



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**VILLAGE OF SYCAMORE
WYANDOT COUNTY**

**REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2024 - 2023**



65 East State Street
Columbus, Ohio 43215
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800-282-0370

Village Council
Village of Sycamore
PO Box 279
Sycamore, OH 44882

We have reviewed the *Independent Auditor's Report* of the Village of Sycamore, Wyandot County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2023 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

January 30, 2026

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VILLAGE OF SYCAMORE
WYANDOT COUNTY

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INDEPENDENT AUDITOR'S REPORT

Village of Sycamore
Wyandot County
P.O. Box 279
Sycamore, Ohio 44882

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Sycamore, Wyandot County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2024 and 2023, 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 and proprietary fund type as of and for the years ended December 31, 2024 and 2023, 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 Village, as of December 31, 2024 and 2023, or the changes in financial position or, where applicable, cash flows thereof for the years 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 Village, 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 the Village 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.

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 Village'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 *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 Village'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 Village'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025, on our consideration of the Village'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 Village'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 Village's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C.".

Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

September 30, 2025

**VILLAGE OF SYCAMORE
WYANDOT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$ 84,860	\$ -	\$ -	\$ 84,860
Municipal Income Tax	227,889	-	-	227,889
Intergovernmental	27,547	117,011	-	144,558
Charges for Services	7,002	7,053	25,130	39,185
Licenses, Permits and Fees	80	-	-	80
Earnings on Investments	2,230	612	-	2,842
Miscellaneous	4,140	3,973	-	8,113
<i>Total Cash Receipts</i>	<u>353,748</u>	<u>128,649</u>	<u>25,130</u>	<u>507,527</u>
Cash Disbursements				
Current:				
Security of Persons and Property	35,580	562,885	-	598,465
Public Health Services	1,414	-	-	1,414
Leisure Time Activities	8,384	-	-	8,384
Community Environment	-	-	2,304	2,304
Basic Utility Services	-	-	26,230	26,230
Transportation	-	59,067	-	59,067
General Government	155,561	-	-	155,561
Capital Outlay	-	92,378	-	92,378
Debt Service:				
Principal Retirement	-	-	11,813	11,813
Interest and Fiscal Charges	-	-	151	151
<i>Total Cash Disbursements</i>	<u>200,939</u>	<u>714,330</u>	<u>40,498</u>	<u>955,767</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>152,809</u>	<u>(585,681)</u>	<u>(15,368)</u>	<u>(448,240)</u>
Other Financing Receipts (Disbursements)				
Transfers In	3,350	45,578	34,183	83,111
Transfers Out	(79,761)	-	-	(79,761)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(76,411)</u>	<u>45,578</u>	<u>34,183</u>	<u>3,350</u>
<i>Net Change in Fund Cash Balances</i>	<u>76,398</u>	<u>(540,103)</u>	<u>18,815</u>	<u>(444,890)</u>
<i>Fund Cash Balances, January 1</i>	<u>632,439</u>	<u>768,095</u>	<u>194,160</u>	<u>1,594,694</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 708,837</u>	<u>\$ 227,992</u>	<u>\$ 212,975</u>	<u>\$ 1,149,804</u>

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

**VILLAGE OF SYCAMORE
WYANDOT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$ 2,240,411
<i>Total Operating Cash Receipts</i>	<u>2,240,411</u>
Operating Cash Disbursements	
Personal Services	231,855
Employee Fringe Benefits	91,036
Contractual Services	1,312,660
Supplies and Materials	148,224
Other	<u>1,534</u>
<i>Total Operating Cash Disbursements</i>	<u>1,785,309</u>
<i>Operating Income (Loss)</i>	<u>455,102</u>
Non-Operating Receipts (Disbursements)	
Sale of Notes	680,000
Premium and Accrued Interest on Debt	6,650
Capital Outlay	(66,470)
Principal Retirement	(800,299)
Interest and Other Fiscal Charges	<u>(97,411)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(277,530)</u>
<i>Income (Loss) before Transfers</i>	177,572
Transfers In	6,000
Transfers Out	<u>(9,350)</u>
<i>Net Change in Fund Cash Balances</i>	174,222
<i>Fund Cash Balances, January 1</i>	<u>1,446,515</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 1,620,737</u></u>

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

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The Village of Sycamore (the Village), Wyandot County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities and park operations. The Village contracts with the Wyandot County Sheriff's department to provide security of persons and property.

Public Entity Risk Pool

The Village participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) for all proprietary fund types, which are all organized on a fund type basis.

Fund Accounting

The Village 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 Village 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 Village 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 Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

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 Village had the following significant capital project funds:

Storm Sewer Fund The storm sewer fund receives charges for services funding to construct storm sewer drains.

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Operating Fund The water operating fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Electric Operating Fund The electric operating fund accounts for the provision of electric treatment and distribution to the residents and commercial users within the Village.

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 Board 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 Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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 Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated. The Village did not encumber all commitments required by Ohio law.

A summary of 2024 budgetary activity appears in Note 3.

Deposits and Investments

The Village'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.

Capital Assets

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

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

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 Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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 Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends 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.

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 Village 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 16.

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 396,000	\$ 357,098	\$ (38,902)
Special Revenue	158,205	174,227	16,022
Capital Projects	58,500	59,313	813
Enterprise	2,469,000	2,933,061	464,061
Total	<u>\$ 3,081,705</u>	<u>\$ 3,523,699</u>	<u>\$ 441,994</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 931,341	\$ 281,038	\$ 650,303
Special Revenue	791,505	714,547	76,958
Capital Projects	58,832	40,615	18,217
Enterprise	3,191,964	2,760,173	431,791
Total	<u>\$ 4,973,642</u>	<u>\$ 3,796,373</u>	<u>\$ 1,177,269</u>

Note 4 – Deposits

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

	2024
Demand deposits	<u>\$ 2,770,291</u>
Total deposits	<u>2,770,291</u>
Cash on Hand	<u>250</u>
Total	<u>\$ 2,770,541</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the Village is holding \$6,833 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; 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.

