

Sycamore Township
Hamilton, County

Ohio Auditor of State Cash Basis Regulatory Financial Statements

December 31, 2015 and 2014

"There's more in Sycamore"



Prepared by the Sycamore Township Fiscal Office

Rob Porter, Fiscal Officer

Debbie Campbell, Finance and Accounting Coordinator



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of Sycamore Township, Hamilton County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

May 2, 2017

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Sycamore Township

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Sycamore Township, Ohio, (the Township) as of and for the years ended December 31, 2015 and 2014.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Adverse 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 (GAAP), to satisfy these requirements.

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

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

Adverse 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, 2015 and 2014, or changes in financial position for the years then ended.

Opinion 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, 2015 and 2014, 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 January 26, 2017, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
January 26, 2017

**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, 2015**

	<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	\$ 311,754	\$ 4,649,762	\$ -	\$ -	\$ 4,961,516
JEDZ Collections	-	5,021,441	-	-	5,021,441
Charges for Services	21,572	664,506	-	-	686,078
Licenses, Permits, and Fees	276,994	-	-	-	276,994
Fines and Forfeitures	18,868	-	-	-	18,868
Payments in Lieu of Taxes	-	12,373,168	-	-	12,373,168
Intergovernmental	51,633	582,505	-	-	634,138
Special Assessments	-	-	-	46,754	46,754
Investment Income	97,717	68,736	-	-	166,453
Miscellaneous	374,886	71,855	-	-	446,741
	<u>1,153,424</u>	<u>23,431,973</u>	<u>-</u>	<u>46,754</u>	<u>24,632,151</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
General Government	1,284,832	-	-	-	1,284,832
Public Safety	-	5,833,921	-	-	5,833,921
Public Works	96,223	1,174,122	-	63,497	1,333,842
Health	42,266	-	-	-	42,266
Conservation - Recreation	286,673	-	-	-	286,673
Economic Development	-	56,000	-	-	56,000
JEDZ Disbursements	-	1,827,700	-	-	1,827,700
Other	-	7,732	1,375	-	9,107
Payments to Schools	-	5,865,439	-	-	5,865,439
Capital Outlay	-	6,808,566	-	-	6,808,566
Debt Service:					
Redemption of Principal	-	1,390,000	673,546	-	2,063,546
Interest and Other Fiscal Charges	-	747,464	163,182	18	910,664
	<u>1,709,994</u>	<u>23,710,944</u>	<u>838,103</u>	<u>63,515</u>	<u>26,322,556</u>
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	<u>(556,570)</u>	<u>(278,971)</u>	<u>(838,103)</u>	<u>(16,761)</u>	<u>(1,690,405)</u>
Other Financing Receipts / (Disbursements):					
Transfers-In	-	1,035,900	622,437	44,000	1,702,337
Transfers-Out	(1,295,624)	(406,713)	-	-	(1,702,337)
	<u>(1,295,624)</u>	<u>629,187</u>	<u>622,437</u>	<u>44,000</u>	<u>-</u>
Total Other Financing Receipts / (Disbursements)					
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	<u>(1,852,194)</u>	<u>350,216</u>	<u>(215,666)</u>	<u>27,239</u>	<u>(1,690,405)</u>
Fund Cash Balances, January 1	<u>3,371,235</u>	<u>24,511,233</u>	<u>448,464</u>	<u>2,075,531</u>	<u>30,406,463</u>
Fund Cash Balances, December 31:					
Restricted	-	24,861,449	232,798	2,004,426	27,098,673
Committed	-	-	-	98,344	98,344
Assigned	715,260	-	-	-	715,260
Unassigned	803,781	-	-	-	803,781
	<u>803,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>803,781</u>
Fund Cash Balances, December 31	<u>\$ 1,519,041</u>	<u>\$ 24,861,449</u>	<u>\$ 232,798</u>	<u>\$ 2,102,770</u>	<u>\$ 28,716,058</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, 2014**

