

Sycamore Township
Hamilton, County

Ohio Auditor of State Cash Basis Regulatory Financial Statements
(As Prescribed by Ohio Revised Code Section 117.38)

December 31, 2013 and 2012

“There’s more in Sycamore”



Prepared by the Sycamore Township Fiscal Office

Rob Porter, Fiscal Officer
Debbie Campbell, Fiscal Officer’s Assistant



Dave Yost • Auditor of State

Board of Trustees
Sycamore Township
8540 Kenwood Rd
Cincinnati, OH 45236-2010

We have reviewed the *Independent Auditor's Report* of the Sycamore Township, Hamilton County, prepared by Plattenburg Certified Public Accountants, for the audit period January 1, 2012 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

September 10, 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Sycamore Township, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Sycamore Township, Ohio, (the Township) as of and for the years ended December 31, 2013 and 2012.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinions on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy these requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinions on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinions on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2013 and 2012, or changes in financial position for the years then ended.

Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the combined cash balances of the Township, as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions permitted by Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2014, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Cincinnati, Ohio

July 31, 2014

**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, 2013**

	<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	\$ 311,738	\$ 4,680,327	\$ -	\$ -	\$ 4,992,065
Charges for Services	12,355	532,259	-	-	544,614
Licenses, Permits, and Fees	267,762	-	-	-	267,762
Fines and Forfeitures	18,379	-	-	-	18,379
Payments in Lieu of Taxes	-	10,973,776	-	-	10,973,776
Intergovernmental	2,478,662	573,249	-	477,496	3,529,407
Special Assessments	-	-	-	46,536	46,536
Investment Income	42,214	(57,544)	-	-	(15,330)
Miscellaneous	357,172	230,958	-	-	588,130
	<u>3,488,282</u>	<u>16,933,025</u>	<u>-</u>	<u>524,032</u>	<u>20,945,339</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
General Government	1,719,729	-	-	-	1,719,729
Public Safety	-	4,852,354	-	-	4,852,354
Public Works	694,271	956,375	-	62,835	1,713,481
Health	40,362	-	-	-	40,362
Conservation - Recreation	260,395	-	-	-	260,395
Other	-	7,450	1,250	-	8,700
Payments to Schools	-	4,665,870	-	-	4,665,870
Capital Outlay	-	4,368,083	-	477,496	4,845,579
Debt Service:					
Redemption of Principal	-	-	1,788,742	-	1,788,742
Interest and Other Fiscal Charges	-	-	938,912	-	938,912
	<u>2,714,757</u>	<u>14,850,132</u>	<u>2,728,904</u>	<u>540,331</u>	<u>20,834,124</u>
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	<u>773,525</u>	<u>2,082,893</u>	<u>(2,728,904)</u>	<u>(16,299)</u>	<u>111,215</u>
Other Financing Receipts / (Disbursements):					
Transfers-In	-	209,212	2,681,479	-	2,890,691
Transfers-Out	(576,635)	(2,314,056)	-	-	(2,890,691)
	<u>(576,635)</u>	<u>(2,104,844)</u>	<u>2,681,479</u>	<u>-</u>	<u>-</u>
Total Other Financing Receipts / (Disbursements)					
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	196,890	(21,951)	(47,425)	(16,299)	111,215
Fund Cash Balances, January 1	<u>4,639,924</u>	<u>20,196,752</u>	<u>495,889</u>	<u>2,087,258</u>	<u>27,419,823</u>
Fund Cash Balances, December 31:					
Restricted	-	20,174,801	448,464	2,070,959	22,694,224
Assigned	2,686,900	-	-	-	2,686,900
Unassigned	2,149,914	-	-	-	2,149,914
	<u>4,836,814</u>	<u>20,174,801</u>	<u>448,464</u>	<u>2,070,959</u>	<u>27,531,038</u>
Fund Cash Balances, December 31					