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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 Village.

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

Income Taxes

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 – Risk Management

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of actuarially-measured liabilities and the assets available to pay those liabilities as of December 31:

	2024
Cash and investments	\$ 48,150,572
Actuarial liabilities	\$ 22,652,556

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Village employees 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

Social Security

Several Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 9 – Debt

Debt outstanding at December 31, 2024, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2012 Sanitary Sewer System Revenue Bonds	\$ 705,000	2.85%
Ohio Public Works Commission #CT65F	8,535	0.00%
2014 USDA Rural Development Loan	793,200	2.50%
AMP Electrical Bond	680,000	4.25%
Ohio Water Development Authority #10231	283,511	0.00%
Total	<u>\$2,470,246</u>	

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 – Debt (Continued)

During 1994, through an agreement with the United States Department of Agriculture, the Village issued bonds for sanitary sewer system repairs. The bond was due in annual installments of varying amounts through 2034, bearing interest at 5.25%. During 2012, the Village refinanced these bonds in the amount of \$1,415,000 and will be repaid in annual installments over 20 years. The final payment will be due December 1, 2032. The bond issued is held by BNY Mellon. The debt is backed by the full faith and credit of the Village, and revenues from utilities are used to retire the bond. The Village has set utility rates sufficient to cover the revenue bond requirements.

As required by the Sewer System Bond covenant, the Village has established and funded a Sewer Revenue Bond and Interest Reserve Fund, included as enterprise funds. From the proceeds of the bonds, \$60,000 was transferred into this fund as required. There also shall be set aside and deposited in the Reserve Fund, the sum of \$850 each month until there is accumulated in such fund the sum of \$97,000 (the minimum reserve). The balance in the fund as of December 31, 2024, was \$70,200. The Village also established the required Sinking Fund, but it had no activity during 2024.

During 2004, the Village entered into a loan agreement with the Ohio Water Development Authority (OWDA #4043) for storm sewer improvements. The original amount of the loan was \$183,388. The loan will be repaid in semiannual installments of \$7,721, over 20 years. Payments on the outstanding balance began in 2004 and the final installment was due January 1, 2024. The Village has set utility rates sufficient to cover the loan requirements. This loan was paid off in 2024.

During 2006, the Village entered into a loan agreement with the Ohio Public Works Commission (OPWC #CT65F) for storm sewer improvements. The original amount of the loan was \$85,345. The loan will be repaid in semiannual installments of \$2,134 over 20 years. Payments on the outstanding balance began in 2007 and the final installment will be due July 1, 2026. The Village has set utility rates sufficient to cover the loan requirements.

During 2014, the Village entered into a loan agreement with the United States Department of Agriculture (USDA) to retire OWDA Loan #6493 obtained for the new water treatment plant. The loan in the amount of \$1,415,000 and will be repaid in annual installments over 20 years. The final payment will be due December 1, 2032. The Village has set utility rates sufficient to cover the loan requirements.

As required by the debt covenant, the Village established the Water Revenue Bond and Interest Sinking Fund and Water Reserve Interest Sinking Fund, included as enterprise funds. The balance in the Water Revenue Bond and Interest Sinking Fund as of December 31, 2024, was \$12,021. The Village established the Water Reserve Interest Sinking Fund, but it had no activity during 2024.

During 2022, the Village entered into a lease/purchase agreement with First State Bank to purchase a Sutphen Pumper Fire Truck. The lease/purchase was to be paid in annual installments of \$30,828, over 12 years, and payments were to be made from the Fire Fund. The Village amount outstanding at December 31, 2023 was \$259,180. On January 1, 2024, the Village of Sycamore Fire and EMS voted to separate and form as a Fire District, the Mohawk Fire and Rescue District. Therefore, the loan has come off in 2024 and is no longer a part of the Village's outstanding debt.

During 2023, the Village entered into a loan agreement with the Ohio Water Development Authority (OWDA #10231) for SR 67 Pump Station #2 improvements. The original amount of the loan was \$283,511. The loan will be repaid in semiannual installments of \$4,725, over 30 years. Payments on the outstanding balance will begin in January 2025 and the final installment will be due July 1, 2054.

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 – Debt (Continued)

During 2024, the Village issued bond anticipation notes to repay the \$700,000 2023 BAN and issue a new \$680,000 2024 BAN for the purpose of upgrading the Village's municipal electric system by reconductoring existing lines, installing new switches, and reconfiguring feeders. The Village participated in the American Municipal Power, Inc. "On behalf of" Financing Program and the Ohio Treasurer of State's Ohio Market Access Program (OMAP) to obtain financing at an interest rate of 4.25 percent. The Note has a maturity date of October 23, 2025. The Note can be rolled over annually for 20 years. Monies collected as revenues of the electric system will be used to finance these payments.

Amortization

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

Year Ending December 31:	OWDA #10231	AMP Electrical Bond	Sewer Bonds	OPWC #CT65F	USDA Rural Development
2025	\$ 9,450	\$ 708,900	\$ 97,848	\$ 4,267	\$ 50,830
2026	9,450	-	100,083	4,268	50,955
2027	9,450	-	97,120	-	50,858
2028	9,450	-	99,157	-	50,843
2029	9,450	-	100,998	-	50,908
2030-2034	47,252	-	347,650	-	254,445
2035-2039	47,252	-	-	-	254,378
2040-2044	47,252	-	-	-	254,420
2045-2049	47,252	-	-	-	-
2050-2054	47,253	-	-	-	-
Total	<u>\$ 283,511</u>	<u>\$ 708,900</u>	<u>\$ 842,856</u>	<u>\$ 8,535</u>	<u>\$ 1,017,637</u>

Note 10 – AMPGS (81 MEMBERS)

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's share was 300 kilowatts of a total 771,281 kilowatts, giving the Village a 0.04 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed impaired, and participants were obligated to pay costs already incurred. In prior years, payment of these costs was not made due to AMP's pursuit of legal action to void them. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014, and the AMPGS participants on April 16, 2014, approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share at March 31, 2014, of the impaired costs is \$52,401. The Village received a credit of \$13,567 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost estimate of \$38,834. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the Village's payments. The Village will begin making payments to AMP in 2015. During 2014, the Village made no payments to AMP toward its net impaired cost estimate. The net impaired cost estimate as of December 31, 2024, was \$13,665.