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property and Other Local Taxes	\$ 312,680	\$ 4,737,571	\$ -	\$ -	\$ 5,050,251
JEDZ Collections	-	3,325,429	-	-	3,325,429
Charges for Services	10,975	646,366	-	-	657,341
Licenses, Permits, and Fees	279,528	-	-	-	279,528
Fines and Forfeitures	22,799	-	-	-	22,799
Payments in Lieu of Taxes	-	11,577,272	-	-	11,577,272
Intergovernmental	473,046	579,307	-	18,038	1,070,391
Special Assessments	-	-	-	47,141	47,141
Investment Income	125,673	56,713	-	-	182,386
Miscellaneous	374,642	75,421	-	-	450,063
Total Cash Receipts	<u>1,599,343</u>	<u>20,998,079</u>	<u>-</u>	<u>65,179</u>	<u>22,662,601</u>
Cash Disbursements:					
Current:					
General Government	1,589,862	-	-	-	1,589,862
Public Safety	-	5,242,015	-	-	5,242,015
Public Works	464,894	1,152,504	-	64,569	1,681,967
Health	41,036	-	-	-	41,036
Conservation - Recreation	279,357	-	-	-	279,357
Economic Development	-	10,000	-	-	10,000
JEDZ Disbursements	-	713,958	-	-	713,958
Other	-	7,662	1,374	-	9,036
Payments to Schools	-	4,887,458	-	-	4,887,458
Capital Outlay	-	5,741,357	-	18,038	5,759,395
Debt Service:					
Redemption of Principal	-	1,325,000	606,822	-	1,931,822
Interest and Other Fiscal Charges	-	798,954	186,828	-	985,782
Total Cash Disbursements	<u>2,375,149</u>	<u>19,878,908</u>	<u>795,024</u>	<u>82,607</u>	<u>23,131,688</u>
Total Receipts Over/(Under) Disbursements	<u>(775,806)</u>	<u>1,119,171</u>	<u>(795,024)</u>	<u>(17,428)</u>	<u>(469,087)</u>
Other Financing Receipts / (Disbursements):					
Proceeds from Sale of Bonds	-	3,250,000	-	-	3,250,000
Premium from Sale of Bonds	-	94,512	-	-	94,512
Transfers-In	-	490,600	795,024	22,000	1,307,624
Transfers-Out	(689,773)	(617,851)	-	-	(1,307,624)
Total Other Financing Receipts / (Disbursements)	<u>(689,773)</u>	<u>3,217,261</u>	<u>795,024</u>	<u>22,000</u>	<u>3,344,512</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	(1,465,579)	4,336,432	-	4,572	2,875,425
Fund Cash Balances, January 1	4,836,814	20,174,801	448,464	2,070,959	27,531,038
Fund Cash Balances, December 31:					
Restricted	-	24,511,233	448,464	1,977,169	26,936,866
Committed	-	-	-	98,362	98,362
Assigned	256,553	-	-	-	256,553
Unassigned	3,114,682	-	-	-	3,114,682
Fund Cash Balances, December 31	<u>\$ 3,371,235</u>	<u>\$ 24,511,233</u>	<u>\$ 448,464</u>	<u>\$ 2,075,531</u>	<u>\$ 30,406,463</u>

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, 2015 and 2014**

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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

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, 2015 and 2014**

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.

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

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, 2015 and 2014**

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 2015 and 2014 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, 2015 and 2014**

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.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014**

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:

	2015	2014
Demand Deposits	\$ 5,859,147	\$ 9,165,063
Certificates of Deposit	3,614,380	2,831,698
Total Deposits	9,473,527	11,996,761
U.S. Treasury Money Market Funds	1,224,824	639,629
U.S. Treasury Notes	89,953	85,066
Federal Home Loan Bank	6,738,200	8,220,658
Federal Home Loan Mortgage Corporation	4,479,894	1,935,641
Federal National Mortgage Association	2,849,647	2,464,547
Federal Farm Credit Bank	1,438,343	2,649,021
STAR Ohio	2,421,670	2,415,140
Total Investments	19,242,531	18,409,702
Total Deposits and Investments	\$28,716,058	\$30,406,463

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.

3. Compliance

Contrary to Ohio Law, budgetary expenditures exceeded appropriation authority in 2015 in the Kemper Road Debt Service Fund by \$215,667. In 2014, budgetary expenditures exceeded appropriation authority in the Sycamore Center TIF Fund, Kemper Road Debt Service Fund, and Lighting Assessment Fund by \$514,263, \$218,374 and \$24,499, respectively.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014**

4. Budgetary Activity

Budgetary activity for the years ended December 31, 2015 and 2014 was as follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,333,635	\$ 1,153,424	\$ (180,211)
Special Revenue	24,467,083	24,467,873	790
Debt Service	622,437	622,437	-
Capital Projects	90,754	90,754	-
Total	\$ 26,513,909	\$ 26,334,488	\$ (179,421)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 4,426,359	\$ 3,720,878	\$ 705,481
Special Revenue	38,135,212	30,447,458	7,687,754
Debt Service	622,435	838,103	(215,668)
Capital Projects	78,313	74,020	4,293
Total	\$ 43,262,319	\$ 35,080,459	\$ 8,181,860

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,000,000	\$ 1,599,343	\$ (1,400,657)
Special Revenue	15,399,998	24,833,191	9,433,193
Debt Service	870,000	795,024	(74,976)
Capital Projects	60,000	87,179	27,179
Total	\$ 19,329,998	\$ 27,314,737	\$ 7,984,739

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 6,101,064	\$ 3,321,475	\$ 2,779,589
Special Revenue	21,120,364	23,807,852	(2,687,488)
Debt Service	805,800	795,024	10,776
Capital Projects	40,070	82,607	(42,537)
Total	\$ 28,067,298	\$ 28,006,958	\$ 60,340

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014**

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.

