



**SYCAMORE TOWNSHIP
HAMILTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SYCAMORE TOWNSHIP
HAMILTON COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Sycamore Township
Hamilton County
8540 Kenwood Road
Sycamore Township, OH 45236-2010

To the Board of Trustees:

We have audited the accompanying financial statements of Sycamore Township, Hamilton County, Ohio (the Township), as of and for the years ended December 31, 2001 and December 31, 2000. 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 discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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, 2001 and December 31, 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2002 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, the Board and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

April 29, 2002

**SYCAMORE TOWNSHIP
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:				
Local Taxes	\$260,191	\$3,712,774	\$4,454,204	\$8,427,169
Intergovernmental	2,849,117	625,304	498,370	3,972,791
Special Assessments	0	0	32,806	32,806
Charges for Services	0	459,685	0	459,685
Licenses, Permits, and Fees	190,807	0	0	190,807
Fines, Forfeitures, and Penalties	27,032	0	0	27,032
Earnings on Investments	429,261	829	812,205	1,242,295
Other Revenue	300,717	48,987	0	349,704
	<u>4,057,125</u>	<u>4,847,579</u>	<u>5,797,585</u>	<u>14,702,289</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	1,978,912			1,978,912
Public Safety	904,973	2,730,181	23,441	3,658,595
Public Works	976,313	626,059	0	1,602,372
Health	31,873	0	0	31,873
Conservation - Recreation	133,926	0	0	133,926
Debt Service:				
Redemption of Principal	0	0	171,139	171,139
Interest and Fiscal Charges	0	0	259,738	259,738
Capital Outlay	4,097,872	186,003	2,458,312	6,742,187
	<u>8,123,869</u>	<u>3,542,243</u>	<u>2,912,630</u>	<u>14,578,742</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>(4,066,744)</u>	<u>1,305,336</u>	<u>2,884,955</u>	<u>123,547</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	11,454	0	0	11,454
Transfers-Out	0	0	(11,454)	(11,454)
Total Other Financing Receipts/(Disbursements)	<u>11,454</u>	<u>0</u>	<u>(11,454)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(4,055,290)	1,305,336	2,873,501	123,547
Fund Cash Balances, January 1	<u>7,192,328</u>	<u>581,481</u>	<u>19,020,590</u>	<u>26,794,399</u>
Fund Cash Balances, December 31	<u>\$3,137,038</u>	<u>\$1,886,817</u>	<u>\$21,894,091</u>	<u>\$26,917,946</u>
Reserve for Encumbrances, December 31	<u>\$15,953</u>	<u>\$67,806</u>	<u>\$0</u>	<u>\$83,759</u>

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

**SYCAMORE TOWNSHIP
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:				
Local Taxes	\$252,433	\$2,765,928	\$3,544,537	\$6,562,898
Intergovernmental	3,752,357	552,197	392,708	4,697,262
Special Assessments	0	0	55,257	55,257
Licenses, Permits, and Fees	223,850	309,100	0	532,950
Fines, Forfeitures, and Penalties	29,528	0	0	29,528
Earnings on Investments	386,779	4,675	952,294	1,343,748
Other Revenue	736,539	125,347	0	861,886
Total Cash Receipts	<u>5,381,486</u>	<u>3,757,247</u>	<u>4,944,796</u>	<u>14,083,529</u>
Cash Disbursements:				
Current:				
General Government	1,991,101	0	0	1,991,101
Public Safety	1,331,601	2,767,889	0	4,099,490
Public Works	490,993	613,098	29,903	1,133,994
Health	30,867	0	0	30,867
Conservation - Recreation	143,920	0	0	143,920
Debt Service:				
Redemption of Principal	0	0	201,473	201,473
Interest and Fiscal Charges	0	0	257,924	257,924
Capital Outlay	159,459	264,217	2,864,058	3,287,734
Total Cash Disbursements	<u>4,147,941</u>	<u>3,645,204</u>	<u>3,353,358</u>	<u>11,146,503</u>
Total Receipts Over/(Under) Disbursements	<u>1,233,545</u>	<u>112,043</u>	<u>1,591,438</u>	<u>2,937,026</u>
Fund Cash Balances, January 1	<u>5,958,783</u>	<u>469,438</u>	<u>17,429,152</u>	<u>23,857,373</u>
Fund Cash Balances, December 31	<u>\$7,192,328</u>	<u>\$581,481</u>	<u>\$19,020,590</u>	<u>\$26,794,399</u>
Reserve for Encumbrances, December 31	<u>\$398,673</u>	<u>\$18,973</u>	<u>\$0</u>	<u>\$417,646</u>

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

**SYCAMORE TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Sycamore Township, Hamilton County, Ohio (the Township), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, park operations (leisure time activities), fire protection and emergency medical services. The Township contracts with the Hamilton County Sheriff's department to provide police services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

Investments are included in fund cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

U.S. Treasury Bonds and money market funds are valued at cost. The investment STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from 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 police property taxes and pays the contract with Hamilton County for police services and other costs associated with security of persons.