The Village intends to recover these costs and repay AMP over the next 5 years through a power cost adjustment.

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 11 – Combined Hydroelectric Projects (79 Members)

AMP owns and operates three hydroelectric projects, the Cannelton, the Smithland and the Willow Island hydroelectric generating facilities (the Combined Hydroelectric Projects), all on the Ohio River, with an aggregate generating capacity of approximately 208 MW. Each of the Combined Hydroelectric Projects is in commercial operation and consists of run-of-the-river hydroelectric generating facilities on existing Army Corps dams and includes associated transmission facilities. AMP holds the licenses from FERC for the Combined Hydroelectric Projects. The Village has executed a take-or-pay power sales contract with AMP for a project Share of 200 kW or 0.10% of capacity and associated energy from hydro facilities. To provide financing for, or refinance certain obligations incurred in respect of, the Combined Hydroelectric Projects, AMP has issued eight series of its Combined Hydroelectric Projects Revenue Bonds (the Combined Hydroelectric Bonds), in an original aggregate principal amount of \$2,354,485,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of December 31, 2024, \$1,997,499,412 aggregate principal amount of the Combined Hydroelectric Bonds were outstanding under the indenture securing the Combined Hydroelectric Bonds. In August 2017, AMP filed lawsuit against Voith Hydro, Inc. (Voith), the supplier of major powerhouse equipment, including the turbines and generators for the Combined Hydroelectric Projects and the Meldahl Project (as hereinafter defined). In the lawsuit, AMP alleges, among other things, that Voith failed to deliver equipment on a timely basis and that certain equipment delivered was materially defective, causing significant delays. AMP has alleged proven damages of at least \$40 million. On October 16, 2017, Voith filed its answer, denying each of AMP's claims, and asserting two counterclaims seeking the payment of amounts it claims are due under the contract, amounts currently held by AMP as purported liquidated damages and \$40 million in damages, plus interest and legal fees. On December 1, 2017, AMP filed its answer to the Voith counterclaims, denying all liability to Voith.

On February 1, 2023, AMP and Voith executed a Settlement Agreement and Mutual Release resolving all claims between the parties, and the Court dismissed the case with prejudice. Pursuant to the terms of the Settlement Agreement and Mutual Release: Voith will provide to AMP, at Voith's cost, certain equipment, parts, and services; AMP will make payments to Voith totaling \$25 million; and the future purchase and sale of goods and services for the Projects will be governed by agreed-upon terms and conditions.

Resolution of the claims pursuant to the Settlement Agreement and Mutual Release will not result in an impact that is material to the financial condition of AMP, the Projects, or the Participants in either of the Projects.

Note 12 – Greenup Hydroelectric Project (47 Members)

In connection with the development of the Meldahl Project, Hamilton agreed to sell and AMP agreed to purchase a 48.6% undivided ownership interest (the AMP Interest) in the Greenup Hydroelectric Facility. On May 11, 2016, AMP issued \$125,630,000 aggregate principal amount of its Greenup Hydroelectric Project Revenue Bonds, Series 2016A (the 2016 Greenup Bonds) and, with a portion of the proceeds thereof, acquired the AMP Interest. The 2016 Greenup Bonds are secured by a separate power sales contract that has been executed by the same Members (except for Hamilton, which retained title to a 51.4% ownership interest in the Greenup Hydroelectric Facility) that executed the Meldahl Power Sales Contract. As of December 30, 2024, \$114,8000,000 aggregate principal amount of the 2016 Greenup Bonds were outstanding under the indenture securing the 2016 Greenup Bonds. The Village has executed a take-or-pay power sales contract with AMP for a Project Share of 20kW or 0.06% of capacity and associated energy from the Greenup hydro facilities.

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 13 – Meldahl Hydroelectric Project (48 Members)

AMP owns and, together with the City of Hamilton, Ohio, an AMP Member, developed and constructed a 108.8 MW, three-unit hydroelectric generation facility on the Captain Anthony Meldahl Locks and Dam, an existing Army Corps dam on the Ohio River, and related equipment and associated transmission facilities (the Meldahl Project). The Meldahl Project is operated by the City of Hamilton. To finance the construction of the Meldahl Project and related costs, AMP issued seven series of its Meldahl Hydroelectric Project Revenue Bonds (Meldahl Bonds) in an original aggregate principal amount of \$820,185,000 consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and Clean Renewable Energy Bonds). The Meldahl Bonds are secured by a master trust indenture and payable from the amounts received by AMP under a take-or-pay power sales contract with 48 of its Members. As of December 31, 2024, \$620,275,000 aggregate principal amount of the Meldahl Bonds were outstanding under the indenture securing the Meldahl Bonds. The Village has executed a take-or-pay power sales contract with AMP for a Project Share of 30 kW or 0.03% of capacity and associated energy from the Meldahl Project.