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, 2015 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Kemper Gold Coast Tax Increment Bonds	\$ 1,310,000	6.00%
2007 Sycamore Square G.O. Bonds	6,240,000	4.00% - 5.00%
2007 Kenwood G.O. Bonds	1,890,000	3.50% - 4.00%
2009 Various Purpose G.O. Bonds	4,235,000	3.00% - 4.875%
2009 Ohio Public Works Commission Loan	661,744	1.50%
2010 Various Purpose G.O. Bonds	1,815,000	3.00% - 4.625%
2014 Various Purpose G.O. Bonds	3,245,000	1.00% - 4.00%
Total	<u>\$ 19,396,744</u>	

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

The 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.

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.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014**

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.

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

Amortization of debt at December 31, 2015, including interest, is scheduled as follows:

Year ending December 31:	Kemper Gold Coast Tax Increment Bonds	Sycamore Square General Obligation Bonds	Kenwood Mall General Obligation Bonds	2009 Various Purpose General Obligation Bonds
2016	\$ 188,600	\$ 470,488	\$ 678,300	\$ 805,088
2017	187,000	468,475	680,612	803,038
2018	190,100	471,250	681,200	800,287
2019	192,600	472,250	-	288,487
2020	194,500	472,750	-	290,625
2021-2025	785,000	2,358,750	-	1,455,125
2026-2030	-	2,347,963	-	872,850
2031-2035	-	2,346,662	-	-
2036-2040	-	941,250	-	-
2041-2045	-	-	-	-
Total	<u>\$ 1,737,800</u>	<u>\$ 10,349,838</u>	<u>\$ 2,040,112</u>	<u>\$ 5,315,500</u>

Year ending December 31:	OPWC Loan	2010 Various Purpose General Obligation Bonds	2014 Various Purpose General Obligation Bonds	Total
2016	\$ 37,499	\$ 168,850	\$ 117,100	\$ 2,465,925
2017	74,998	166,000	192,050	2,572,173
2018	74,998	168,150	190,850	2,576,835
2019	74,998	164,900	189,650	1,382,885
2020	74,998	166,400	193,450	1,392,723
2021-2025	374,994	831,513	958,375	6,763,757
2026-2030	-	833,000	965,025	5,018,838
2031-2035	-	-	950,825	3,297,487
2036-2040	-	-	962,825	1,904,075
2041-2045	-	-	575,688	575,688
Total	<u>\$ 712,485</u>	<u>\$ 2,498,813</u>	<u>\$ 5,295,838</u>	<u>\$ 27,950,386</u>

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014**

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 2014, OP&F participants contributed 10.75% of their wages from January 1, 2014 to June 30, 2014 and 11.50% of their wages from July 2, 2014 to December 31, 2014. For 2015, OP&F participants contributed 11.50% of their wages from January 1, 2015 to June 30, 2015 and 12.25% of their wages from July 2, 2015 to December 31, 2015. The Township contributed to OP&F 24% of full-time fire fighters' wages throughout 2015. For 2015, 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, 2015.

8. Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

9. Risk Management – Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

During 2015 and 2014, there were no significant changes in coverage nor were there any losses that exceeded insurance coverage limits.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014**

10. Interfund Activity

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

Transfer activity for 2014 is summarized as follows:

	2014	
	Transfers In	Transfers Out
General Fund	\$ -	\$ 689,773
Road and Bridge Special Revenue Fund	220,000	-
Permissive Motor Vehicle License Tax Fund	85,000	-
Lighting Assessment Fund	22,000	-
Kenwood Road TIF Special Revenue Fund	-	432,251
Kemper Deerfield Special Revenue Fund	185,600	-
Kemper Gold Coast Special Revenue Fund	-	185,600
Kemper Road Bond Retirement Debt Service Fund	432,251	-
General Obligation Debt Service Fund	362,773	-
	\$ 1,307,624	\$ 1,307,624

The General fund transferred out \$362,773 to the General Obligation Debt Service Fund to make required debt service payments, \$220,000 to the Road and Bridge Special Revenue Fund, \$85,000 to the Permissive Motor Vehicle License Tax Fund and \$22,000 to the Lighting Assessment Fund to provide funds for operating expenses.

