



OHIO AUDITOR OF STATE  
**KEITH FABER**





VILLAGE OF SYCAMORE  
WYANDOT COUNTY  
DECEMBER 31, 2020 AND 2019

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## INDEPENDENT AUDITOR'S REPORT

Village of Sycamore  
Wyandot County  
P.O. Box 279  
Sycamore, Ohio 44882-0279

To the Village Council:

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

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the year ended December 31, 2020 and for each governmental and proprietary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Sycamore, Wyandot County, Ohio (the Village).

### ***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 Village'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 Village's internal control. Accordingly, we express no such 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 Village 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 Village 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 Village, as of December 31, 2020 and 2019, and the respective changes in financial position or cash flows thereof for the years 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 governmental and proprietary fund type as of and for the year ended December 31, 2020 and for each governmental and proprietary fund type as of and for the year ended December 31, 2019, and related notes of the Village, 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 Matter***

As discussed in Note 18 to the 2020 financial statements and Note 17 to the 2019 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2021, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 Village's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 20, 2021

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**Village of Sycamore**  
*Wyandot County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2020*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$131,392	\$19,769		\$151,161
Municipal Income Tax	200,072			200,072
Intergovernmental	20,712	306,985		327,697
Charges for Services	3,273	200,151	\$26,457	229,881
Fines, Licenses and Permits	40	200		240
Earnings on Investments	1,906	649		2,555
Miscellaneous	22,875	23,140		46,015
<i>Total Cash Receipts</i>	<u>380,270</u>	<u>550,894</u>	<u>26,457</u>	<u>957,621</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	1,930	420,461		422,391
Public Health Services	3,022			3,022
Leisure Time Activities	35,758			35,758
Community Environment			9,036	9,036
Transportation		110,214		110,214
General Government	140,111	361		140,472
Debt Service:				
Principal Retirement	87,180		19,098	106,278
Interest and Fiscal Charges			2,356	2,356
<i>Total Cash Disbursements</i>	<u>268,001</u>	<u>531,036</u>	<u>30,490</u>	<u>829,527</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>112,269</u>	<u>19,858</u>	<u>(4,033)</u>	<u>128,094</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In		40,015	30,011	70,026
Transfers Out	(80,029)			(80,029)
Other Financing Sources		5,647		5,647
Other Financing Uses	(46,397)			(46,397)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(126,426)</u>	<u>45,662</u>	<u>30,011</u>	<u>(50,753)</u>
<i>Net Change in Fund Cash Balances</i>	(14,157)	65,520	25,978	77,341
<i>Fund Cash Balances, January 1</i>	<u>512,435</u>	<u>838,866</u>	<u>127,554</u>	<u>1,478,855</u>
<i>Fund Cash Balances, December 31</i>	<u>\$498,278</u>	<u>\$904,386</u>	<u>\$153,532</u>	<u>\$1,556,196</u>

See accompanying notes to the financial statements.

**Village of Sycamore**  
*Wyandot County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2020*

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$2,323,642
<b>Operating Cash Disbursements</b>	
Personal Services	201,370
Employee Fringe Benefits	98,901
Contractual Services	1,666,741
Supplies and Materials	108,962
Other	3,150
<i>Total Operating Cash Disbursements</i>	2,079,124
<i>Operating Income</i>	244,518
<b>Non-Operating Receipts (Disbursements)</b>	
Miscellaneous Receipts	51
Capital Outlay	(35,729)
Principal Retirement	(94,139)
Interest and Other Fiscal Charges	(63,129)
<i>Total Non-Operating Receipts (Disbursements)</i>	(192,946)
<i>Income before Transfers</i>	51,572
Transfers In	10,003
<i>Net Change in Fund Cash Balances</i>	61,575
<i>Fund Cash Balances, January 1</i>	827,540
<i>Fund Cash Balances, December 31</i>	\$889,115

*See accompanying notes to the financial statements.*

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 1 – Reporting Entity**

The Village of Sycamore, Wyandot County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water, sewer and electric utilities, swimming pool and park operations. The Village contracts with the Wyandot County Sheriff's department to provide security of persons and property. The Village contracts with various entities for fire protection and rescue services.

***Public Entity Risk Pool***

The Village participates in a public entity risk pool, the Public Entities Pool of Ohio. Note 6 to the financial statements provides additional information for this entity.

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 the proprietary fund type which are all organized on a fund type basis. The Village has no fiduciary fund types.

***Fund Accounting***

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

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

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

***Street Construction Maintenance and Repair Fund*** This 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.

***Fire Fund*** This fund accounts for and reports money from a levy and charges for services to cover the costs of providing fire protection services.

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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**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 Village had the following significant Capital Project funds:

**Storm Sewer Fund** This fund accounts for the provision of storm sewer drains to the residents and commercial users within the Village.

**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** This fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

**Electric Operating Fund** This fund accounts for the provision of electric treatment and distribution to the residents and commercial users located within the Village.

***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 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. Appropriations lapse at year end.

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2020 budgetary activity appears in Note 3.

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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***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.

***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*.

***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 16.

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

**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	\$385,602	\$380,270	(\$5,332)
Special Revenue	543,052	596,556	53,504
Capital Projects	59,000	56,468	(2,532)
Enterprise	2,187,738	2,333,696	145,958
<b>Total</b>	<b>\$3,175,392</b>	<b>\$3,366,990</b>	<b>\$191,598</b>

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$845,442	\$394,427	\$451,015
Special Revenue	1,085,076	531,036	554,040
Capital Projects	186,554	30,490	156,064
Enterprise	2,771,888	2,272,121	499,767
<b>Total</b>	<b>\$4,888,960</b>	<b>\$3,228,074</b>	<b>\$1,660,886</b>

**Note 4 – Deposits**

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

Demand deposits	2020
	\$2,445,311

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings.

***Deposits***

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

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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**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 one 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.

**Note 6 – Risk Management**

***Risk Pool Membership***

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

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2020
Cash and investments	\$40,318,971
Actuarial liabilities	14,111,510

***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 of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

***Social Security***

Several Village council members 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, 2020.

**Note 8 – Postemployment Benefits**

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



**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

**Note 9 – Debt**

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

	Principal	Interest Rate
2012 Sanitary Sewer System Revenue Bonds	\$970,000	2.85%
Ohio Water Development Authority #4043	49,342	4.66%
Ohio Public Works Commission #CT65F	23,470	0.00%
Water Plant Line Loan	14,450	6.00%
2014 USDA Rural Development Loan	910,000	2.50%
Total	\$1,967,262	

During 1994, the Village issued bonds for sanitary sewer system repairs with United States Department of Agriculture. The bond was due in annual installments of varying amounts through 2034, bearing interest at 5.25%. During 2012, the Village refinanced these bonds in the amount of \$1,415,000 and will be repaid in annual installments over 20 years. The final payment will be due December 1, 2032. The bond issued is held by BNY Mellon. The debt is backed by the full faith and credit of the Village, and revenues from utilities are used to retire the bond. The Village has set utility rates sufficient to cover the revenue bond requirements.

As required by the Sewer System Bond covenant, the Village has established and funded a Sewer Revenue Bond and Interest Reserve fund, included as an enterprise fund. There shall be set aside and deposited in the Reserve Fund, the sum of \$850 each month until there is accumulated in such fund the sum of \$97,000 (the Minimum Reserve). The balance in the fund at December 31, 2019 is \$60,000, but no monthly transfers of \$850 have been made as required by the covenant. The Village has also established the required Sinking fund but it had no activity during 2020.

During 2004, the Village entered in to a loan agreement with Ohio Water Development Authority (OWDA #4043) for storm sewer improvement. The original amount of the loan was \$183,388. The loan will be repaid in semiannual installments of \$7,721 over 20 years. Payments on the outstanding balance began in 2004 and final installment will be due January 1, 2024. The Village has set utility rates sufficient to cover the loan requirements.

During 2006, the Village entered in to a loan agreement with Ohio Public Works Commission (OPWC #CT65F) for storm sewer improvements. The original amount of the loan was \$85,345. The loan will be repaid in semiannual installments of \$2,134 over 20 years. Payments on the outstanding balance began in 2007 and final installment will be due July 1, 2026. The Village has set utility rates sufficient to cover the loan requirements.

During 2008, the Village entered into loan agreement with First National Bank of Sycamore for the water plant line. The original amount of the loan was \$73,079. The loan will be repaid in semiannual installments of \$645 over 13 years. Payments on the outstanding balance began in 2009 and final installment will be due December 31, 2022. The Village has set utility rates sufficient to cover the loan requirements.

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

During 2014, the Village entered in to a loan agreement with United States Department of Agriculture (USDA) to retire the OWDA Loan #6493 obtained for the new water treatment plant. The loan in the amount of \$1,415,000 and will be repaid in annual installments over 20 years. The final payment will be due December 1, 2032. The Village has set utility rates sufficient to cover the loan requirements.

As required by the debt covenant, the Village established and Water Revenue Bond and Interest Sinking fund and Water Reserve Interest Sinking fund, included as enterprise funds. As of December 31, 2019, the Village has not used the funds as required.

***Amortization***

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

Year Ending December 31:	Sewer Bonds	OWDA #4043	OPWC #CT65F	Water Plant Line Loan	2014 USDA Bonds
2021	\$101,885	\$15,138	\$4,267	\$7,736	\$50,850
2022	100,033	15,227	4,267	7,626	50,848
2023	98,180	15,320	4,267		50,927
2024	100,613	7,696	4,267		50,888
2025	97,848		4,267		50,830
2026-2030	494,998		2,135		254,412
2031-2035	250,010				254,428
2036-2040					254,455
2041-2045					203,510
Total	<u>\$1,243,567</u>	<u>\$53,381</u>	<u>\$23,470</u>	<u>\$15,362</u>	<u>\$1,221,148</u>

**Note 10 – AMPGS (81 Members)**

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project.

Until November 2009, AMP had been developing a 960 MW twin unit, supercritical boiler, coal-fired, steam and electric generating facility, to be known as the American Municipal Power Generating Station (AMPGS), in Meigs County, in southeastern Ohio, on the Ohio River. AMP had planned for AMPGS to enter commercial operation in 2014 at a total capital cost of approximately \$3 billion. IN the fourth quarter of 2009, however, the estimated capital costs increased by 37% and Bechtel Power Corporation (Betchel), the EPC (engineer, procedure and construct) contractor, would not guarantee that the costs would not continue to escalate. As a result the estimated cost increases and prior to the commencement of major construction at the project site, the 81 AMP Members that had subscribed for capacity from AMPGS (AMPGS Participants) voted to cease development of AMPGS as a coal fired project.

In August 2016, AMP and Bechtel engaged in court-ordered mediation to resolve disputes raised in litigation relating to the cancellation of the AMPGS Project. Following the mediation, AMP and Bechtel reached a comprehensive settlement which resolved all claims. The terms of such settlement are confidential.

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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As of December 31, 2020, \$10,791,225 on AMP's Line of Credit was allocable to the stranded costs recoverable from the AMPGS Participants and \$37,349,719 on AMP's Line of Credit was allocable to plant held for future use.

Since March 2014, the Village's allocation of additional costs incurred by the project is \$631 and interest expense incurred on AMP's Line of Credit is \$5,011 resulting in a net impaired cost estimate at December 31, 2020 of \$44,476. The Village does have a potential PHFU Liability of \$15,258 resulting in a net total potential liability of \$59,734 assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the Village's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

The Village intends to absorb all these costs.

**Note 11 – Combined Hydroelectric Projects (79 Members)**

AMP owns and operated three hydroelectric projects, the Cannelton, the Smithland and the Willow Island hydroelectric generating facilities (the *Combined Hydroelectric Projects*), all on the Ohio River, with an aggregate generating capacity of approximately 208 MW. Each of the Combined Hydroelectric Projects is in commercial operation and consists of run-of-the-river hydroelectric generating facilities on existing Army Corps dams and includes associated transmission facilities. AMP holds the licenses from FERC for the Combined Hydroelectric Projects.

The Village has executed a take-or-pay power sales contract with AMP for a project Share of 200 kW or 0.10% of capacity and associated energy from hydro facilities.

To provide financing for, or refinance certain obligations incurred in respect of, the Combined Hydroelectric Projects, AMP has issued eight series of its Combined Hydroelectric Projects Revenue Bonds (the *Combined Hydroelectric Bonds*), in an original aggregate principal amount of \$2,354,485,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of December 31, 2020, \$2,140,742,059 aggregate principal amount of the Combined Hydroelectric Bonds and \$23,007,058 aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Combined Hydroelectric Bonds.

In August 2017, AMP filed lawsuit against Voith Hydro, Inc. (*Voith*), the supplier of major powerhouse equipment, including the turbines and generators for the Combined Hydroelectric Projects and the Meldahl Project (as hereinafter defined).

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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In the lawsuit, AMP alleges, among other things that Voith failed to deliver equipment on a timely basis and that certain equipment delivered was materially defective, causing significant delays. AMP has alleged proven damages of at least \$40 million. On October 16, 2017, Voith filed its answer, denying each of AMP's claims, and asserting two counterclaims seeking the payment of amounts it claims are due under the contract, amounts currently held by AMP as purported liquidated damages and \$40 million in damages, plus interest and legal fees. On December 1, 2017, AMP filed its answer to the Voith counterclaims, denying all liability to Voith.

As part of the initial disclosures, AMP listed 70 potential witnesses and \$90 million in gross damages, while Voith listed over 100 potential witnesses and \$65 million in gross damages. A scheduling order has been established which provides for the conclusion of discovery in April 2021, but no trial date has been set.

**Note 12 – Greenup Hydroelectric Project (47 Members)**

In connection with the development of the Meldahl Project, Hamilton agreed to sell and AMP agreed to purchase a 48.6% undivided ownership interest (the *AMP Interest*) in the Greenup Hydroelectric Facility. On May 11, 2016, AMP issued \$125,630,000 aggregate principal amount of its Greenup Hydroelectric Project Revenue Bonds, Series 2016A (the *2016 Greenup Bonds*) and, with a portion of the proceeds thereof, acquired the AMP Interest. The 2016 Greenup Bonds are secured by a separate power sales contract that has been executed by the same Members (with the exception of Hamilton, which retained title to a 51.4% ownership interest in the Greenup Hydroelectric Facility) that executed the Meldahl Power Sales Contract. As of December 30, 2020, \$122,350,000 aggregate principal amount of the 2016 Greenup Bonds were outstanding under the indenture securing the 2016 Greenup Bonds.

The Village has executed a take-or-pay power sales contract with AMP for a Project Share of 20kW or 0.06% of capacity and associated energy from the Greenup hydro facilities.

**Note 13 – Meldahl Hydroelectric Project (48 Members)**

AMP owns and, together with the City of Hamilton, Ohio, an AMP Member, developed and constructed a 108.8 MW, three-unit hydroelectric generation facility on the Captain Anthony Meldahl Locaks and Dam, an existing Army Corps dam on the Ohio River, and related equipment and associated transmission facilities (the *Meldhal Project*). The Meldhal Project is operated by the City of Hamilton.

In order to finance the construction of the Meldhal Project and related costs, AMP issued seven series of its Meldhal Hydroelectric Project Revenue Bonds (*Meldhal Bonds*) in an original aggregate principal amount of \$820,185,000 consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and Clean Renewable Energy Bonds). The Meldahl Bonds are secured by a master trust indenture and payable from the amounts received by AMP under a take-or-pay power sales contract with 48 of its Members. As of December 31, 2020, \$665,630,000 aggregate principal amount of the Meldahl Bonds and \$2,300,182 aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Meldahl Bonds.

The Village has executed a take-or-pay power sales contract with AMP for a Project Share of 30 kW or 0.03% of capacity and associated energy from the Meldahl Project.

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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**Note 14 – Prairie State Energy Campus (68 Members)**

On December 20, 2007, AMP acquired a 23.26% undivided ownership interest (the *PSEC Ownership Interest*) in the Prairie State Energy Campus (*PSEC*), a two-unit, supercritical coal-fired power plant designed to have a net related capacity of approximately 1,582 MW and associated facilities in southwest Illinois. The PSEC Ownership Interest is held by AMP 368 LLC, a single-member Delaware limited liability company (*AMP 368 LLC*). AMP is the owner of the sole membership interest in AMP 368 LLC. Construction of the PSEC commenced in October 2007. Unit 1 of the PSEC commenced operations in the second quarter of 2012 and Unit 2 of the PSEC commenced operations in the fourth quarter of 2012.

From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the *Initial Prairie State Bonds*) to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of \$1,696,800,000. On January 14, 2015 and November 30, 2017, AMP issued bonds (the *Prairie State Refunding Bonds* and, together with the Initial Prairie State Bonds, the *Prairie State Bonds*) to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009. December 31, 2020 AMP had \$1,470,255,000 aggregate principal amount of Prairie State Bonds outstanding.

The Village has executed a take-or-pay power sales contract with AMP for a Project Share of 299 kW or 0.08% of capacity and associated energy from the Prairie State facility.

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract (the *Prairie State Power Sales Contract*) with 68 members (the *Prairie State Participants*). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract.

**Note 15 – 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 16 – Fund Balances**

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. These restricted, committed and assigned amounts in the Special Revenue, and Capital Projects funds would include the outstanding encumbrances. In the General fund, outstanding encumbrances are considered assigned.

**Note 17 – Miscellaneous Revenues**

The Village has miscellaneous revenues in the General fund totaling \$22,875. These revenues consist primarily of workers compensation refunds.

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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**Note 18 – 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 may impact subsequent periods of the Village. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Village received \$15,000 as an on-behalf of grant from another entity. These amounts are recorded in the Coronavirus Relief Special Revenue fund.

**Note 19 – Change in Accounting Principles**

For 2020, the Village has made changes to their 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.

**Village of Sycamore**  
*Wyandot County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2019*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$130,980	\$22,970		\$153,950
Municipal Income Tax	225,226			225,226
Intergovernmental	20,692	112,755		133,447
Charges for Services	3,416	187,946	\$26,431	217,793
Fines, Licenses and Permits	30	200		230
Earnings on Investments	4,119	936	190	5,245
Miscellaneous	450	45,672		46,122
<i>Total Cash Receipts</i>	<u>384,913</u>	<u>370,479</u>	<u>26,621</u>	<u>782,013</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	57,610	204,106		261,716
Public Health Services	2,051			2,051
Leisure Time Activities	14,940			14,940
Community Environment			10,957	10,957
Transportation		106,696		106,696
General Government	114,156	706		114,862
Capital Outlay	87,180		1,115	88,295
Debt Service:				
Principal Retirement		1,330	16,393	17,723
Interest and Fiscal Charges		6	2,847	2,853
<i>Total Cash Disbursements</i>	<u>275,937</u>	<u>312,844</u>	<u>31,312</u>	<u>620,093</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>108,976</u>	<u>57,635</u>	<u>(4,691)</u>	<u>161,920</u>
<b>Other Financing Receipts (Disbursements)</b>				
Other Debt Proceeds	87,180			87,180
Transfers In		47,385	33,619	81,004
Transfers Out	(89,652)	(2,559)		(92,211)
Other Financing Sources		920		920
Other Financing Uses	(266,557)			(266,557)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(269,029)</u>	<u>45,746</u>	<u>33,619</u>	<u>(189,664)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(160,053)</u>	<u>103,381</u>	<u>28,928</u>	<u>(27,744)</u>
<i>Fund Cash Balances, January 1</i>	<u>672,488</u>	<u>735,485</u>	<u>98,626</u>	<u>1,506,599</u>
<b>Fund Cash Balances, December 31</b>				
Restricted		838,866	127,554	966,420
Assigned	459,840			459,840
Unassigned	52,595			52,595
<i>Fund Cash Balances, December 31</i>	<u>\$512,435</u>	<u>\$838,866</u>	<u>\$127,554</u>	<u>\$1,478,855</u>

See accompanying notes to the financial statements.

**Village of Sycamore**  
*Wyandot County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2019*

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$2,164,884
<b>Operating Cash Disbursements</b>	
Personal Services	205,094
Employee Fringe Benefits	90,472
Contractual Services	1,514,677
Supplies and Materials	147,322
Other	5,654
<i>Total Operating Cash Disbursements</i>	1,963,219
<i>Operating Income</i>	201,665
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental	4,487
Miscellaneous Receipts	100
Capital Outlay	(107,574)
Principal Retirement	(93,069)
Interest and Other Fiscal Charges	(65,879)
Other Financing Sources	1,379
<i>Total Non-Operating Receipts (Disbursements)</i>	(260,556)
<i>Income before Transfers</i>	(58,891)
Transfers In	11,207
<i>Net Change in Fund Cash Balances</i>	(47,684)
<i>Fund Cash Balances, January 1</i>	875,224
<i>Fund Cash Balances, December 31</i>	\$827,540

*See accompanying notes to the financial statements.*



**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

The Village of Sycamore, Wyandot County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water, sewer and electric utilities, swimming pool and park operations. The Village contracts with the Wyandot County Sheriff's department to provide security of persons and property. The Village contracts with various entities for fire protection and rescue services.

***Public Entity Risk Pool***

The Village participates in a public entity risk pool, the Public Entities Pool of Ohio. Notes 7 to the financial statements provides additional information for this entity.

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 proprietary fund type which are organized on a fund type basis. The Village has no fiduciary fund types.

***Fund Accounting***

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

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

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

***Street Construction Maintenance and Repair Fund*** This 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.

***Fire Fund*** This fund accounts for and reports money from a levy and charges for services to cover the costs of providing fire protection services.

***Ambulance Fund*** This fund accounts for and reports levy and charges for services to cover the cost of providing emergency medical services within the Village.

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

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**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 Village had the following significant Capital Project fund:

**Storm Sewer Fund** This fund accounts for the provision of storm sewer drains to the residents and commercial users within the Village.

**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** This fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

**Electric Operating Fund** This fund accounts for the provision of electric treatment and distribution to the residents and commercial users located within the Village.

***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 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. Appropriations lapse at year end.

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2019 budgetary activity appears in Note 4.

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

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***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.

***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*. 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.

***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.

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General fund by \$84,408 for the year ended December 31, 2019.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$355,500	\$472,093	\$116,593
Special Revenue	379,198	418,784	39,586
Capital Projects	59,000	60,240	1,240
Enterprise	2,185,738	2,182,057	(3,681)
Total	\$2,979,436	\$3,133,174	\$153,738

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$547,738	\$632,146	(\$84,408)
Special Revenue	799,353	315,403	483,950
Capital Projects	157,626	31,312	126,314
Enterprise	2,927,918	2,229,741	698,177
Total	\$4,432,635	\$3,208,602	\$1,224,033

**Note 5 – Deposits**

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

	2019
Demand deposits	\$2,306,395

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village; 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.

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

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**Note 6 – 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 one 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.

**Note 7 – Risk Management**

***Risk Pool Membership***

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

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2019
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 8 – 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 of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

***Social Security***

Several Village Council members 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, 2019.

**Note 9 – Postemployment Benefits**

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

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

**Note 10 – Debt**

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
2012 Sewer System First Mortgage Revenue Bonds	\$1,030,000	2.00%
Ohio Water Development Authority #4043	62,039	4.66%
Ohio Public Works Commission #CT65F	29,871	0.00%
Ohio Public Works Commission #CP39W	87,180	0.00%
Water Plant Line Loan	21,098	6.00%
2014 USDA Rural Development Loan	937,500	2.50%
Total	\$2,167,688	

During 1994, the Village issued bonds for sanitary sewer system repairs with United States Department of Agriculture. The bond was due in annual installments of varying amounts through 2034, bearing interest at 5.25%. During 2012, the Village refinanced these bonds in the amount of \$1,415,000 and will be repaid in annual installments over 20 years. The final payment will be due December 1, 2032. The bond issued is held by BNY Mellon. The debt is backed by the full faith and credit of the Village, and revenues from utilities are used to retire the bond. The Village has set utility rates sufficient to cover the revenue bond requirements.

As required by the Sewer System Bond covenant, the Village has established and funded a Sewer Revenue Bond and Interest Reserve fund, included as an enterprise fund. There shall be set aside and deposited in the Reserve Fund, the sum of \$850 each month until there is accumulated in such fund the sum of \$97,000 (the Minimum Reserve). The balance in the fund at December 31, 2019 is \$60,000, but no monthly transfers of \$850 have been made as required by the covenant. The Village has also established the required Sinking fund but it had no activity during 2019.

During 2004, the Village entered in to a loan agreement with Ohio Water Development Authority (OWDA #4043) for storm sewer improvement. The original amount of the loan was \$183,388. The loan will be repaid in semiannual installments of \$7,721 over 20 years. Payments on the outstanding balance began in 2004 and final installment will be due January 1, 2024. The Village has set utility rates sufficient to cover the loan requirements.

During 2006, the Village entered in to a loan agreement with Ohio Public Works Commission (OPWC #CT65F) for storm sewer improvements. The original amount of the loan was \$85,345. The loan will be repaid in semiannual installments of \$2,134 over 20 years. Payments on the outstanding balance began in 2007 and final installment will be due July 1, 2026. The Village has set utility rates sufficient to cover the loan requirements.

During 2019, the Village entered in to a loan agreement with Ohio Public Works Commission (OPWC #CP39W) for 7<sup>th</sup> and Pemberton Street Waterline Improvements. The original amount of the loan was \$87,180. The loan will be repaid in semiannual installments of \$1,453 over 30 years. Payments on the outstanding balance will begin in 2021 and final installment will be due July 1, 2050. The Village has set utility rates sufficient to cover the loan requirements.

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

During 2008, the Village entered into loan agreement with First National Bank of Sycamore for the water plant line. The original amount of the loan was \$73,079. The loan will be repaid in semiannual installments of \$645 over 13 years. Payments on the outstanding balance began in 2009 and final installment will be due December 31, 2022. The Village has set utility rates sufficient to cover the loan requirements.

During 2014, the Village entered in to a loan agreement with United States Department of Agriculture (USDA) to retire the OWDA Loan #6493 obtained for the new water treatment plant. The loan in the amount of \$1,415,000 and will be repaid in annual installments over 20 years. The final payment will be due December 1, 2032. The Village has set utility rates sufficient to cover the loan requirements.

As required by the debt covenant, the Village established and Water Revenue Bond and Interest Sinking fund and Water Reserve Interest Sinking fund, included as enterprise funds. As of December 31, 2019, the Village has not used the funds as required.

***Amortization***

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

Year Ending December 31:	Sewer Revenue Bonds	OWDA Loan #4043	OPWC Loan #CT65F	OPWC Loan #CP39W	Water Plant Line Loan	USDA Bonds
2020	\$98,595	\$15,053	\$4,267		\$7,736	\$50,938
2021	101,885	15,138	4,267	\$2,906	7,736	50,850
2022	100,033	15,227	4,267	2,906	7,736	50,848
2023	98,180	15,320	4,267	2,906		50,928
2024	100,613	7,696	4,267	2,906		50,888
2025-2029	495,205		8,536	14,530		254,393
2030-2034	347,651			14,530		254,445
2035-2039				14,530		254,378
2040-2044				14,530		254,420
2045-2049				14,530		
2050				2,906		
Total	<u>\$1,342,162</u>	<u>\$68,434</u>	<u>\$29,871</u>	<u>\$87,180</u>	<u>\$23,208</u>	<u>\$1,272,088</u>

**Note 11 – AMPGS (81 Members)**

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project.

Until November 2009, AMP had been developing a 960 MW twin unit, supercritical boiler, coal-fired, steam and electric generating facility, to be known as the American Municipal Power Generating Station (AMPGS), in Meigs County, in southeastern Ohio, on the Ohio River. AMP had planned for AMPGS to enter commercial operation in 2014 at a total capital cost of approximately \$3 billion.



**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

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In the fourth quarter of 2009, however, the estimated capital costs increased by 37% and Bechtel Power Corporation (Betchel), the EPC (engineer, procedure and construct) contractor, would not guarantee that the costs would not continue to escalate. As a result the estimated cost increases and prior to the commencement of major construction at the project site, the 81 AMP Members that had subscribed for capacity from AMPGS (AMPGS Participants) voted to cease development of AMPGS as a coal fired project.

In August 2016, AMP and Bechtel engaged in court-ordered mediation to resolve disputes raised in litigation relating to the cancellation of the AMPGS Project. Following the mediation, AMP and Bechtel reached a comprehensive settlement which resolved all claims. The terms of such settlement are confidential.

As of December 31, 2019, \$14,317,620 on AMP's Line of Credit was allocable to the stranded costs recoverable from the AMPGS Participants and \$36,859,610 on AMP's Line of Credit was allocable to plant held for future use.

Since March 2014, the Village's allocation of additional costs incurred by the project is \$628 and interest expense incurred on AMP's Line of Credit is \$4,374 resulting in a net impaired cost estimate at December 31, 2019 of \$43,836. The Village does have a potential PHFU Liability of \$15,055 resulting in a net total potential liability of \$58,891 assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the Village's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

The Village intends to absorb all these costs.

**Note 12 – Combined Hydroelectric Projects (79 Members)**

AMP owns and operated three hydroelectric projects, the Cannelton, the Smithland and the Willow Island hydroelectric generating facilities (the "*Combined Hydroelectric Projects*"), all on the Ohio River, with an aggregate generating capacity of approximately 208 MW. Each of the Combined Hydroelectric Projects is in commercial operation and consists of run-of-the-river hydroelectric generating facilities on existing Army Corps dams and includes associated transmission facilities. AMP holds the licenses from FERC for the Combined Hydroelectric Projects.

The Village has executed a take-or-pay power sales contract with AMP for a project Share of 200 kW or 0.10% of capacity and associated energy from hydro facilities.

To provide financing for, or refinance certain obligations incurred in respect of, the Combined Hydroelectric Projects, AMP has issued eight series of its Combined Hydroelectric Projects Revenue Bonds (the "*Combined Hydroelectric Bonds*"), in an original aggregate principal amount of \$2,354,485,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members.

**Village of Sycamore**  
*Wyandot County*  
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*For the Year Ended December 31, 2019*  
*(Continued)*

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As of December 31, 2019, \$2,222,786,470 aggregate principal amount of the Combined Hydroelectric Bonds and \$31,119,493 aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Combined Hydroelectric Bonds.

In August 2017, AMP filed lawsuit against Voith Hydro, Inc. (*Voith*), the supplier of major powerhouse equipment, including the turbines and generators for the Combined Hydroelectric Projects and the Meldahl Project (as hereinafter defined). In the lawsuit, AMP alleges, among other things that Voith failed to deliver equipment on a timely basis and that certain equipment delivered was materially defective, causing significant delays. AMP has alleged proven damages of at least \$40 million. On October 16, 2017, Voith filed its answer, denying each of AMP's claims, and asserting two counterclaims seeking the payment of amounts it claims are due under the contract, amounts currently held by AMP as purported liquidated damages and \$40 million in damages, plus interest and legal fees. On December 1, 2017, AMP filed its answer to the Voith counterclaims, denying all liability to Voith.

As part of the initial disclosures, AMP listed 70 potential witnesses and \$90 million in gross damages, while Voith listed over 100 potential witnesses and \$65 million in gross damages. A scheduling order has been established which provides for the conclusion of discovery in April 2021, but no trial date has been set.

**Note 13 – Greenup Hydroelectric Project (47 Members)**

In connection with the development of the Meldahl Project, Hamilton agreed to sell and AMP agreed to purchase a 48.6% undivided ownership interest (the “*AMP Interest*”) in the Greenup Hydroelectric Facility. On May 11, 2016, AMP issued \$125,630,000 aggregate principal amount of its Greenup Hydroelectric Project Revenue Bonds, Series 2016A (the *2016 Greenup Bonds*) and, with a portion of the proceeds thereof, acquired the AMP Interest. The 2016 Greenup Bonds are secured by a separate power sales contract that has been executed by the same Members (with the exception of Hamilton, which retained title to a 51.4% ownership interest in the Greenup Hydroelectric Facility) that executed the Meldahl Power Sales Contract. As of December 30, 2019, \$124,035,000 aggregate principal amount of the 2016 Greenup Bonds were outstanding under the indenture securing the 2016 Greenup Bonds.

The Village has executed a take-or-pay power sales contract with AMP for a Project Share of 20kW or 0.06% of capacity and associated energy from the Greenup hydro facilities.

**Note 14 – Meldahl Hydroelectric Project (48 Members)**

AMP owns and, together with the City of Hamilton, Ohio, an AMP Member, developed and constructed a 108.8 MW, three-unit hydroelectric generation facility on the Captain Anthony Meldahl Locaks and Dam, an existing Army Corps dam on the Ohio River, and related equipment and associated transmission facilities (the *Meldhal Project*). The Meldhal Project is operated by the City of Hamilton.

In order to finance the construction of the Meldhal Project and related costs, AMP issued seven series of its Meldhal Hydroelectric Project Revenue Bonds (*Meldhal Bonds*) in an original aggregate principal amount of \$820,185,000 consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and Clean Renewable Energy Bonds). The Meldahl Bonds are secured by a master trust indenture and payable from the amounts received by AMP under a take-or-pay power sales contract with 48 of its Members.

**Village of Sycamore**  
*Wyandot County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

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As of December 31, 2019, \$675,680,000 aggregate principal amount of the Meldahl Bonds and \$6,645,562 aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Meldahl Bonds.

The Village has executed a take-or-pay power sales contract with AMP for a Project Share of 30 kW or 0.03% of capacity and associated energy from the Meldahl Project.

**Note 15 – Prairie State Energy Campus (68 Members)**

On December 20, 2007, AMP acquired a 23.26% undivided ownership interest (the *PSEC Ownership Interest*) in the Prairie State Energy Campus (*PSEC*), a two-unit, supercritical coal-fired power plant designed to have a net related capacity of approximately 1,582 MW and associated facilities in southwest Illinois. The PSEC Ownership Interest is held by AMP 368 LLC, a single-member Delaware limited liability company (*AMP 368 LLC*). AMP is the owner of the sole membership interest in AMP 368 LLC. Construction of the PSEC commenced in October 2007. Unit 1 of the PSEC commenced operations in the second quarter of 2012 and Unit 2 of the PSEC commenced operations in the fourth quarter of 2012.

From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the *Initial Prairie State Bonds*) to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of \$1,696,800,000. On January 14, 2015 and November 30, 2017, AMP issued bonds (the *Prairie State Refunding Bonds* and, together with the Initial Prairie State Bonds, the *Prairie State Bonds*) to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009. December 31, 2019 AMP had \$1,495,245,000 aggregate principal amount of Prairie State Bonds outstanding.

The Village has executed a take-or-pay power sales contract with AMP for a Project Share of 299 kW or 0.08% of capacity and associated energy from the Prairie State facility.

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract (the *Prairie State Power Sales Contract*) with 68 members (the *Prairie State Participants*). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract.

**Note 16 – Miscellaneous Revenues**

The Village has miscellaneous revenues in the Special Revenue fund totaling \$45,672. These revenues consist primarily of Fire fund contributions and donations, insurance refund and workers compensation refunds.

**Note 17 – Subsequent Events**

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 continuing emergency measures may impact subsequent periods of the Village. In addition, the impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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

Village of Sycamore  
Wyandot County  
P.O. Box 279  
Sycamore, Ohio 44882-0279

To the Village Council:

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 and proprietary fund type as of and for the year ended December 31, 2020 and for each governmental and proprietary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Sycamore, Wyandot County, Ohio (the Village) and have issued our report thereon dated December 20, 2021, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 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 Village.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) as a basis for designing 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 Village'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 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 Village'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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

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

As part of reasonably assuring whether the Village'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 statement. 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2020-002 and 2020-003.

### ***Village's Response to Findings***

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not subject the Village's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### ***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 Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 20, 2021

**VILLAGE OF SYCAMORE  
WYANDOT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2020-001**

**Financial Reporting**

**Material Weakness**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors were noted in the financial statements:

- Debt proceeds and related capital outlay disbursements in the amount of \$87,180 within the General fund were not recorded in 2019.
- Debt payments in the amount of \$87,180 within the General fund were improperly accounted for as other financing uses rather than principal retirement in 2020.
- Miscellaneous receipts in the amount of \$22,875 within the General fund were improperly accounted for as charges for services in 2020.

Additionally, the following errors were noted in the 2019 Budgetary Activity note to the financial statements due to incorrectly basing the footnote on 2018 information:

- General fund budgeted receipts were understated in the amount of \$25,500 and actual receipts were understated in the amount of \$110,382.
- General fund appropriation authority was understated in the amount of \$193,364 and budgetary expenditures were understated in the amount of \$414,087.
- Special Revenue budgeted receipts were understated in the amount of \$56,193.
- Special Revenue appropriation authority was overstated in the amount of \$82,095.
- Capital Projects appropriation authority was understated in the amount of \$33,081 and budgetary expenditures were understated in the amount of \$7,400.
- Enterprise budgeted receipts were understated in the amount of \$302,238.
- Enterprise fund appropriation authority was understated in the amount of \$436,901 and budgetary expenditures were understated in the amount of \$66,073.

These errors were the result of inadequate policies and procedures in reviewing the financial statements and notes to the financial statements. Failure to complete accurate financial statements and notes to the financial statements could lead to the Council making misinformed decisions.

The accompanying financial statements and notes to the financial statements have been adjusted to reflect these errors. In addition to the errors noted above, we also identified additional misstatements ranging from \$164 to \$8,742 that we have brought to the Village's attention.

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate, the Village should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Village Council, to help identify and correct errors and omissions.

**Officials' Response:**

An effort was made to correct errors in the financial statements. The Village will continue to educate to ensure the Village is following the proper accounting procedures. At times it is hard to find the appropriate revenue classification to enter the receipt. Thus, an effort is always made to have the money accounted for. In regards to the Budgetary, the section of the Hinkle form was accidentally not changed to reflect the 2019 numbers. Going forward each section of the Hinkle form will be rechecked to make sure the current numbers have been inserted into the form.