Note 14 – Prairie State Energy Campus (68 Members)

On December 20, 2007, AMP acquired a 23.26% undivided ownership interest (the PSEC Ownership Interest) in the Prairie State Energy Campus (PSEC), a two-unit, supercritical coal-fired power plant designed to have a net related capacity of approximately 1,582 MW and associated facilities in southwest Illinois. The PSEC Ownership Interest is held by AMP 368 LLC, a single-member Delaware limited liability company (AMP 368 LLC). AMP is the owner of the sole membership interest in AMP 368 LLC. Construction of the PSEC commenced in October 2007. Unit 1 of the PSEC commenced operations in the second quarter of 2012 and Unit 2 of the PSEC commenced operations in the fourth quarter of 2012. From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the Initial Prairie State Bonds) to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of \$1,696,800,000. On January 14, 2015, and November 30, 2017, AMP issued bonds (the Prairie State Refunding Bonds and, together with the Initial Prairie State Bonds, the Prairie State Bonds) to refund all the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009. As of December 31, 2024, AMP had \$1,278,980,000 aggregate principal amount of Prairie State Bonds outstanding. The Village has executed a take-or-pay power sales contract with AMP for a Project Share of 299 kW or 0.08% of capacity and associated energy from the Prairie State facility. AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract (the Prairie State Power Sales Contract) with 68 members (the Prairie State Participants). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract.

Note 15 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. 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.

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 16 – Fund Balances

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 facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	\$ 338	\$ 217	\$ 117	\$ 672
<i>Total</i>	<u>\$ 338</u>	<u>\$ 217</u>	<u>\$ 117</u>	<u>\$ 672</u>

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

Note 17 – 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 2024, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

Note 18 – Interfund Transfers

Transfers

During 2024, the following transfers were made:

	<u>Transfer from</u>	
<u>Transfer to</u>	<u>General</u>	<u>Enterprise</u>
General	\$ -	\$ 3,350
Special Revenue	45,578	-
Capital Projects	34,183	-
Enterprise	-	6,000
Total	<u>\$ 79,761</u>	<u>\$ 9,350</u>

All transfers were in accordance with budgetary authorizations approved by Village Council.

The transfers from the General Fund to Special Revenue and Capital Projects Funds were for the purpose of subsidizing the Street and Storm Sewer Funds. There was also a \$6,000 transfer from the Water Operating Fund to the Water Mortgage Revenue Bond Fund as required by the Village's debt covenants.

There was also a \$3,350 transfer to the General Fund from the Swimming Pool Fund which was a non-routine transfer authorized by Council due to the Village's swimming pool being closed and operations having ceased.

**VILLAGE OF SYCAMORE
WYANDOT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$ 69,408	\$ 17,829	\$ -	\$ 87,237
Municipal Income Tax	246,537	-	-	246,537
Intergovernmental	313,013	78,956	41	392,010
Charges for Services	5,230	225,207	26,465	256,902
Fines, Licenses and Permits	20	5	-	25
Earnings on Investments	2,231	746	-	2,977
Miscellaneous	483	53,103	-	53,586
<i>Total Cash Receipts</i>	<u>636,922</u>	<u>375,846</u>	<u>26,506</u>	<u>1,039,274</u>
Cash Disbursements				
Current:				
Security of Persons and Property	45,543	260,813	-	306,356
Public Health Services	2,205	-	-	2,205
Leisure Time Activities	1,820	-	-	1,820
Community Environment	-	-	4,758	4,758
Basic Utility Services	8,383	-	18,357	26,740
Transportation	-	228,254	-	228,254
General Government	136,829	633	-	137,462
Capital Outlay	398,182	-	11,162	409,344
Debt Service:				
Principal Retirement	-	21,602	18,846	40,448
Interest and Fiscal Charges	-	9,226	741	9,967
<i>Total Cash Disbursements</i>	<u>592,962</u>	<u>520,528</u>	<u>53,864</u>	<u>1,167,354</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>43,960</u>	<u>(144,682)</u>	<u>(27,358)</u>	<u>(128,080)</u>
Other Financing Receipts (Disbursements)				
Transfers In	-	48,285	38,829	87,114
Transfers Out	(96,557)	-	-	(96,557)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(96,557)</u>	<u>48,285</u>	<u>38,829</u>	<u>(9,443)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(52,597)</u>	<u>(96,397)</u>	<u>11,471</u>	<u>(137,523)</u>
<i>Fund Cash Balances, January 1 (Restated, See Note 19)</i>	<u>685,036</u>	<u>864,492</u>	<u>182,689</u>	<u>1,732,217</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 632,439</u>	<u>\$ 768,095</u>	<u>\$ 194,160</u>	<u>\$ 1,594,694</u>

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

**VILLAGE OF SYCAMORE
WYANDOT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$ 2,377,318
<i>Total Operating Cash Receipts</i>	<u>2,377,318</u>
Operating Cash Disbursements	
Personal Services	201,222
Employee Fringe Benefits	102,891
Contractual Services	1,505,620
Supplies and Materials	658,502
Other	<u>1,657</u>
<i>Total Operating Cash Disbursements</i>	<u>2,469,892</u>
<i>Operating Income (Loss)</i>	<u>(92,574)</u>
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	285,024
Sale of Notes	700,000
Loans Issued	283,511
Capital Outlay	(961,480)
Principal Retirement	(94,600)
Interest and Other Fiscal Charges	<u>(54,508)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>157,947</u>
<i>Income (Loss) before Transfers</i>	65,373
Transfers In	<u>9,443</u>
<i>Net Change in Fund Cash Balances</i>	74,816
<i>Fund Cash Balances, January 1</i>	<u>1,371,699</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 1,446,515</u></u>

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

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of Sycamore (the Village), Wyandot County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities and park operations. The Village contracts with the Wyandot County Sheriff's department to provide security of persons and property.

Public Entity Risk Pool

The Village participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) for all proprietary fund types, which are all organized on a fund type basis.

Fund Accounting

The Village 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 Village 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 Village 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 Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Fire Fund The fire fund accounts for and reports money from a levy and charges for services to cover the costs of providing fire services.

Ambulance Fund The ambulance fund accounts for and reports money from charges for services to cover the costs of providing ambulance services.

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 Village had the following significant capital project funds:

Storm Sewer Fund The storm sewer fund receives charges for services funding to construct storm sewer drains.

