Programs Passed Through Ohio Department of Transportation (ODOT)</i>				
<b>Highway Planning and Construction</b>	<b>20.205</b>			
Highway Planning and Construction - Sycamore Road		PID 98764	\$ -	\$ 2,277,568
Highway Planning and Construction - Montgomery Road Sidewalk		PID 103392	-	651,841
Highway Planning and Construction - Sycamore Township Interconnect Project Phase II		PID 107715	-	61,137
<b>Total CFDA 20.205</b>			<b>-</b>	<b>2,990,546</b>
<b>U.S. Department of Transportation Total</b>			<b>-</b>	<b>2,990,546</b>
<b><u>U. S. Department of the Treasury</u></b>				
<i>Office of Management and Budget</i>				
<i>Program Passed Through Ohio Office of Budget and Management</i>				
<b>COVID-19 - Coronavirus Relief Fund</b>	<b>21.019</b>			
Local Government Assistance Program		HB481-CRF-Local	-	792,727
<i>Program Passed Through Hamilton County Auditor's Office, Ohio</i>				
<b>COVID-19 - Coronavirus Relief Fund</b>	<b>21.019</b>			
Local Government Assistance Program		HB481-CRF-Local	-	292,834
<b>Total CFDA 21.019</b>			<b>-</b>	<b>1,085,561</b>
<b>U.S. Department of the Treasury Total</b>			<b>-</b>	<b>1,085,561</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ -</b>	<b>\$ 4,076,107</b>

See accompanying notes to schedule

**Sycamore Township**  
*Hamilton County, Ohio*

*Notes To The Schedule Of Expenditures Of Federal Awards*  
*2 CFR 200.510(B)(6)*  
*For The Year Ended December 31, 2020*

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**Note A – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Sycamore Township (Township) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a select portion of the operations of the Township, it is not intended to and does not present the financial position or changes in net position or fund balance of the Township.<sup>14</sup>

**Note B – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Township elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note C – Matching Requirements**

Certain Federal programs require Township to contribute non-federal funds (matching funds) to support the federally-funded programs. The Township has met its matching requirements. The Schedule does not include the expenditure of non-federal matching funds.

# Bastin & Company, LLC

*Certified Public Accountants*

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

Sycamore Township  
Hamilton County  
8540 Kenwood Road  
Cincinnati, Ohio 45236

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2020, and related notes of Sycamore Township, Hamilton County, (the Township) and have issued our report thereon dated June 22, 2021, wherein we noted the Government followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures, which may impact subsequent periods of the Township and that the Township made changes to their cash basis reporting model during 2020.

### ***Internal Controls Over Financial Reporting***

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

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

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

### ***Compliance and Other Matters***

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

***Purpose of this Report***

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

*Bastin & Company, LLC*

Cincinnati, Ohio  
June 22, 2021



# Bastin & Company, LLC

*Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Sycamore Township  
Hamilton County  
8540 Kenwood Road  
Cincinnati, Ohio 45236

To the Board of Trustees:

### ***Report on Compliance for the Major Federal Program***

We have audited Sycamore Township's (the Township) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Sycamore Township's major federal programs for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Township's major federal programs.

### ***Management's Responsibility***

The Township's management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the Township's compliance for the Township's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Township's major programs. However, our audit does not provide a legal determination of the Township's compliance.

## ***Opinion on the Major Federal Programs***

In our opinion, Sycamore Township complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended December 31, 2020.

## ***Report on Internal Control over Compliance***

The Township's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Township's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Township's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

## ***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have also audited the financial statements of Sycamore Township, (the Township) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements. We issued our unmodified report thereon dated June 22, 2021, wherein we noted the Township followed the special purpose framework the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. Our opinion also explained the Township made changes to their cash basis reporting model during 2020 and the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We conducted our audit to opine on the Township's financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records

used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Bastin & Company, L L C*

Cincinnati, Ohio  
June 22, 2021

**SYCAMORE TOWNSHIP  
SCHEDULE OF FINDINGS  
2 CFR § 200.515**

**December 31, 2020**

<b>SUMMARY OF AUDITOR'S RESULTS</b>
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Type of financial statement opinion	Unmodified
Were there any material control weaknesses reported at the financial statement level?	No
Were there any other significant deficiencies in internal control reported at the financial statement level?	No
Was there any reported material noncompliance reported at the financial statement level?	No
Were there any material internal control weaknesses reported for major federal programs?	No
Were there any other significant deficiencies in internal control reported for major federal programs?	No
Type of major programs' compliance opinion	Unmodified
Are there any reportable findings?	No
Major programs:	CFDA #20.205 Federal Highway Administration, Highway Planning and Construction Cluster
	CFDA #21.019 Coronavirus Relief Fund
Dollar threshold to distinguish between Type A/B programs	Type A: >\$750,000 Type B: all others
Low risk auditee?	No

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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None

<b>FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None

# OHIO AUDITOR OF STATE KEITH FABER



**SYCAMORE TOWNSHIP**

**HAMILTON COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 8/3/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)