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, 2012**

	<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	\$ 304,837	\$ 4,607,599	\$ -	\$ -	\$ 4,912,436
Charges for Services	10,480	554,571	-	-	565,051
Licenses, Permits, and Fees	332,621	-	-	-	332,621
Fines and Forfeitures	22,975	-	-	-	22,975
Payments in Lieu of Taxes	-	10,625,564	-	-	10,625,564
Intergovernmental	3,486,176	579,400	-	-	4,065,576
Special Assessments	-	-	-	62,697	62,697
Investment Income	203,321	(72,723)	-	-	130,598
Miscellaneous	312,512	336,983	-	-	649,495
	<u>4,672,922</u>	<u>16,631,394</u>	<u>-</u>	<u>62,697</u>	<u>21,367,013</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
General Government	2,298,041	-	-	-	2,298,041
Public Safety	-	5,969,894	-	-	5,969,894
Public Works	1,566,254	923,982	-	56,811	2,547,047
Health	39,542	-	-	-	39,542
Conservation - Recreation	210,564	-	-	-	210,564
Other	-	7,218	7,877	-	15,095
Payments to Schools	-	4,314,013	-	-	4,314,013
Capital Outlay	-	1,947,672	-	-	1,947,672
Debt Service:					
Redemption of Principal	-	-	1,721,937	-	1,721,937
Interest and Other Fiscal Charges	-	-	1,006,727	-	1,006,727
	<u>4,114,401</u>	<u>13,162,779</u>	<u>2,736,541</u>	<u>56,811</u>	<u>20,070,532</u>
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	<u>558,521</u>	<u>3,468,615</u>	<u>(2,736,541)</u>	<u>5,886</u>	<u>1,296,481</u>
Other Financing Receipts / (Disbursements):					
Transfers-In	-	30,000	2,297,787	-	2,327,787
Transfers-Out	(396,923)	(1,930,864)	-	-	(2,327,787)
	<u>(396,923)</u>	<u>(1,900,864)</u>	<u>2,297,787</u>	<u>-</u>	<u>-</u>
Total Other Financing Receipts / (Disbursements)					
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	161,598	1,567,751	(438,754)	5,886	1,296,481
Fund Cash Balances, January 1, Restated	<u>4,478,326</u>	<u>18,629,001</u>	<u>934,643</u>	<u>2,081,372</u>	<u>26,123,342</u>
Fund Cash Balances, December 31:					
Restricted	-	20,196,752	495,889	2,087,258	22,779,899
Assigned	2,908,914	-	-	-	2,908,914
Unassigned	1,731,010	-	-	-	1,731,010
	<u>4,639,924</u>	<u>20,196,752</u>	<u>495,889</u>	<u>2,087,258</u>	<u>27,419,823</u>
Fund Cash Balances, December 31					

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, 2013 AND 2012**

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.

The Township participates in the Ohio Plan Risk Management, Inc. (OPRM) public entity risk pool that provides various lines of insurance coverage to the Township. Note 7 to the financial statements provides additional information for this entity.

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.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

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.

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 and related debt service payments.

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 to maintain a minimum debt service reserve balance.

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

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

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:

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

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

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

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.

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 2013 and 2012 budgetary activity appears in Note 3.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

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

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

5. Unassigned

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

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. 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.

H. 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.

I. 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.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

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 was as follows at December 31:

	2012	2013
Demand Deposits	\$ 6,352,568	\$ 5,860,986
Certificates of Deposit	840,091	2,414,747
Total Deposits	7,192,659	8,275,733
U.S. Treasury Money Market Funds	467,341	724,966
U.S. Treasury Notes	-	85,196
Federal Home Loan Bank	2,807,126	3,666,981
Federal Home Loan Mortgage Corporation	1,698,512	2,102,650
Federal National Mortgage Association	8,790,007	6,440,091
Federal Farm Credit Bank	3,312,422	3,076,783
STAR Ohio	3,151,756	3,158,638
Total Investments	20,227,164	19,255,305
Total Deposits and Investments	\$ 27,419,823	\$27,531,038

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or 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.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2012 and 2013 was as follows:

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 4,283,103	\$ 4,672,922	\$ 389,819
Special Revenue	16,648,773	16,661,394	12,621
Debt Service	2,297,787	2,297,787	-
Capital Projects	62,697	62,697	-
Total	\$ 23,292,360	\$ 23,694,800	\$ 402,440

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 6,919,286	\$ 4,784,482	\$ 2,134,804
Special Revenue	22,960,711	16,110,712	6,849,999
Debt Service	2,736,665	2,736,541	124
Capital Projects	74,000	56,811	17,189
Total	\$ 32,690,662	\$ 23,688,546	\$ 9,002,116

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,000,000	\$ 3,488,282	\$ 488,282
Special Revenue	15,888,914	17,142,237	1,253,323
Debt Service	3,352,767	2,681,479	(671,288)
Capital Projects	537,496	524,032	(13,464)
Total	\$ 22,779,177	\$ 23,836,030	\$ 1,056,853

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 6,455,231	\$ 3,498,474	\$ 2,956,757
Special Revenue	28,490,338	19,682,076	8,808,262
Debt Service	2,780,303	2,728,904	51,399
Capital Projects	552,118	540,401	11,717
Total	\$ 38,277,990	\$ 26,449,855	\$ 11,828,135

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

4. 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.