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Operating Fund The water operating fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Electric Operating Fund The electric operating fund accounts for the provision of electric treatment and distribution to the residents and commercial users within the Village.

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 Board 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 Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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 Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated. The Village did not encumber all commitments required by Ohio law.

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

The Village'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.

Capital Assets

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

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

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 Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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 Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends 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.

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 Village 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 16.

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 679,663	\$ 636,922	\$ (42,741)
Special Revenue	463,140	424,131	(39,009)
Capital Projects	58,500	65,335	6,835
Enterprise	3,119,000	3,655,296	536,296
Total	<u>\$ 4,320,303</u>	<u>\$ 4,781,684</u>	<u>\$ 461,381</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 947,845	\$ 690,758	\$ 257,087
Special Revenue	1,069,409	520,817	548,592
Capital Projects	64,384	54,196	10,188
Enterprise	3,802,893	3,585,185	217,708
Total	<u>\$ 5,884,531</u>	<u>\$ 4,850,956</u>	<u>\$ 1,033,575</u>

Note 4 – Deposits

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

	2023
Demand deposits	<u>\$ 3,040,959</u>
Total deposits	<u>3,040,959</u>
Cash on Hand	<u>250</u>
Total	<u>\$ 3,041,209</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Village is holding \$8,148 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; 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.

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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 Village.

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

Income Taxes

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 – Risk Management

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of actuarially-measured liabilities and the assets available to pay those liabilities as of December 31:

	2023
Cash and investments	\$ 43,996,442
Actuarial liabilities	\$ 19,743,401

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Village employees 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Social Security

Several Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 9 – Debt

Debt outstanding at December 31, 2023, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2012 Sanitary Sewer System Revenue Bonds	\$ 775,000	2.85%
Ohio Water Development Authority #4043	7,545	4.66%
Ohio Public Works Commission #CT65F	12,802	0.00%
2014 USDA Rural Development Loan	823,500	2.50%
First State Bank Sutphen Pumper Lease Purchase	259,180	3.29%
AMP Electrical Bond	700,000	4.25%
Ohio Water Development Authority #10231	283,511	0.00%
Total	<u>\$2,861,538</u>	

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt (Continued)

During 1994, through an agreement with the United States Department of Agriculture, the Village issued bonds for sanitary sewer system repairs. The bond was due in annual installments of varying amounts through 2034, bearing interest at 5.25%. During 2012, the Village refinanced these bonds in the amount of \$1,415,000 and will be repaid in annual installments over 20 years. The final payment will be due December 1, 2032. The bond issued is held by BNY Mellon. The debt is backed by the full faith and credit of the Village, and revenues from utilities are used to retire the bond. The Village has set utility rates sufficient to cover the revenue bond requirements.

As required by the Sewer System Bond covenant, the Village has established and funded a Sewer Revenue Bond and Interest Reserve Fund, included as enterprise funds. From the proceeds of the bonds, \$60,000 was transferred into this fund as required. There also shall be set aside and deposited in the Reserve Fund, the sum of \$850 each month until there is accumulated in such fund the sum of \$97,000 (the minimum reserve). The balance in the fund as of December 31, 2023, was \$70,200. The Village also established the required Sinking Fund, but it had no activity during 2023.

During 2004, the Village entered into a loan agreement with the Ohio Water Development Authority (OWDA #4043) for storm sewer improvements. The original amount of the loan was \$183,388. The loan will be repaid in semiannual installments of \$7,721, over 20 years. Payments on the outstanding balance began in 2004 and the final installment will be due January 1, 2024. The Village has set utility rates sufficient to cover the loan requirements.

During 2006, the Village entered into a loan agreement with the Ohio Public Works Commission (OPWC #CT65F) for storm sewer improvements. The original amount of the loan was \$85,345. The loan will be repaid in semiannual installments of \$2,134 over 20 years. Payments on the outstanding balance began in 2007 and the final installment will be due July 1, 2026. The Village has set utility rates sufficient to cover the loan requirements.

During 2014, the Village entered into a loan agreement with the United States Department of Agriculture (USDA) to retire OWDA Loan #6493 obtained for the new water treatment plant. The loan in the amount of \$1,415,000 and will be repaid in annual installments over 20 years. The final payment will be due December 1, 2032. The Village has set utility rates sufficient to cover the loan requirements.

As required by the debt covenant, the Village established the Water Revenue Bond and Interest Sinking Fund and Water Reserve Interest Sinking Fund, included as enterprise funds. The balance in the Water Revenue Bond and Interest Sinking Fund as of December 31, 2023, was \$6,021. The Village established the Water Reserve Interest Sinking Fund, but it had no activity during 2023.

During 2022, the Village entered into a lease/purchase agreement with First State Bank to purchase a Sutphen Pumper Fire Truck. The lease/purchase will be paid in annual installments of \$30,828, over 12 years, and payments will be made from the Fire Fund.

During 2023, the Village entered into a loan agreement with the Ohio Water Development Authority (OWDA #10231) for SR 67 Pump Station #2 improvements. The original amount of the loan was \$283,511. The loan will be repaid in semiannual installments of \$4,725, over 30 years. As of December 31, 2023, disbursements are not complete, and no amortization schedule is available.

During 2023, the Village issued bond anticipation notes for the purpose of upgrading the Village's municipal electric system by reconductoring existing lines, installing new switches, and reconfiguring feeders. The Village participated in the American Municipal Power, Inc. "On behalf of" Financing Program and the Ohio Treasurer of State's Ohio Market Access Program (OMAP) to obtain financing at an interest rate of 4.25 percent. The Note has a maturity date of October 27, 2024. The Note can be rolled over annually for 20 years. Monies collected as revenues of the electric system will be used to finance these payments.

