

SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2021

SYCAMORE TOWNSHIP
HAMILTON COUNTY

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Bastin & Company, LLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Sycamore Township
Hamilton County
8540 Kenwood Road
Cincinnati, Ohio 45236

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Sycamore Township, Hamilton County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental type as of and for the year ended December 31, 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements 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, 2021, or the changes in financial position thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matters

As discussed in Note 15 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Township's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted to opine on the financial statements as a whole.

The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule is the responsibility of management and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's 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.

Bastin & Company, L L C

Williamsburg, Ohio
July 13, 2022

Sycamore Township
Hamilton County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 378,326	\$ 4,944,005	\$ -	\$ -	\$ 5,322,331
JEDZ Collections	-	6,415,566	-	-	6,415,566
Charges for Services	55,409	642,451	-	-	697,860
Licenses, Permits, and Fees	387,912	60,324	-	-	448,236
Fines and Forfeitures	7,143	46,975	-	-	54,118
Payments in Lieu of Taxes	-	15,616,642	-	-	15,616,642
Intergovernmental	456,289	2,713,396	-	3,525,651	6,695,336
Special Assessments	-	-	-	68,635	68,635
Investment Income	(162,483)	3,382	-	-	(159,101)
Miscellaneous	501,274	201,648	-	8,000	710,922
<i>Total Cash Receipts</i>	<u>1,623,870</u>	<u>30,644,389</u>	<u>-</u>	<u>3,602,286</u>	<u>35,870,545</u>
Cash Disbursements					
Current:					
General Government	2,052,766	1,484,024	-	-	3,536,790
Public Safety	-	9,532,783	-	-	9,532,783
Public Works	-	2,540,545	-	65,369	2,605,914
Conservation - Recreation	37,829	-	-	-	37,829
Economic Development	100,000	-	-	-	100,000
Payments to Schools	-	8,982,168	-	-	8,982,168
Capital Outlay	-	5,418,874	-	2,139,649	7,558,523
Debt Service:					
Principal Retirement	-	990,000	304,400	4,275,000	5,569,400
Interest and Other Fiscal Charges	-	314,477	82,298	78,338	475,113
<i>Total Cash Disbursements</i>	<u>2,190,595</u>	<u>29,262,871</u>	<u>386,698</u>	<u>6,558,356</u>	<u>38,398,520</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(566,725)</u>	<u>1,381,518</u>	<u>(386,698)</u>	<u>(2,956,070)</u>	<u>(2,527,975)</u>
Other Financing Receipts (Disbursements):					
Proceeds From Note	-	-	-	4,275,000	4,275,000
Discount On Note	-	-	-	(5,793)	(5,793)
Transfers-In	-	697,227	386,698	1,072,240	2,156,165
Transfers-Out	(386,698)	(1,769,467)	-	-	(2,156,165)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(386,698)</u>	<u>(1,072,240)</u>	<u>386,698</u>	<u>5,341,447</u>	<u>4,269,207</u>
<i>Net Change in Fund Cash Balances</i>	<u>(953,423)</u>	<u>309,278</u>	<u>-</u>	<u>2,385,377</u>	<u>1,741,232</u>
<i>Fund Cash Balances, January 1</i>	<u>2,204,627</u>	<u>40,973,488</u>	<u>232,797</u>	<u>2,186,458</u>	<u>45,597,370</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,251,204</u>	<u>\$ 41,282,766</u>	<u>\$ 232,797</u>	<u>\$ 4,571,835</u>	<u>\$ 47,338,602</u>

See accompanying notes to the basic financial statements

Sycamore Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

1. Reporting 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.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, organized on a fund type basis.

Fund Accounting

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

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

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

Police Fund The Police 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 The Fire Fund accounts 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 and throughout the Township.

Sycamore Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant 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.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The 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.

Road Improvement Bond Capital Project Fund This fund is used to account for road improvements within the Township.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). 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 (C) permit.

Budgetary Process

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

Appropriations – Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year-end.

Sycamore Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 approve estimated resources.

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 re-appropriated.

A summary of 2021 budgetary activity appears in Note 3.