5. Debt

Debt outstanding at December 31, 2013 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Kemper Road Tax Increment Bonds	\$ 801,287	5.95%
Kemper Gold Coast Tax Increment Bonds	1,510,000	6.00%
2007 Sycamore Square G.O. Bonds	6,550,000	4.00% - 5.00%
2007 Kenwood G.O. Bonds	3,040,000	3.50% - 4.00%
2009 Various Purpose G.O. Bonds	5,430,000	3.00% - 4.875%
2009 Ohio Public Works Commission Loan	820,825	1.50%
2010 Various Purpose G.O. Bonds	1,990,000	3.00% - 4.625%
Total	<u>\$ 20,142,112</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 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, 2013 AND 2012**

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 leasehold 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 in the amount of \$1,004,044. The loan amount will be repaid over 15 years.

The Township issued series 2010 general obligation bonds on December 22, 2010 in the amount of \$2,000,000 for 20 years. The bonds were used to finance various projects within the Township. The bonds are collateralized by the Township's taxing authority.

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

Year ending December 31:	Kemper Road	Kemper Gold	Sycamore	Kenwood Mall
	Tax Increment Bonds	Coast Tax Increment Bonds	Square General Obligation Bonds	General Obligation Bonds
2014	\$ 430,877	\$ 185,600	\$ 468,288	\$ 680,013
2015	430,877	189,900	472,288	680,238
2016	-	188,600	470,488	678,300
2017	-	187,000	468,475	680,613
2018	-	190,100	471,250	681,200
2019-2023	-	976,000	2,361,250	-
2024-2028	-	196,100	2,352,000	-
2029-2033	-	-	2,347,875	-
2034-2038	-	-	1,878,500	-
Total	\$ 861,754	\$ 2,113,300	\$11,290,414	\$ 3,400,364

Year ending December 31:	2009 Various		2010 Various	
	Purpose General Obligation Bonds	OPWC Loan	Purpose General Obligation Bonds	Total
2014	\$ 797,463	\$ 74,998	\$ 162,800	\$ 2,800,039
2015	804,913	74,998	166,100	2,819,314
2016	805,088	74,998	168,850	2,386,324
2017	803,038	74,998	166,000	2,380,124
2018	800,288	74,998	168,150	2,385,986
2019-2023	1,449,988	374,992	835,287	5,997,517
2024-2028	1,457,100	150,000	828,787	4,983,987
2029-2033	-	-	331,738	2,679,613
2034-2038	-	-	-	1,878,500
Total	\$ 6,917,878	\$ 899,982	\$ 2,827,712	\$28,311,404

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

6. 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 2013 and 2012, OP&F participants contributed 10% of their wages and the Township contributed to OP&F 24% of full-time fire fighters' wages. For 2013 and 2012, 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, 2013.

7. Risk Management – Risk Pool Membership

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 767 and 765 members as of December 31, 2012 and 2011 respectively.

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 financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

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

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and members' equity at December 31, 2012 and 2011, the most recent years available:

	2012	2011
Assets	\$13,100,381	\$12,501,280
Liabilities	(6,687,193)	(5,328,761)
Members' Equity	\$6,413,188	\$7,172,519

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

8. Interfund Activity

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

Transfer activity for 2013 is summarized as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 576,635
Road and Bridge Special Revenue Fund	168,393	-
Police Special Revenue Fund	40,819	-
Kenwood Road TIF Special Revenue Fund	-	1,274,276
Kemper Gold Coast Special Revenue Fund	-	185,990
Sycamore Redstone TIF Special Revenue Fund	-	469,088
Kemper Road TIF Special Revenue Fund	-	384,702
Kemper Road Bond Retirement Debt Service Fund	384,702	-
General Obligation Debt Service Fund	2,296,777	-
	\$ 2,890,691	\$ 2,890,691

The General fund transferred out \$367,423 to the General Obligation Debt Service Fund to make required debt service payments, \$168,393 to the Road and Bridge Special Revenue Fund to provide funds for operating expenses and \$40,819 to the Police Special Revenue Fund to provide funds for operating expenses. The Kenwood Road TIF Special Revenue Fund transferred \$1,274,276 to the General Obligation Debt Service Fund to make required debt service payments. The Kemper Gold Coast Special Revenue Fund transferred \$185,990 to the General Obligation Debt Service Fund to make required debt service payments. The Sycamore Redstone TIF Special Revenue Fund transferred \$469,088 to the General Obligation Debt Service Fund to make required debt service payments. The Kemper Road TIF Special Revenue Fund transferred 384,702 to the Kemper Road Bond Retirement Debt Service Fund to make required debt service payments.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

Transfer activity for 2012 is summarized as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 396,923
Motor Vehicle Special Revenue Fund	5,000	-
Road and Bridge Special Revenue Fund	25,000	-
Kenwood Road TIF Special Revenue Fund	-	1,275,076
Kemper Gold Coast Special Revenue Fund	-	186,100
Sycamore Redstone TIF Special Revenue Fund	-	469,688
Kemper Road Bond Retirement Debt Service Fund	186,100	-
General Obligation Debt Service Fund	2,111,687	-
	<u>\$ 2,327,787</u>	<u>\$ 2,327,787</u>

The General fund transferred out \$366,923 to the General Obligation Debt Service Fund to make required debt service payments, \$5,000 to the Motor Vehicle Special Revenue Fund to provide funds for operating expenses and \$25,000 to the Road and Bridge Special Revenue Fund to provide funds for operating expenses. The Kenwood Road TIF Special Revenue Fund transferred \$1,275,076 to the General Obligation Debt Service Fund to make required debt service payments. The Kemper Gold Coast Special Revenue Fund transferred \$186,100 to the Kemper Road Bond Retirement Debt Service Fund to make required debt service payments. The Sycamore Redstone TIF Special Revenue Fund transferred \$469,688 to the General Obligation Debt Service Fund to make required debt service payments.

9. Reclassification of Opening Fund Cash Balances

The Township's fund cash balances at January 1, 2012 have been reclassified to account for one fund that was previously classified as a capital projects fund that is more appropriately accounted for as a special revenue fund.

The reclassified fund involves TIF disbursements that consist primarily of payments to schools and transfers to the debt service fund. Since only minor capital transactions are involved, the fund was reclassified to special revenue.

The reclassification is as follows:

	December 31, 2011 (As Originally Issued)	Reclassification	January 1, 2012 (Restated)
Fund Cash Balances:			
General	\$ 4,478,326	\$ -	\$ 4,478,326
Special Revenue	18,129,566	499,435	18,629,001
Debt Service	934,643	-	934,643
Capital Projects	2,580,807	(499,435)	2,081,372
	<u>\$ 26,123,342</u>	<u>\$ -</u>	<u>\$ 26,123,342</u>
Total Fund Cash Balances	<u>\$ 26,123,342</u>	<u>\$ -</u>	<u>\$ 26,123,342</u>

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

10. Joint Economic Development Zones

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

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

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

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

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

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

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

The respective participating entity administers and collects earnings tax for the JEDZ and reports quarterly to the Township.

While the JEDZs became effective as of October 1, 2013, The Township has not yet received any distributions of earnings taxes from the participating entities, as of December 31, 2013, as the distributions are going to be remitted to the Township on a quarterly basis.

11. Community Improvement Corporation

During 2013, the Township Trustees created the Sycamore Township Community Improvement Corporation (CIC) to promote economic, commercial and civic development within the Township. The CIC Board is comprised of three Board members appointed by the Sycamore Township Board of Trustees. As of December 31, 2013, the CIC did not have any cash-basis financial activity.

**INDEPENDENT AUDITORS' 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***

Board of Trustees
Sycamore Township, Ohio

We have audited, in accordance with the 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, the financial statements of Sycamore Township, Ohio (the Township), as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated July 31, 2014 wherein we noted the Township followed financial reporting provisions permitted by Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D).

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of audit findings we identified a deficiency in internal control over financial reporting, that we consider a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2012-1 described in the accompanying schedule of audit findings to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Township's Response to Findings

The Township's response to the findings identified in our audit is described in the accompanying schedule of audit findings. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.
Cincinnati, Ohio
July 31, 2014

SYCAMORE TOWNSHIP
SCHEDULE OF AUDIT FINDINGS
Years Ended December 31, 2013 and 2012

2012-1 Finding Type —Material Weakness—Controls Related to Financial Reporting

During the process of preparing the modified cash basis financial statements for the year ended December 31, 2012, the Township identified a material prior year misstatement requiring adjustment to the December 31, 2011 modified cash basis financial statements. Since this misstatement was not identified by the Township's internal control over financial reporting on a timely basis during 2011, a material weakness exists. A description of the required adjustment follows.

Material Misstatement Related to Modified Cash Basis Fund Classification

The Township's fund cash balance at January 1, 2012 required reclassification to report one fund as a special revenue fund. This fund was classified as a capital projects fund for December 31, 2011.

Recommendation:

Implementation of additional review procedures related to financial reporting will help ensure all classifications and disclosures are properly reported in the financial statements.

Management Response:

Management concurs with the finding. Additionally, management wishes to emphasize that all of the items reported in connection with Finding 2012-1 are related to the financial reporting process at year end by which the Township prepares modified cash basis financial statements. Accordingly, this finding does not represent the misappropriation of assets or intentional misstatements. Rather, this finding involves issues with classification and disclosure solely for year end financial statement purposes.

Management will evaluate and modify certain procedures and controls over the financial reporting process to reduce the possibility of future adjustments and reclassifications.

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Dave Yost • 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
SEPTEMBER 23, 2014**