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt (Continued)

Amortization

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

Year Ending December 31:	Sewer Bonds	OWDA #4043	OPWC #CT65F	USDA Rural Development	AMP Electrical Bond	First State Bank Sutphen Pumper
2024	\$ 100,613	\$ 7,696	\$ 4,267	\$ 50,888	\$ 729,750	\$ 30,828
2025	97,848	-	4,267	50,830	-	30,828
2026	100,083	-	4,268	50,955	-	30,828
2027	97,120	-	-	50,858	-	30,828
2028	99,157	-	-	50,843	-	30,828
2029-2033	448,647	-	-	254,450	-	154,144
2034-2038	-	-	-	254,372	-	-
2039-2043	-	-	-	254,487	-	-
2044-2048	-	-	-	50,840	-	-
Total	<u>\$ 943,468</u>	<u>\$ 7,696</u>	<u>\$ 12,802</u>	<u>\$ 1,068,523</u>	<u>\$ 729,750</u>	<u>\$ 308,284</u>

Note 10 – AMPGS (81 MEMBERS)

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's share was 300 kilowatts of a total 771,281 kilowatts, giving the Village a 0.04 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed impaired, and participants were obligated to pay costs already incurred. In prior years, payment of these costs was not made due to AMP's pursuit of legal action to void them. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014, and the AMPGS participants on April 16, 2014, approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share at March 31, 2014, of the impaired costs is \$52,401. The Village received a credit of \$13,567 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost estimate of \$38,834. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the Village's payments. The Village will begin making payments to AMP in 2015. During 2014, the Village made no payments to AMP toward its net impaired cost estimate. The net impaired cost estimate as of December 31, 2023, was \$12,816.

The Village intends to recover these costs and repay AMP over the next 5 years through a power cost adjustment.

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – Combined Hydroelectric Projects (79 Members)

AMP owns and operates three hydroelectric projects, the Cannelton, the Smithland and the Willow Island hydroelectric generating facilities (the Combined Hydroelectric Projects), all on the Ohio River, with an aggregate generating capacity of approximately 208 MW. Each of the Combined Hydroelectric Projects is in commercial operation and consists of run-of-the-river hydroelectric generating facilities on existing Army Corps dams and includes associated transmission facilities. AMP holds the licenses from FERC for the Combined Hydroelectric Projects. The Village has executed a take-or-pay power sales contract with AMP for a project Share of 200 kW or 0.10% of capacity and associated energy from hydro facilities. To provide financing for, or refinance certain obligations incurred in respect of, the Combined Hydroelectric Projects, AMP has issued eight series of its Combined Hydroelectric Projects Revenue Bonds (the Combined Hydroelectric Bonds), in an original aggregate principal amount of \$2,354,485,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of December 31, 2023, \$2,059,888,823 aggregate principal amount of the Combined Hydroelectric Bonds were outstanding under the indenture securing the Combined Hydroelectric Bonds. In August 2017, AMP filed lawsuit against Voith Hydro, Inc. (Voith), the supplier of major powerhouse equipment, including the turbines and generators for the Combined Hydroelectric Projects and the Meldahl Project (as hereinafter defined). In the lawsuit, AMP alleges, among other things, that Voith failed to deliver equipment on a timely basis and that certain equipment delivered was materially defective, causing significant delays. AMP has alleged proven damages of at least \$40 million. On October 16, 2017, Voith filed its answer, denying each of AMP's claims, and asserting two counterclaims seeking the payment of amounts it claims are due under the contract, amounts currently held by AMP as purported liquidated damages and \$40 million in damages, plus interest and legal fees. On December 1, 2017, AMP filed its answer to the Voith counterclaims, denying all liability to Voith.

On February 1, 2023, AMP and Voith executed a Settlement Agreement and Mutual Release resolving all claims between the parties, and the Court dismissed the case with prejudice. Pursuant to the terms of the Settlement Agreement and Mutual Release: Voith will provide to AMP, at Voith's cost, certain equipment, parts, and services; AMP will make payments to Voith totaling \$25 million; and the future purchase and sale of goods and services for the Projects will be governed by agreed-upon terms and conditions.

Resolution of the claims pursuant to the Settlement Agreement and Mutual Release will not result in an impact that is material to the financial condition of AMP, the Projects, or the Participants in either of the Projects.

Note 12 – Greenup Hydroelectric Project (47 Members)

In connection with the development of the Meldahl Project, Hamilton agreed to sell and AMP agreed to purchase a 48.6% undivided ownership interest (the AMP Interest) in the Greenup Hydroelectric Facility. On May 11, 2016, AMP issued \$125,630,000 aggregate principal amount of its Greenup Hydroelectric Project Revenue Bonds, Series 2016A (the 2016 Greenup Bonds) and, with a portion of the proceeds thereof, acquired the AMP Interest. The 2016 Greenup Bonds are secured by a separate power sales contract that has been executed by the same Members (except for Hamilton, which retained title to a 51.4% ownership interest in the Greenup Hydroelectric Facility) that executed the Meldahl Power Sales Contract. As of December 30, 2023, \$116,830,000 aggregate principal amount of the 2016 Greenup Bonds were outstanding under the indenture securing the 2016 Greenup Bonds. The Village has executed a take-or-pay power sales contract with AMP for a Project Share of 20kW or 0.06% of capacity and associated energy from the Greenup hydro facilities.

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 13 – Meldahl Hydroelectric Project (48 Members)

AMP owns and, together with the City of Hamilton, Ohio, an AMP Member, developed and constructed a 108.8 MW, three-unit hydroelectric generation facility on the Captain Anthony Meldahl Locks and Dam, an existing Army Corps dam on the Ohio River, and related equipment and associated transmission facilities (the Meldahl Project). The Meldahl Project is operated by the City of Hamilton. To finance the construction of the Meldahl Project and related costs, AMP issued seven series of its Meldahl Hydroelectric Project Revenue Bonds (Meldahl Bonds) in an original aggregate principal amount of \$820,185,000 consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and Clean Renewable Energy Bonds). The Meldahl Bonds are secured by a master trust indenture and payable from the amounts received by AMP under a take-or-pay power sales contract with 48 of its Members. As of December 31, 2023, \$632,385,000 aggregate principal amount of the Meldahl Bonds were outstanding under the indenture securing the Meldahl Bonds. The Village has executed a take-or-pay power sales contract with AMP for a Project Share of 30 kW or 0.03% of capacity and associated energy from the Meldahl Project.