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. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values U.S. Government securities at fair market value. Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

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

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

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

Committed – 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
Notes to the Financial Statements
For the Year Ended December 31, 2021

Assigned – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the General Fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

3. Budgetary Activity

Budgetary activity for the year ended December 31, 2021 was as follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,605,658	\$ 1,623,870	\$ 18,212
Special Revenue	28,042,214	31,341,616	3,299,402
Debt Service	386,698	386,698	-
Capital Projects	6,165,788	8,949,526	2,783,738
Total	\$ 36,200,358	\$ 42,301,710	\$ 6,101,352

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,252,065	\$ 2,584,010	\$ 668,055
Special Revenue	38,273,157	32,849,498	5,423,659
Debt Service	386,698	386,698	-
Capital Projects	11,512,376	11,224,404	287,972
Total	\$ 53,424,296	\$ 47,044,610	\$ 6,379,686

Sycamore Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

4. Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts at December 31, 2021 are as follows:

Cash Management Pool	2021
Demand Deposits	\$ 7,132,066
Certificates of Deposit	15,802,035
Total Deposits	22,934,101
U.S. Treasury Money Market Funds	2,534,660
U.S. Government Securities	19,243,394
STAR Ohio	2,626,447
Total Investments	24,404,501
Total Deposits and Investments	\$ 47,338,602

Deposits

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

Investments

The Federal Reserve holds the Township's U.S. Government securities in book-entry form 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.

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.

Sycamore Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

6. Debt

Outstanding Debt

Debt outstanding at December 31, 2021 was as follows:

	Principal	Interest Rate
2009 Ohio Public Works Commission Loan	\$ 290,119	1.50%
2014 Various Purpose G.O. Bonds	2,830,000	1.00% - 4.00%
2016 Refunding G.O. Bonds	6,650,000	2.00% - 4.00%
2021 Road Improvement Note	4,275,000	0.20%
Total	\$ 14,045,119	

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 16 years.

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.

On June 22, 2016, the Township issued series 2016 Refunding G.O. Bonds of \$8,810,000 (par value) at varying coupon rates between 2.00% - 4.00% and an all-inclusive-true-interest-cost rate of 2.791% to advance refund previously issued bonds outstanding.

The 2021 Road Improvement Note was issued on May 4, 2021 at 0.20% and is due on May 3, 2022. The note was issued to finance road improvements within the Township and is collateralized by the Township's taxing authority.

Amortization of debt at December 31, 2021, including interest, is scheduled as follows:

Year ending December 31:	OPWC Loan	2014 Various Purpose General Obligation Bonds	2016 General Obligation Refunding Bonds	2021 Road Improvement Note	Total
2022	\$ 74,998	\$ 190,050	\$ 692,700	\$ 4,283,526	\$ 5,241,274
2023	74,998	192,925	684,900	-	952,823
2024	74,998	190,675	686,700	-	952,373
2025	74,998	192,975	692,700	-	960,673
2026	-	190,125	687,700	-	877,825
2027-2031	-	968,825	2,611,300	-	3,580,125
2032-2036	-	950,625	2,053,000	-	3,003,625
2037-2041	-	959,163	412,500	-	1,371,663
2042-2043	-	385,625	-	-	385,625
Total	\$ 299,993	\$ 4,220,988	\$ 8,521,500	\$ 4,283,526	\$ 17,326,007

Sycamore Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

7. Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Township's employees, other than certified full-time fire fighters, belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS *Local* members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries while OPERS *Public Safety* members contributed 12% of their gross salaries and the Township contributed an amount equaling 18.10% of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

Ohio Police and Fire Retirement System

The Township's certified full-time fire fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. The Township's certified full-time fire fighters contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of certified full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2021.

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. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Sycamore Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 2021, there were no significant changes in coverage nor were there any losses that exceeded insurance coverage limits.

10. Interfund Activity

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

Transfer activity for 2021 is summarized as follows:

	2021	
	Transfers In	Transfers Out
General Fund	\$ -	\$ 386,698
Road and Bridge Special Revenue Fund	-	1,072,240
Kemper Gold Coast Special Revenue Fund	-	697,227
Kemper Deerfield Special Revenue Fund	697,227	-
General Obligation Debt Service Fund	386,698	-
Larchview Drive Improvements Capital Projects Fund	1,072,240	-
	\$ 2,156,165	\$ 2,156,165

The General fund transferred out \$386,698 to the General Obligation Debt Service Fund to make required debt service payments. The Kemper Gold Coast Special Revenue Fund transferred out \$697,227 to the Kemper Deerfield Special Revenue Fund to make required debt service payments. The Road and Bridge Special Revenue Fund transferred \$1,072,240 to the Larchview Drive Improvements Capital Projects Fund for funding of a roadway project.