The Kenwood Road TIF Special Revenue Fund transferred out \$432,251 to the Kemper Road Bond Retirement Debt Service Fund to make required debt service payments.

The Kemper Gold Coast Special Revenue Fund transferred out \$185,600 to the Kemper Deerfield Special Revenue Fund to make required debt service payments.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014**

Transfer activity for 2015 is summarized as follows:

2015	Transfers In	Transfers Out
General Fund	\$ -	\$ 1,295,624
Road and Bridge Special Revenue Fund	350,000	-
Permissive Motor Vehicle License Tax Fund	145,000	-
Lighting Assessment Fund	44,000	-
Police Fund	351,000	-
Kenwood Road TIF Special Revenue Fund	-	216,813
Kemper Deerfield Special Revenue Fund	189,900	-
Kemper Gold Coast Special Revenue Fund	-	189,900
Kemper Road Bond Retirement Debt Service Fund	216,813	-
General Obligation Debt Service Fund	405,624	-
	<u>\$ 1,702,337</u>	<u>\$ 1,702,337</u>

The General fund transferred out \$405,624 to the General Obligation Debt Service Fund to make required debt service payments, \$350,000 to the Road and Bridge Special Revenue Fund, \$145,000 to the Permissive Motor Vehicle License Tax Fund, \$44,000 to the Lighting Assessment Fund and \$351,000 to the Police Fund to provide funds for operating expenses.

The Kenwood Road TIF Special Revenue Fund transferred out \$216,813 to the Kemper Road Bond Retirement Debt Service Fund to make required debt service payments.

The Kemper Gold Coast Special Revenue Fund transferred out \$189,900 to the Kemper Deerfield Special Revenue Fund to make required debt service payments.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014**

11. Joint Economic Development Zones

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

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

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

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

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

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

12. Community Improvement Corporation

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

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

During 2015 and 2014, the Township made contributions to the CIC totaling \$56,000 and \$10,000, respectively. The contributions have been reported in the Township's financial statements as economic development cash disbursements.

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014**

13. Fund Balance

Fund balance is classified based on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. Fund balance was classified as follows at December 31:

	2014				
	General	Special Revenue	Debt Service	Capital Projects	Total
Fund Balances					
Restricted					
Roads and Bridges	\$ -	\$ 173,295	\$ -	\$ -	\$ 173,295
Street Lighting	-	-	-	5,884	5,884
Public Safety	-	1,609,965	-	-	1,609,965
Purposes of TIF Agreement	-	20,126,502	-	-	20,126,502
Capital Projects	-	-	-	1,971,285	1,971,285
Debt Service	-	-	448,464	-	448,464
Economic Development	-	2,601,471	-	-	2,601,471
Total Restricted	<u>-</u>	<u>24,511,233</u>	<u>448,464</u>	<u>1,977,169</u>	<u>26,936,866</u>
Committed					
Conservation-Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,362</u>	<u>98,362</u>
Assigned					
Purchase Commitments	<u>256,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,553</u>
Unassigned (Deficit)	<u>3,114,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,114,682</u>
Total Fund Balances	<u>\$3,371,235</u>	<u>\$24,511,233</u>	<u>\$ 448,464</u>	<u>\$ 2,075,531</u>	<u>\$30,406,463</u>

	2015				
	General	Special Revenue	Debt Service	Capital Projects	Total
Fund Balances					
Restricted					
Roads and Bridges	\$ -	\$ 292,872	\$ -	\$ -	\$ 292,872
Street Lighting	-	-	-	33,141	33,141
Public Safety	-	1,223,314	-	-	1,223,314
Purposes of TIF Agreement	-	17,606,051	-	-	17,606,051
Capital Projects	-	-	-	1,971,285	1,971,285
Debt Service	-	-	232,798	-	232,798
Economic Development	-	5,739,212	-	-	5,739,212
Total Restricted	<u>-</u>	<u>24,861,449</u>	<u>232,798</u>	<u>2,004,426</u>	<u>27,098,673</u>
Committed					
Conservation-Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,344</u>	<u>98,344</u>
Assigned					
Purchase Commitments	<u>715,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>715,260</u>
Unassigned (Deficit)	<u>803,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>803,781</u>
Total Fund Balances	<u>\$1,519,041</u>	<u>\$24,861,449</u>	<u>\$ 232,798</u>	<u>\$ 2,102,770</u>	<u>\$28,716,058</u>

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014**

14. Contingent Liabilities

The Township is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

**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, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated January 26, 2017 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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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*.

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.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
January 26, 2017



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
MAY 16, 2017**