Note 14 – Prairie State Energy Campus (68 Members)

On December 20, 2007, AMP acquired a 23.26% undivided ownership interest (the PSEC Ownership Interest) in the Prairie State Energy Campus (PSEC), a two-unit, supercritical coal-fired power plant designed to have a net related capacity of approximately 1,582 MW and associated facilities in southwest Illinois. The PSEC Ownership Interest is held by AMP 368 LLC, a single-member Delaware limited liability company (AMP 368 LLC). AMP is the owner of the sole membership interest in AMP 368 LLC. Construction of the PSEC commenced in October 2007. Unit 1 of the PSEC commenced operations in the second quarter of 2012 and Unit 2 of the PSEC commenced operations in the fourth quarter of 2012. From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the Initial Prairie State Bonds) to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of \$1,696,800,000. On January 14, 2015, and November 30, 2017, AMP issued bonds (the Prairie State Refunding Bonds and, together with the Initial Prairie State Bonds, the Prairie State Bonds) to refund all the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009. As of December 31, 2023, AMP had \$1,534,240,000 aggregate principal amount of Prairie State Bonds outstanding. The Village has executed a take-or-pay power sales contract with AMP for a Project Share of 299 kW or 0.08% of capacity and associated energy from the Prairie State facility. AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract (the Prairie State Power Sales Contract) with 68 members (the Prairie State Participants). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract.

Note 15 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. 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.

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 16 – Fund Balances

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 facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	\$ 1,239	\$ 289	\$ 332	\$ 1,860
<i>Total</i>	<u>\$ 1,239</u>	<u>\$ 289</u>	<u>\$ 332</u>	<u>\$ 1,860</u>

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

Note 17 – 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 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

Note 18 – Interfund Transfers

Transfers

During 2023, the following transfers were made:

	<u>Transfer from</u>
<u>Transfer to</u>	<u>General</u>
Special Revenue	\$ 48,285
Capital Projects	38,829
Enterprise	9,443
Total	<u>\$ 96,557</u>

All transfers were in accordance with budgetary authorizations approved by Village Council. The transfers from the General Fund to the Special Revenue, Capital Projects, and Enterprise Funds were for the purpose of subsidizing the Street, Storm Sewer, and Swimming Pool Funds.

Village of Sycamore
Wyandot County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 19 – Restatement of Prior Period Fund Balances

Beginning fund balances were restated due to the Village voiding checks. The following adjustments are reflected in the January 1, 2023 fund balances:

	<u>General</u>	<u>Special Revenue</u>
December 31, 2022 Fund Balances	\$ 684,907	\$ 864,442
Adjustment for Voided Checks	<u>129</u>	<u>50</u>
Adjusted January 1, 2023 Fund Balances	<u>\$ 685,036</u>	<u>\$ 864,492</u>

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

Village of Sycamore
Wyandot County
P.O. Box 279
Sycamore, Ohio 44882

To the Village Council:

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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of the Village of Sycamore, Wyandot County, Ohio (the Village) and have issued our report thereon dated September 30, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing 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 Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

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 Village's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as item 2024-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings as item 2024-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2024-002 through 2024-004.

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 Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

September 30, 2025

**VILLAGE OF SYCAMORE
WYANDOT COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2024-001

Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Village's annual financial report were noted:

- Receipts for Income Taxes were misclassified as Property and Other Local Taxes in the General Fund in 2024 and 2023;
- Sale of Bond Anticipation Notes activity was misclassified as Loans Issued instead of Sale of Notes in 2024 and 2023;
- 2024 Sale of Notes and Principal Retirement of 2023 BAN were not recorded;
- Receipts for grant funding were misclassified as Other Financing Sources instead of Intergovernmental in the Sewer Operating Fund in 2023;
- A receipt for grant funding was misclassified as Loans Issued instead of Intergovernmental in the Electric Operating Fund in 2023;
- On-behalf OPWC activity was not recorded as Intergovernmental and Capital Outlay in the Water Operating Fund in 2023;
- Receipts for Loans Issued and the corresponding Capital Outlay disbursements for OWDA 10231 were not recorded in the Water Operating Fund in 2023;
- Disbursements were misclassified as Other Financing Uses instead of General Government in the General Fund in 2024;
- Disbursements were misclassified as Other Financing Uses instead of Capital Outlay in the CRF Fund in 2024;
- Disbursements were misclassified as Other Financing Uses instead of Basic Utility Services, General Government, and Capital Outlay in the General Fund in 2023;
- The interest portion of a debt payment for the Sutphen Pumper loan was misclassified as Principal Retirement instead of Interest and Fiscal Charges in the Other Fire Fund in 2023; and
- An OPWC debt payment was misclassified as Capital Outlay instead of Principal Retirement in the Storm Sewer Fund in 2024.

Not posting receipts and disbursements accurately resulted in the financial statements requiring several reclassifications. The financial statements reflect all reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenses are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Village Handbook and other Auditor of State resources for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

Officials' Response: We did not receive a response from Officials to this finding.

**VILLAGE OF SYCAMORE
WYANDOT COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2024-002

Significant Deficiency/Noncompliance

Failure to Maintain Documentation

Ohio Rev. Code section 149.351(A) establishes guidelines against the destruction or damage of records. All records are the property of the public office and shall not be mutilated, transferred or otherwise damaged or disposed of, in whole or in part, except as provided by law.

Due to a change in utility software, the Village was unable to provide detailed billing ledgers for 2023. Via circuitous alternative procedures, we were able to calculate amounts billed to and paid by customers.