Fire District Fund

This fund receives property taxes designated to this fund and monies are spent providing fire and emergency medical services.

Road and Bridge Fund

This fund receives property tax money to construct, maintain and repair Township roads and bridges.

Gasoline Tax Fund

This fund receives gasoline tax money to construct, maintain and repair Township roads.

3. Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital projects fund:

Kemper Road TIF Fund

This fund receives property taxes designated to this fund and monies are used for improvements to Kemper Road.

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 and function level of control for the General Fund, fund level for all other funds, 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**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2001 and 2000 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2001	2000
Demand deposits	\$1,050,115	\$1,643,455
Total deposits	1,050,115	1,643,455
U.S. Treasury Money Market Funds	1,419,339	2,451,419
U.S. Treasury Bonds	10,027,337	8,373,108
STAR Ohio	14,421,155	14,326,417
Total investments	25,867,831	25,150,944
Total deposits and investments	\$26,917,946	\$26,794,399

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

Investments: U.S. Treasury Bonds and other 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.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,809,325	\$4,068,579	\$1,259,254
Special Revenue	4,220,725	4,847,579	626,854
Capital Projects	5,125,000	5,797,585	672,585
Total	\$12,155,050	\$14,713,743	\$2,558,693

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$8,978,098	\$8,139,822	\$838,276
Special Revenue	3,853,973	3,610,049	243,924
Capital Projects	4,519,400	2,924,084	1,595,316
Total	\$17,351,471	\$14,673,955	\$2,677,516

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,738,082	\$5,381,486	\$2,643,404
Special Revenue	3,740,455	3,757,247	16,792
Capital Projects	5,148,000	4,944,796	(203,204)
Total	\$11,626,537	\$14,083,529	\$2,456,992

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$6,177,947	\$4,546,614	\$1,631,333
Special Revenue	3,973,460	3,664,177	309,283
Capital Projects	4,226,282	3,353,358	872,924
Total	\$14,377,689	\$11,564,149	\$2,813,540

**SYCAMORE TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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.

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
Kemper Road Tax Increment Bonds	\$4,054,897	7%

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 bond 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 the Capital Project Fund type.

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

Year ending December 31:	Tax Increment Bond
2002	\$430,877
2003	430,877
2004	430,877
2005	430,877
2006	430,877
2007 – 2011	3,877,893
Total	\$6,032,278

**SYCAMORE TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, members of OP&F participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to OP&F. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through December 31, 2001. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2001. The Township has paid all contributions required through December 31, 2001.

7. RISK MANAGEMENT

Risk Pool Membership

The Township is a member of the Ohio Government Risk Management Plan (the Plan). The Plan assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty;
- Wrongful Acts;
- Law Enforcement;
- Public official's liability;
- Vehicles; and
- EDP equipment.

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

The Plan reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2000. The Plan's 2001 Report was not available at the time of our audit.:

	<u>2000</u>	<u>1999</u>
Cash and investments	\$5,392,435	\$4,047,870
Actuarial liabilities	\$1,391,039	\$1,739,584



STATE OF OHIO
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Sycamore Township
Hamilton County
8540 Kenwood Road
Sycamore Township, OH 45236-2010

To the Board of Trustees:

We have audited the accompanying financial statements of Sycamore Township, Hamilton County, Ohio (the Township), as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated April 29, 2002. 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.

Compliance

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 grants, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 29, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 29, 2002.

Sycamore Township
Hamilton County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long, sweeping underline.

Jim Petro
Auditor of State

April 29, 2002

**SYCAMORE TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-340413-001	Ohio Rev. Code, Section 5705.41 (D), Failure to properly encumber expenditures and monitor appropriations through purchase orders	No	Partially corrected, some improvement. Included as a management recommendation for the 2001-2000 audit.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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
JUNE 6, 2002**