

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2009 AND 2008**



Mary Taylor, CPA

Auditor of State

Board of Trustees
Sycamore Township
8540 Kenwood Road
Cincinnati, Ohio 45236

We have reviewed the *Independent Auditors' Report* of Sycamore Township, Hamilton County, prepared by Bastin & Company, LLC, for the audit period January 1, 2008 through December 31, 2009. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 22, 2010

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**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

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Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Trustees
Sycamore Township, Hamilton County, Ohio

We have audited the accompanying financial statements of Sycamore Township, Hamilton County, Ohio, (the Township) as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2009 and 2008. Instead of the combined funds the accompanying financial statements present for 2009 and 2008, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2009 and 2008. While the Township does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require, Townships to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2009 and 2008, or their changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the years ended December 31, 2009 and 2008. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2010, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a white background.

Cincinnati, Ohio
June 25, 2010

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property and Other Local Taxes	\$ 386,158	\$ 4,749,816	\$ -	\$ -	\$ 5,135,974
Charges for Services	7,485	522,397	-	-	529,882
Licenses, Permits, and Fees	293,358	-	-	-	293,358
Fines and Forfeitures	8,126	-	-	-	8,126
Payments in Lieu of Taxes	-	8,159,028	-	179,809	8,338,837
Intergovernmental	3,365,648	804,749	-	-	4,170,397
Special Assessments	-	-	-	48,035	48,035
Investment Income	442,154	(205,775)	-	31,695	268,074
Miscellaneous	247,942	266,752	-	-	514,694
	<u>4,750,871</u>	<u>14,296,967</u>	<u>-</u>	<u>259,539</u>	<u>19,307,377</u>
Cash Disbursements:					
Current:					
General Government	3,097,158	-	-	-	3,097,158
Public Safety	1,645,652	4,390,255	-	-	6,035,907
Public Works	2,440,648	896,464	-	51,258	3,388,370
Health	19,473	-	-	-	19,473
Conservation - Recreation	328,841	-	-	-	328,841
Other	-	8,413	1,250	-	9,663
Capital Outlay	-	8,649,307	-	7,228,821	15,878,128
Debt Service:					
Redemption of Principal	-	-	1,410,082	-	1,410,082
Interest and Other Fiscal Charges	-	-	1,020,074	-	1,020,074
	<u>7,531,772</u>	<u>13,944,439</u>	<u>2,431,406</u>	<u>7,280,079</u>	<u>31,187,696</u>
Total Receipts Over/(Under) Disbursements	<u>(2,780,901)</u>	<u>352,528</u>	<u>(2,431,406)</u>	<u>(7,020,540)</u>	<u>(11,880,319)</u>
Other Financing Receipts / (Disbursements):					
Sale of Bonds	-	-	-	9,173,882	9,173,882
Premium on Sale of Bonds	-	-	-	112,804	112,804
Bond Issuance Costs	-	-	-	(140,101)	(140,101)
Transfers-In	2,546,550	-	1,999,279	915,000	5,460,829
Transfers-Out	(1,715,253)	(1,199,026)	-	(2,546,550)	(5,460,829)
	<u>831,297</u>	<u>(1,199,026)</u>	<u>1,999,279</u>	<u>7,515,035</u>	<u>9,146,585</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	(1,949,604)	(846,498)	(432,127)	494,495	(2,733,734)
Fund Cash Balances, January 1	2,568,030	27,232,550	1,115,198	422,602	31,338,380
Fund Cash Balances, December 31	<u>\$ 618,426</u>	<u>\$ 26,386,052</u>	<u>\$ 683,071</u>	<u>\$ 917,097</u>	<u>\$ 28,604,646</u>
Reserve for Encumbrances, December 31	<u>\$ 989,760</u>	<u>\$ 2,722,578</u>	<u>\$ -</u>	<u>\$ 182,015</u>	<u>\$ 3,894,353</u>