**FINDING NUMBER 2020-002**

**Noncompliance**

**Sewer System Refunding Bonds Series 2012 Section 6(B)(2)** provides, in part, "After the transfer required [by Section 6(B)(1)], there shall be transferred each month from the Revenue Fund before any other expenditures or transfers therefrom, and deposited in the Sanitary Sewer System Revenue Bond and Interest Sinking fund (the Sinking Fund), which such fund is hereby established for payment of principal and interest on the bonds, a sum equal to at least 1/12 (or such larger amount as is necessary) of the principal due on the next principal payment date and 1/6 of the interest due on the next interest payment date."

Section 6(B)(3) further states that, "from the proceeds of bonds, there shall be transferred therefrom the amount of \$60,000 into the Reserve Fund for these bonds. Out of the balance of income and revenue of the System after the transfers required have been made, there shall be set aside and deposited in the Reserve Fund, which such fund is hereby established, the sum of \$850 each month until there is accumulated in such fund the sum of \$97,000 (the Minimum Reserve), after which no further deposits need be made into such fund except to replace withdrawals."

**Water System Mortgage Revenue Bond, Series 2014** provides, in part, "this bond and the issue of which it is a part together with such additional bonds as may be issued on a parity therewith under the ordinance and a mortgage from the Village to the United States of America (the Mortgage) dated August 26, 2014, with interest thereon, are payable from and secured by and constitute a charge on the net revenues of the System and a mortgage upon all extensions and additions and improvements thereto subsequently constructed or acquired, out of which net revenues, there is to be deposited in the special utility fund designated "Water System Mortgage Revenue Bond and Interest Sinking Fund", a sum sufficient to pay the principal and interest on said bonds. This bond is payable only from said sinking fund."

Due to deficiencies in internal policies and control procedures, during 2020 and 2019 the following noncompliance was noted:

- The Village established the Sanitary Sewer System Revenue Bond and Interest Sinking (5742) fund to receive monthly transfers of 1/12 of the principal due on the next principal payment date and 1/6 of the interest due on the next interest payment date. However, the Village does not maintain a balance. At December 31, 2020, should have a balance of 1/12 (\$5,417) of the next month's principal of \$65,000 and 1/6 (\$16,976) of the interest due of \$101,855 based on the amortization schedule which would equal \$22,393.
- The Village established a Sanitary Sewer System Revenue Bond and Interest Reserve (5741) fund that carried a balance of \$60,000 transferred from the proceeds of the bonds in 2014. However, the Village did not receipt monthly transfers of \$850 into the fund to meet the minimum reserve balance of \$97,000.



- The Village established the Water System Mortgage Revenue Bond and Interest Sinking (5743) fund and Water System Mortgage Reserve Interest Sinking (5744) fund. However, Bonds are repaid out of the Water Operating (5101) fund. No transfers were made to cover the principal / interest of said bonds or the reserve.

Failure to comply with debt covenant requirements could lead to a default on the debt. The Village shall comply with its debt covenants and resume funding its sanitary sewer reserve, and use the Sanitary Sewer System Revenue Bond and Interest Sinking fund, Water System Mortgage Revenue Bond and Interest Sinking fund and Water System Mortgage Reserve Interest Sinking fund according to the bond agreements.

**Officials' Response:**

An effort was made to correct errors in the financial statements. The Village will continue to educate to ensure the Village is following the proper accounting procedures. Funds have been established, by ordinance, and approved by Council.

**FINDING NUMBER 2020-003**

**Noncompliance**

**Ohio Rev. Code § 5705.41(B)** prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Village's General fund had expenditures in excess of appropriations of \$84,408, as of December 31, 2019.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Village should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

**Officials' Response:**

An effort was made to correct errors in the financial statements. The Village will continue to educate to ensure the Village is following the proper accounting procedures.



# Village of Sycamore

P.O. Box 279 • Sycamore, Ohio 44882  
 Phone 419-927-2503 • Fax 419-927-4226

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2020 AND 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	This finding was first reported in the audit of the 2009-2010 financial statements. Material weakness due to errors in financial reporting.	Not corrected and repeated as Finding 2020-001 in this report.	This finding reoccurred due to inadequate policies and procedures in reviewing the financial statements and notes to the financial statements. An effort was made to correct errors in the financial statements and the Village will continue to educate to ensure the Village is following the proper accounting procedures.
2018-002	This finding was first reported in the audit of the 2015-2016 financial statements. Material weakness and noncompliance with Ohio Rev. Code §§ 5705.41(B) and 5705.41(D)(1) for expenditures exceeding appropriations and expenditures not being certified.	Not corrected and repeated as Finding 2020-003 in this report and in the Management letter.	These findings reoccurred due to inadequate internal policies over the disbursement process and over reviewing budget versus actual information. An effort was made to correct these and the Village will continue to educate to ensure the Village is following Ohio Revised Code.
2018-003	This finding was first reported in the audit of the 2011-2012 financial statements. Noncompliance over Ohio Rev. Code § 5705.09 for not establishing required funds.	Partially corrected and repeated as Finding 2020-002 in this report.	The Village did establish the required funds during the audit period. However, due to inadequate policies and procedures, the Village did not utilize the established funds properly. An effort was made to correct this and the Village will continue to follow the debt covenants and use the funds established.

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF SYCAMORE**

**WYANDOT COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 1/4/2022**

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)