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.

Sycamore Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 Township as a whole.

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 or monthly to the Township, per the contract with that entity.

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 2021, the Township made contributions to the CIC totaling \$100,000. The contributions have been reported in the Township's financial statements as economic development cash disbursements.

Sycamore Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

13. Fund Balance

Included in fund balance are amounts the Township cannot spend. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At December 31, the balances of these amounts were as follows:

Fund Balances	2021				Total
	General	Special Revenue	Debt Service	Capital Projects	
Outstanding Encumbrances	\$ 6,717	\$ 1,817,160	\$ -	\$ 4,660,255	\$ 6,484,132

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, debt service and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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.

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

15. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency continues. During 2021, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

16. Subsequent Event

The 2021 Road Improvement Note due on May 3, 2022 was refunded with available resources of the Township and additional proceeds from issuing Public Infrastructure Tax Increment Revenue Notes, Series 2022 in the amount of \$4,175,000. The 2022 Notes carries an interest rate of 4.75% and mature in varying amounts through December 1, 2015.

SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor/ Pass-through Grantor/ Program/Cluster Title	Assistance Listing Number	Direct Grant or Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U. S. Department of Transportation</u>				
<i>Federal Highway Administration - Highway Planning and Construction Cluster</i>				
<i>Programs Passed Through Ohio Department of Transportation (ODOT)</i>				
Highway Planning and Construction	20.205			
Highway Planning and Construction - Sycamore Road		PID 98764	\$ -	\$ 427,518
Total Assistance Listing Number 20.205			<u>-</u>	<u>427,518</u>
U.S. Department of Transportation Total			<u>-</u>	<u>427,518</u>
<u>U. S. Department of the Treasury</u>				
<i>Office of Management and Budget</i>				
<i>Program Passed Through Ohio Office of Budget and Management</i>				
COVID-19 - Coronavirus Relief Fund	21.019	2021		
Local Government Assistance Program			-	330,464
Total Assistance Listing Number 21.019			<u>-</u>	<u>330,464</u>
U.S. Department of the Treasury Total			<u>-</u>	<u>330,464</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 757,982</u>

See accompanying notes to schedule

Sycamore Township
Hamilton County

Notes To The Schedule Of Expenditures Of Federal Awards
2 CFR 200.510(B)(6)
For The Year Ended December 31, 2021

Note A – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Sycamore Township Hamilton County, (Township) under programs of the federal government for the year ended December 31, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a select portion of the operations of the Township, it is not intended to and does not present the financial position or changes in net position or fund balance of the Township.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Township elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note C – Matching Requirements

Certain Federal programs require Township to contribute non-federal funds (matching funds) to support the federally-funded programs. The Township has met its matching requirements. The Schedule does not include the expenditure of non-federal matching funds.

Bastin & Company, LLC

Certified Public Accountants

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

Sycamore Township
Hamilton County
8540 Kenwood Road
Cincinnati, Ohio 45236

To the Board of Trustees:

We have audited, 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, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2021 and the related notes to the financial statements of Sycamore Township, Hamilton County, (the Township) and have issued our report thereon dated July 13, 2022, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit and we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes 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 Township'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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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 Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bastin & Company, L L C

Williamsburg, Ohio
July 13, 2022

Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Sycamore Township
Hamilton County
8540 Kenwood Road
Cincinnati, Ohio 45236

To the Board of Trustees:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Sycamore Township's (the Township) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect Sycamore Township's major federal program for the year ended December 31, 2021. Sycamore Township's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Sycamore Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Township's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Township's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bastin & Company, L L C

Williamsburg, Ohio
July 13, 2022

**SYCAMORE TOWNSHIP
HAMILTON COUNTY, OHIO
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021**

SUMMARY OF AUDITOR'S RESULTS

Type of financial statement opinion	Unmodified
Were there any material control weaknesses reported at the financial statement level?	No
Were there any other significant deficiencies in internal control reported at the financial statement level?	No
Was there any reported material noncompliance reported at the financial statement level?	No
Were there any material internal control weaknesses reported for major federal programs?	No
Were there any other significant deficiencies in internal control reported for major federal programs?	No
Type of major programs' compliance opinion	Unmodified
Are there any reportable findings?	No
Major programs:	Assistance Listing #21.019 Coronavirus Relief Fund
Dollar threshold to distinguish between Type A/B programs	Type A: >\$750,000 Type B: all others
Low risk auditee?	Yes

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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None

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None