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

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property and Other Local Taxes	\$ 372,629	\$ 4,742,344	\$ -	\$ -	\$ 5,114,973
Charges for Services	3,620	509,746	-	-	513,366
Licenses, Permits, and Fees	345,192	-	-	-	345,192
Fines and Forfeitures	21,118	-	-	-	21,118
Payments in Lieu of Taxes	-	6,429,129	761,435	179,005	7,369,569
Intergovernmental	4,736,092	801,744	-	-	5,537,836
Special Assessments	-	-	-	48,378	48,378
Investment Income	1,157,749	268,536	7,954	-	1,434,239
Miscellaneous	332,258	301,729	-	-	633,987
Total Cash Receipts	6,968,658	13,053,228	769,389	227,383	21,018,658
Cash Disbursements:					
Current:					
General Government	2,900,128	-	-	-	2,900,128
Public Safety	1,993,271	4,257,511	-	-	6,250,782
Public Works	378,719	1,200,019	-	51,150	1,629,888
Health	38,000	-	-	-	38,000
Conservation - Recreation	2,293,585	-	-	-	2,293,585
Other	-	2,670	9,585	-	12,255
Capital Outlay	-	13,093,931	-	1,938	13,095,869
Debt Service:					
Redemption of Principal	-	-	803,563	-	803,563
Interest and Other Fiscal Charges	-	-	895,919	-	895,919
Total Cash Disbursements	7,603,703	18,554,131	1,709,067	53,088	27,919,989
Total Receipts Over/(Under) Disbursements	(635,045)	(5,500,903)	(939,678)	174,295	(6,901,331)
Other Financing Receipts / (Disbursements):					
Transfers-In	-	-	1,303,793	-	1,303,793
Transfers-Out	-	(1,268,300)	-	(35,493)	(1,303,793)
Total Other Financing Receipts / (Disbursements)	-	(1,268,300)	1,303,793	(35,493)	-
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	(635,045)	(6,769,203)	364,115	138,802	(6,901,331)
Fund Cash Balances, January 1	3,203,075	34,001,753	751,083	283,800	38,239,711
Fund Cash Balances, December 31	\$ 2,568,030	\$ 27,232,550	\$ 1,115,198	\$ 422,602	\$ 31,338,380
Reserve for Encumbrances, December 31	\$ 1,645,608	\$ 2,293,650	\$ -	\$ -	\$ 3,939,258

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

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

1. Summary of Significant Accounting Policies

A. Description of the 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.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. Except for the recording of the change in market value of held investments as increases or decreases to investment earnings, 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 Auditor of State prescribes or permits.

C. 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.

The Township values its investments at market value. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Police Fund - This 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.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

Fire Fund - This fund is used to account 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.

3. Debt Service Funds

These funds account for resources the Township accumulates to pay bond and note debt. The Township had the following Debt Service Funds:

Kemper Road Service Fund – This fund is required by a trust agreement and must maintain a \$430,877 fund balance.

Kemper Road Debt Retirement Fund – This fund receives service payments in lieu of taxes from the Kemper Road TIF Fund in order to pay the annual debt obligations.

General Obligation Debt Service Fund – This fund services the debt payments on the Township's General Obligation debt.

4. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project funds:

Kemper/Gold Coast/Deerfield TIF - The Township received bond proceeds in 2005 for the acquisition and construction of the Kemper/Gold Coast/ Deerfield Office Project.

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.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. 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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2009 and 2008 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. 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.

H. Total Columns on Financial Statements

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund type eliminations have not been made in the aggregation of this data.

2. Equity in Pooled Deposits and Investments

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

	<u>2009</u>	<u>2008</u>
Demand deposits	\$431,481	\$592,325
U.S. Treasury Money Market Funds	2,586,491	2,129,933
U.S. Treasury Notes	182,749	347,007
U.S. Treasury Bills	-	164,736
Federal Home Loan Bank	5,223,748	4,545,209
Federal Home Loan Mortgage Corporation	5,147,962	3,960,923
Federal National Mortgage Association	3,067,806	4,075,758
Federal Farm Credit Bank	514,152	1,599,312
STAR Ohio	<u>11,450,257</u>	<u>13,923,177</u>
Total investments	<u>28,173,165</u>	<u>30,746,055</u>
Total deposits and investments	<u>\$28,604,646</u>	<u>\$31,338,380</u>

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

Investments: U.S. government securities are held in book-entry form by the Federal Reserve 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.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$9,300,000	\$7,297,421	(\$2,002,579)
Special Revenue	14,620,000	14,296,967	(323,033)
Debt Service	1,230,253	1,999,279	769,026
Capital Projects	10,318,882	10,461,225	142,343
Total	<u>\$35,469,135</u>	<u>\$34,054,892</u>	<u>(\$1,414,243)</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$10,807,358	\$10,236,785	\$570,573
Special Revenue	21,939,237	17,866,043	4,073,194
Debt Service	2,437,456	2,431,406	6,050
Capital Projects	12,692,480	10,148,745	2,543,735
Total	<u>\$47,876,531</u>	<u>\$40,682,979</u>	<u>\$7,193,552</u>

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$6,550,000	\$6,968,658	\$418,658
Special Revenue	13,222,000	13,053,228	(168,772)
Debt Service	430,000	2,073,182	1,643,182
Capital Projects	245,000	227,383	(17,617)
Total	<u>\$20,447,000</u>	<u>\$22,322,451</u>	<u>\$1,875,451</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$9,449,328	\$9,249,311	\$200,017
Special Revenue	25,594,446	22,116,081	3,478,365
Debt Service	1,990,600	1,709,067	281,533
Capital Projects	161,150	88,581	72,569
Total	<u>\$37,195,524</u>	<u>\$33,163,040</u>	<u>\$4,032,484</u>

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

4. Compliance

Contrary to Ohio Revised Code Section 5705.41(B), the following fund had expenditures which exceeded appropriations:

<u>Year/Fund</u>	<u>Appropriations</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
<i>2008:</i>			
Kenwood Crossings	\$105,000	\$141,246	\$(36,246)

Contrary to Ohio Revised Code Section 5705.39, the following funds had appropriations which exceeded estimated resources:

<u>Year/Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
<i>2009:</i>			
Kemper Bond Retirement	\$1,081,734	\$1,635,903	\$(554,169)
Sturbridge	1,265,000	1,450,887	(185,887)
Deerfield Park	3,050,000	4,568,799	(1,518,799)
Station 93	5,773,882	6,611,794	(837,912)
<i>2008:</i>			
Permissive Motor Vehicle	385,952	487,749	(101,797)
Sycamore Financial	7,096,741	7,269,001	(172,260)
Kemper Bond Retirement	761,066	1,989,300	(1,228,234)

Contrary to Ohio Revised Code Section 5705.36(A)(4) the Township did not obtain an amended certificate of estimated resources when actual resources available were known to be less than estimated resources. In addition, Ohio Revised Code Section 5705.36(A)(5) limits appropriations to estimated resources. As a result, appropriations exceeded actual resources available in the following funds:

<u>Year/Fund</u>	<u>Actual Resources</u>	<u>Appropriations</u>	<u>Variance</u>
<i>2009:</i>			
General Fund	\$9,865,450	\$10,807,358	\$(941,908)
Permissive Motor Vehicle	212,257	331,687	(119,430)
Gasoline Tax	127,729	304,050	(176,321)
Police	2,140,642	2,210,000	(69,358)
Sycamore Financial	340,359	351,288	(10,929)
Sturbridge	1,273,809	1,450,887	(177,078)
Deerfield Park	3,099,947	4,568,799	(1,468,852)
Station 93	5,859,625	6,611,794	(752,169)
<i>2008:</i>			
Permissive Motor Vehicle	381,855	487,749	(105,894)
Gasoline Tax	192,363	231,014	(38,651)
FEMA	10,453	150,000	(139,547)
Kemper TIF	452,590	550,000	(97,410)
Kemper Deerfield GLDCOST	147,624	171,600	(23,976)

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

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

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

6. Debt

Debt outstanding at December 31, 2009 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Kemper Road Tax Increment Bonds	\$2,147,681	5.95%
Kemper Gold Coast Tax Increment Bonds	1,840,000	6.00%
2007 Sycamore Square G.O. Bonds	7,100,000	4.00% - 5.00%
2007 Kenwood G.O. Bonds	5,120,000	3.50% - 4.00%
2009 Various Purpose G.O. Bonds	7,630,000	3.00% - 4.875%
2009 Ohio Public Works Commission Loan	963,882	1.50%
Total	<u>\$24,801,563</u>	

The Kemper Road Tax Increment Bonds were issued in 1996 in the amount of \$5,000,000 for 15 years. The bonds were issued to finance both the construction of sanitary and storm sewers along East Kemper Road and the widening and improvements of East Kemper and Conrey Roads. The bonds are collateralized solely by the Township's taxing authority. Due to the covenants contained in the Tax Increment Financing agreement, the debt activity is recorded in Debt Service Fund type. The mortgage revenue bond covenant requires the Township to establish and fund a debt service reserve fund, included as a Debt Service Fund. The balance in the fund at December 31, 2009 is \$448,464.

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 Township issued series 2007 general obligation bonds on September 11, 2007 in the amount of \$7,100,000 for 30 years. The bonds were issued to finance public infrastructure improvements, specifically a public parking garage at the Sycamore Financial Development in the Township. The bonds are collateralized by the Township's taxing authority.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

The Township issued series 2007 general obligation bonds on December 27, 2007 in the amount of \$6,070,000 for 11 years. The bonds were issued to finance public infrastructure improvements, specifically a long term lease hold interest in a public parking garage for the Kenwood Towne Center and the neighboring businesses in the Township. The bonds are collateralized by the Township's taxing authority.

The Township issued series 2009 general obligation bonds on March 3, 2009 in the amount of \$8,210,000 for 20 years. The bonds were issued to finance public infrastructure improvements, specifically road improvements to Sturbridge subdivision, improvements to Township parks, and construction of a fire station. 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. The OPWC has approved a loan up to \$1,004,044 to the Township for this project. As of December 31, 2009, the loan is in an "open" status and no loan amortization or repayment terms have been established. As a result, no amortization is included in the following schedule. Additions to project expenditures totaled \$963,882 during 2009, which also represents the current loan balance at December 31, 2009. The loan amount when finalized will be paid over 15 years.

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

Year ending December 31:	Kemper Road Tax Increment Bonds	Kemper Gold Coast Tax Increment Bonds	Sycamore Square General Obligation Bonds	Kenwood Mall General Obligation Bonds	Various Purpose General Obligation Bonds	Total (*)
2010	\$430,877	\$185,400	\$470,288	\$682,813	\$803,463	\$2,572,840
2011	430,877	185,900	470,088	680,488	807,713	2,575,065
2012	430,877	186,100	469,688	682,638	801,363	2,570,665
2013	430,877	186,000	469,088	679,088	804,713	2,569,765
2014	430,877	185,600	468,288	680,013	797,463	2,562,240
2015-2019	430,877	948,200	2,354,750	2,720,350	3,501,813	9,955,990
2020-2024	-	979,500	2,358,750	-	1,451,300	4,789,550
2025-2029	-	-	2,351,225	-	1,167,300	3,518,525
2030-2034	-	-	2,347,150	-	-	2,347,150
2035-2039	-	-	1,410,250	-	-	1,410,250
Total	<u>\$2,585,263</u>	<u>\$2,856,700</u>	<u>\$13,169,563</u>	<u>\$6,125,388</u>	<u>\$10,135,125</u>	<u>\$34,872,038</u>

(*) Excludes amounts related to the 2009 Ohio Public Works Commission Loan that has not been scheduled for repayment at December 31, 2009.

7. Retirement Systems

The Township's certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OP&F participants contributed 10% of their wages. For 2009 and 2008, the Township contributed to OP&F 24% of full-time fire fighters' wages. For 2009 and 2008, OPERS members contributed 10% of their gross salaries and the Township contributed 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2009.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

8. Risk Management

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 550 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgment, settlements and other expenses resulting from coverage claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A-VII or better rated carriers, except for the 15% casualty and the 10% property portions the Plan retains. The Plan pays the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other obligation to the Plan. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

The Plan's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31 (most recent available information):

	<u>2008</u>	<u>2007</u>
Assets	\$10,471,114	\$11,136,455
Liabilities	<u>(5,286,781)</u>	<u>(4,273,553)</u>
Members' Equity	<u>\$5,184,333</u>	<u>\$6,862,902</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

9. Interfund Activity

During the normal course of operations, the Township has numerous transfers between funds. These transfers are summarized as follows:

	2009		2008	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Fund	2,546,550	1,715,253	-	-
KPR Debt Service Reserves Fund	-	-	35,493	-
Kemper Road Bond Retirement Fund	1,199,026	-	1,268,300	-
Kenwood Road TIF Special Revenue Fund	-	679,438	-	984,356
Kemper GLDCOST Capital Projects Fund	-	-	-	35,493
Kemper Deerfield GLDCOST Special Revenue Fund	-	179,300	-	113,800
Syamcore FIN Redstone TIF Special Revenue Fund	-	340,288	-	170,144
Sturbridge Capital Project Fund	-	218,920	-	-
Deerfield Park Capital Improvements Fund	420,000	2,327,630	-	-
Station 93 Capital Projects Fund	495,000	-	-	-
General Obligation Debt Service Fund	800,253	-	-	-
	<u>\$ 5,460,829</u>	<u>\$ 5,460,829</u>	<u>\$ 1,303,793</u>	<u>\$ 1,303,793</u>

In 2008, the Kenwood Road TIF Special Revenue Fund, Kemper GLDCOST Capital Projects Fund, Kemper Deerfield GLDCOST Special Revenue Fund and Sycamore FIN Redstone TIF Special Revenue Fund transferred out funds to the KPR Debt Services Reserves Fund and Kemper Road Bond Retirement Fund so that these two funds could make required debt service payments.

In 2009, the General fund transferred out \$800,253 to the General Obligation Debt Service Fund to make required debt service payments and \$420,000 and \$495,000 to the Deerfield Park Capital Improvements Fund and Station 93 Capital Projects Fund, respectively, to provide funds for ongoing project expenses. The Sturbridge Capital Projects Fund and Deerfield Park Capital Improvements Fund transferred out \$218,920 and \$2,327,630, respectively, to the General Fund to reimburse the General Fund for project expenses paid on these funds' behalf in a prior year. The Kenwood Road TIF Special Revenue Fund, Kemper Deerfield GLDCOST Special Revenue Fund and Sycamore FIN Redstone TIF Special Revenue Fund transferred out funds to the Kemper Road Bond Retirement Fund to make required debt service payments.

Bastin & Company, LLC

Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of the Board of Trustees
Sycamore Township, Hamilton County, Ohio

We have audited the financial statements of Sycamore Township, Hamilton County, Ohio (the Township), as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated June 25, 2010, wherein we noted the Township prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings as items 2009-01, 2009-02 and 2009-03.

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Township's responses and, accordingly, express no opinion on them.

This report is intended solely for the information and use of management, Township Trustees and others within the Township and is not intended to be and should not be used by anyone other than these specified parties.

Bastin & Company, LLC

Cincinnati, Ohio
June 25, 2010

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO
SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

FINDING NUMBER 2009-01

Ohio Revised Code, Section 5705.41(B), states that no subdivision shall make any expenditure of money unless it has been lawfully appropriated. The following fund had expenditures that exceeded appropriations:

<u>Year/Fund</u>	<u>Appropriations</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
<i>2008:</i>			
Kenwood Crossings	\$105,000	\$141,246	\$(36,246)

Township's Response

The Township concurs with the citation and will attempt to monitor budgetary data more closely in the future.

FINDING NUMBER 2009-02

Ohio Revised Code Section 5705.39 prohibits appropriations in excess of estimated resources. The following funds had appropriations that exceeded estimated resources:

<u>Year/Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
<i>2009:</i>			
Kemper Bond Retirement	\$1,081,734	\$1,635,903	\$(554,169)
Sturbridge	1,265,000	1,450,887	(185,887)
Deerfield Park	3,050,000	4,568,799	(1,518,799)
Station 93	5,773,882	6,611,794	(837,912)
<i>2008:</i>			
Permissive Motor Vehicle	385,952	487,749	(101,797)
Sycamore Financial	7,096,741	7,269,001	(172,260)
Kemper Bond Retirement	761,066	1,989,300	(1,228,234)

Township's Response

The Township concurs with the citation and will attempt to monitor budgetary data more closely in the future.

FINDING NUMBER 2009-03

Ohio Revised Code Section 5705.36(A)(4) requires the Township to obtain an amended certificate of estimated resources when actual resources available are known to be less than estimated resources. In addition, Ohio Revised Code Section 5705.36(A)(5) limits appropriations to estimated resources. As a result of obtaining a reduced certificate of estimated resources, appropriations would be required to be appropriately reduced to the revised level of available resources.

Appropriations exceeded actual resources available in the following funds which reflect noncompliance with the Ohio Revised Code requirements:

<u>Year/Fund</u>	<u>Actual Resources</u>	<u>Appropriations</u>	<u>Variance</u>
<i>2009:</i>			
General Fund	\$9,865,450	\$10,807,358	\$(941,908)
Permissive Motor Vehicle	212,257	331,687	(119,430)
Gasoline Tax	127,729	304,050	(176,321)
Police	2,140,642	2,210,000	(69,358)
Sycamore Financial	340,359	351,288	(10,929)
Sturbridge	1,273,809	1,450,887	(177,078)
Deerfield Park	3,099,947	4,568,799	(1,468,852)
Station 93	5,859,625	6,611,794	(752,169)
<i>2008:</i>			
Permissive Motor Vehicle	381,855	487,749	(105,894)
Gasoline Tax	192,363	231,014	(38,651)
FEMA	10,453	150,000	(139,547)
Kemper TIF	452,590	550,000	(97,410)
Kemper Deerfield GLDCOST	147,624	171,600	(23,976)

Township's Response

The Township concurs with the citation and will attempt to monitor budgetary data more closely in the future.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Status Explanation
2007-01	Material weakness over financial reporting-audit adjustments.	Yes	The Township hired a consulting firm to prepare financial statements. No material adjustments were noted.
2007-02	ORC Section 5705.41(D) failure to properly encumber prior to incurring the obligation.	Yes	The condition was not noted during the current audit.
2007-03	ORC Section 5705.41(B) expenditures exceeded appropriations.	No	Not corrected, reissued as finding 2009-01.



Mary Taylor, CPA
Auditor of State

SYCAMORE TOWNSHIP

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 5, 2010**