Failure to maintain adequate documentation could result in a loss of accountability over Village transactions and result in a modified financial statement opinion and findings for recovery. Inadequate supporting documentation eliminates a significant control point, obscures the audit trail and provides for the opportunity for errors and irregularities occurring and not being detected by management in a timely manner.

We recommend the Village retain access to its reports and files stored in software programs no longer in use. We also recommend that all supporting documentation pertaining to receipts be safeguarded appropriately. The Village should maintain detailed support for all financial activity.

Officials' Response: We did not receive a response from Officials to this finding.

FINDING NUMBER 2024-003

Noncompliance

Encumbering of Expenditures

Ohio Revised Code Section 5705.41(D)(1) provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Ohio Rev. Code §§ 5705.41(D)(1) and 5705.41(D)(3), respectively.

**VILLAGE OF SYCAMORE
WYANDOT COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2024-003 (Continued)

Encumbering of Expenditures (Continued)

1. "Then and Now" Certificate – If the chief fiscal officer can certify both at the time that the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrances, the Village Council can authorize the drawing of a warrant for the payment of the amount due. The Village Council has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts less than \$100 in counties and less than \$3,000 in all other subdivisions may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

2. Blanket Certificate – The auditor or fiscal officer may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Village Council may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, gasoline, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Due to deficiencies in internal controls, 64% of the transactions tested for 2024, and 66% of the transactions tested for 2023, were not certified at the time the commitment was incurred, and there was no evidence the Village followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to help ensure purchase commitments receive prior approval.

To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, the Fiscal Officer should certify the funds are or will be available prior to obligation by the Village. When prior certification is not possible, "then and now" certification should be used.

Officials' Response: We did not receive a response from Officials to this finding.

**VILLAGE OF SYCAMORE
WYANDOT COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2024-004

Noncompliance

Debt Covenants

Sewer System Refunding Bonds Series 2012 Section 6(B)(2) provides, in part, "After the transfer required [by Section 6(B)(1)], there shall be transferred each month from the Revenue Fund before any other expenditures or transfers therefrom, and deposited in the Sanitary Sewer System Revenue Bond and Interest Sinking fund (the Sinking Fund), which such fund is hereby established for payment of principal and interest on the bonds, a sum equal to at least 1/12 (or such larger amount as is necessary) of the principal due on the next principal payment date and 1/6 of the interest due on the next interest payment date."

Section 6(B)(3) further states that, "from the proceeds of bonds, there shall be transferred therefrom the amount of \$60,000 into the Reserve Fund for these bonds. Out of the balance of income and revenue of the System after the transfers required have been made, there shall be set aside and deposited in the Reserve Fund, which such fund is hereby established, the sum of \$850 each month until there is accumulated in such fund the sum of \$97,000 (the Minimum Reserve), after which no further deposits need be made into such fund except to replace withdrawals."

Water System Mortgage Revenue Bond, Series 2014 provides, in part, "this bond and the issue of which it is a part together with such additional bonds as may be issued on a parity therewith under the ordinance and a mortgage from the Village to the United States of America (the Mortgage) dated August 26, 2014, with interest thereon, are payable from and secured by and constitute a charge on the net revenues of the System and a mortgage upon all extensions and additions and improvements thereto subsequently constructed or acquired, out of which net revenues, there is to be deposited in the special utility fund designated "Water System Mortgage Revenue Bond and Interest Sinking Fund", a sum sufficient to pay the principal and interest on said bonds. This bond is payable only from said sinking fund."

Due to deficiencies in internal policies and control procedures, during 2024 and 2023 the following noncompliance was noted:

- The Village established the Sanitary Sewer System Revenue Bond and Interest Sinking (5742) fund to receive monthly transfers of 1/12 of the principal due on the next principal payment date and 1/6 of the interest due on the next interest payment date. However, the Village does not maintain a balance. At December 31, 2024, the fund should have a balance of 1/12 (\$5,833) of the next year's principal of \$70,000 and 1/6 (\$2,321) of the interest due of \$13,924 based on the amortization schedule which would equal \$8,154.
- The Village established a Sanitary Sewer System Revenue Bond and Interest Reserve (5741) fund that carried a balance of \$60,000 transferred from the proceeds of the bonds in 2014. During 2024 and 2023, the Village did not receipt monthly transfers of \$850 into the fund to meet the minimum reserve balance of \$97,200. The balance of the fund as of December 31, 2024 was \$70,200.
- The Village established the Water System Mortgage Revenue Bond and Interest Sinking (5743) fund and Water System Mortgage Reserve Interest Sinking (5744) fund. However, Bonds are repaid out of the Water Operating (5101) fund. No transfers were made to cover the principal / interest of said bonds or the reserve during 2023. During 2024, the Village transferred \$6,000 to the Water System Mortgage Revenue Bond and Interest Sinking (5743) fund.

VILLAGE OF SYCAMORE
WYANDOT COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p>
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FINDING NUMBER 2024-004 (CONTINUED)

Debt Covenants (Continued)

Failure to comply with debt covenant requirements could lead to a default on the debt. The Village should comply with its debt covenants and resume funding its sanitary sewer reserve and use the Sanitary Sewer System Revenue Bond and Interest Sinking fund, Water System Mortgage Revenue Bond and Interest Sinking fund and Water System Mortgage Reserve Interest Sinking fund according to the bond agreements.

Officials' Response: We did not receive a response from Officials to this finding.

**VILLAGE OF SYCAMORE
WYANDOT COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

Finding Number	Finding Summary	Status	Additional Information
2022-001	Financial Reporting	Not Corrected	Repeated as Finding 2024-001
2022-002	Debt Covenants	Not Corrected	Repeated as Finding 2024-004
2022-003	Ohio Revised Code Section 5705.41(D)	Not Corrected	Repeated as Finding 2024-003
2022-003	Rates for Kilowatt Hour Tax	Corrected	N/A

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF SYCAMORE

WYANDOT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/12/2026

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov