



Dave Yost • Auditor of State

**CLERMONT COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
CLERMONT COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Statement of Net Position As of December 31, 2015	11
Statement of Activities For the Year Ended December 31, 2015.....	12
Balance Sheet Governmental Funds As of December 31, 2015	13
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2015.....	15
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	16
Notes to the Basic Financial Statements	17
Supplemental Information:	
Combining Balance Sheet – All Governmental Funds.....	29
Combining Statement of Revenues, Expenditures and Changes in Fund Balances All Governmental Funds.....	33
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	37

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Clermont County Transportation Improvement District
Clermont County
2381 Clermont Center Drive
Batavia, Ohio 45103

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clermont County Transportation Improvement District, Clermont County, Ohio (the District), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Clermont County Transportation Improvement District, Clermont County, Ohio, as of December 31, 2015, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The financial section's combining statements present additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

May 27, 2016

This page intentionally left blank.

**CLERMONT COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Unaudited)**

The discussion and analysis of Clermont County Transportation Improvement District's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2015 are as follows:

- The District's net position decreased by \$3,421,807, to a year end total of negative \$7,666,051, as significant project related expenses continued during the year.
- During the year, the District generated \$8,253,499 of revenues and incurred expenses of \$11,675,306.
- The District managed over 20 active projects during 2015, including the completion, in conjunction with the Ohio Department of Transportation, of the I275/SR32 interchange project.
- Other significant projects, including the Clough Pike Widening Project, the State Route 28 and Branch Hill Intersection Improvement Project and the Wards Corner Widening Project, also reached substantial completion during 2015. Other significant projects that continued to progress or were initiated during the year include the Eastgate South Roundabout Project, the Ivy Point Boulevard Project, the Aicholtz Road Connector Project and the McMann Road Widening Project.

USING THIS ANNUAL REPORT

This annual report consists of two parts – management's discussion and analysis and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the District. These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the District's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position (the difference between the District's assets and liabilities) is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District reflect the following category for its activities:

Governmental Activities – The District's programs and services are reported as governmental activities and include general government, program implementation and public works.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – All of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

DISTRICT SUMMARY

The District as a Whole

The following table provides a summary of the District's net position for 2015 compared to 2014:

	Governmental Activities		Increase
	2015	2014	(Decrease)
Current and other assets	\$ 10,963,259	\$ 15,794,761	\$ (4,831,502)
Total assets	<u>10,963,259</u>	<u>15,794,761</u>	<u>(4,831,502)</u>
Long-term debt outstanding	16,185,343	17,943,737	(1,758,394)
Other liabilities	2,443,967	2,095,268	348,699
Total liabilities	<u>18,629,310</u>	<u>20,039,005</u>	<u>(1,409,695)</u>
Net position:			
Unrestricted	<u>(7,666,051)</u>	<u>(4,244,244)</u>	<u>(3,421,807)</u>
Total net position	<u>\$ (7,666,051)</u>	<u>\$ (4,244,244)</u>	<u>\$ (3,421,807)</u>

Total assets decreased by \$4,831,502 and total liabilities decreased by \$1,409,695. Total assets decreased primarily due to continuing project related costs funded from proceeds of previously issued debt pledged revenues from the District's funding partners. Total liabilities decreased primarily due to scheduled retirement of previously issued debt.

Changes in Net Position – The following table provides a summary of the District’s changes in net position for 2015 compared to 2014:

	<u>Governmental Activities</u>		Increase
	<u>2015</u>	<u>2014</u>	<u>(Decrease)</u>
Revenues			
General revenues:			
Intergovernmental	\$ 3,075,000	\$ 3,100,000	\$ (25,000)
Federal Interest Subsidy	89,861	94,025	(4,164)
Interest Income	7,821	4,190	3,631
Program revenues:			
Operating Grants and Contributions	5,080,817	8,875,258	(3,794,441)
Total revenues	<u>8,253,499</u>	<u>12,073,473</u>	<u>(3,819,974)</u>
Program Expenses			
General Government	326,607	235,419	91,188
Program Implementation	178,785	153,562	25,223
Public Works	10,647,189	10,447,026	200,163
Debt Service:			
Interest and Fiscal Charges	522,725	568,685	(45,960)
Total expenses	<u>11,675,306</u>	<u>11,404,692</u>	<u>270,614</u>
Total Change in Net Position	<u>(3,421,807)</u>	<u>668,781</u>	<u>(4,090,588)</u>
Beginning Net Position	<u>(4,244,244)</u>	<u>(4,913,025)</u>	<u>668,781</u>
Ending Net Position	<u>\$ (7,666,051)</u>	<u>\$ (4,244,244)</u>	<u>\$ (3,421,807)</u>

Governmental Activities

Net position of the District’s governmental activities decreased by \$3,421,807 during 2015 compared to an increase of \$668,781 for 2014. Intergovernmental revenues decreased as the funding agreement with one of the District’s funding partners expired during 2015. Operating grants and contributions decreased as a result of the nature of the projects in process during 2015. These projects required the use of the District’s funds in advance of construction activities, while 2014 amounts reflect grants and contributions for several construction projects where a significant portion of funding was provided by funding passed through ODOT for the federal and state share of program costs. Expenditures during 2015 remained relatively consistent with 2014 amounts.

The District’s Funds

The District’s governmental funds reported a combined fund balance of \$6,777,433, which is a decrease of \$4,480,936 from last year’s total of \$11,258,369. This decrease occurred within the General Fund and is primarily due to debt service payments and project related costs that are funded via transfers from the General Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2015, the District reported no capital assets.

Debt

During 2007, the District issued \$5,000,000 of Clermont County Transportation Improvement District Roadway Improvement Revenue Bonds, Series 2007, dated December 5, 2007, to provide partial funding of the District's Regional Transportation Improvement Program. The outstanding balance of \$650,000 will mature on December 1, 2016 plus interest at a rate of 4.25 percent per annum.

During 2010, the District issued \$5,925,000 of Clermont County Transportation Improvement District Roadway Improvement Revenue Bonds, Series 2010, dated June 3, 2010, to provide additional partial funding of the District's Regional Transportation Improvement Program. The outstanding balance of \$4,145,000 will mature on December 1 in various amounts through 2025 and carry interest at rates varying from 2.90 percent to 5.35 percent per annum.

During 2012, the District issued \$5,000,000 of Clermont County Transportation Improvement District Roadway Improvement Revenue Bonds, Series 2012, dated August 7, 2012, to provide additional partial funding of the District's Regional Transportation Improvement Program. The outstanding balance of \$4,190,000 will mature on December 1 in various amounts through 2028 and carry interest at rates varying from 2.00 percent to 3.00 percent per annum.

During 2013, the District issued \$8,035,000 of Clermont County Transportation Improvement District Roadway Improvement Revenue Bonds, Series 2013, dated May 3, 2013, to provide additional partial funding of the District's Regional Transportation Improvement Program. The outstanding balance of \$6,670,000 will mature on December 1 in various amounts through 2028 and carry interest at rates varying from 2.50 percent to 5.00 percent per annum.

During 2015, the District retired \$1,685,000 of the bonds with interest as scheduled. As of December 31, 2015, \$15,655,000 remains outstanding.

Additional information concerning the District's debt can be found in Note 6 to the basic financial statements.

ECONOMIC FACTORS

The year ending December 31, 2015 was the ninth full year of operations. The District continued on its mission to improve the prosperity, health, safety, and welfare of the people of Clermont County and the State of Ohio. As mentioned earlier, multiple new projects that are to be integrated into the overall transportation goals of the District were initiated during the year in addition to those initiated in prior years.

As with most infrastructure projects undertaken by local governments, a challenge facing the District is the future of both state and federal funding. With careful planning and monitoring of the District's finances and continued cooperation with local, state and federal officials, management is confident that funding challenges can be overcome and quality services will continue in order to develop, implement and construct the improvements envisioned to improve the prosperity, health, safety, and welfare of the people of Clermont County and the State of Ohio.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to Secretary-Treasurer, Clermont County Transportation Improvement District, 2381 Clermont Center Drive, Batavia, OH 45103. Additional information about the District can be found on the District's website at <http://goclermont.org/>.

This page intentionally left blank

Clermont County Transportation Improvement District
Statement of Net Position
December 31, 2015

	Governmental Activities
Assets	
Equity in Pooled Cash	\$ 6,854,522
Contractor Retainage Accounts	141,406
Accounts Receivable	3,573
Intergovernmental Receivable	3,963,758
Total Assets	10,963,259
Liabilities	
Accounts Payable	66,838
Contracts Payable	2,190,211
Retainage Payable	141,406
Accrued Interest Payable on Bonds	45,512
Long Term Liabilities:	
Due Within One Year	1,802,419
Due In More Than One Year	14,382,924
Total Liabilities	18,629,310
Net Position	
Unrestricted	(7,666,051)
Total Net Position	\$ (7,666,051)

See accompanying notes to the basic financial statements

Clermont County Transportation Improvement District
Statement of Activities
For the Year Ended December 31, 2015

		Program Revenues			Net (Expense) Revenues and Changes in Net Position
Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities					
General Government	\$ 326,607	\$ -	\$ -	\$ -	\$ (326,607)
Program Implementation	178,785	-	-	-	(178,785)
Public Works	10,647,189	-	5,080,817	-	(5,566,372)
Interest and Fiscal Charges	522,725	-	-	-	(522,725)
Total Governmental Activities	\$ 11,675,306	\$ -	\$ 5,080,817	\$ -	(6,594,489)
General Revenues					
					Intergovernmental Grants Not Restricted to
					Specific Programs 3,075,000
					Federal Interest Subsidy 89,861
					Interest Income 7,821
					Total General Revenues 3,172,682
					Change in Net Position (3,421,807)
					Net Position Beginning of Year (4,244,244)
					Net Position End of Year \$ (7,666,051)

See accompanying notes to the basic financial statements

Clermont County Transportation Improvement District
Balance Sheet
Governmental Funds
December 31, 2015

	General Fund	Debt Service Fund	Eastgate South Roundabout Project Fund	Ivy Pointe Boulevard Project Fund	Aicholtz Road Connector Project Fund	Clough Pike Improvement Project Fund	McMann Road Widening Project Fund	Other Governmental Funds	Total Governmental Funds
Assets									
Equity in Pooled Cash	\$ 5,696,208	\$ -	\$ 940,764	\$ -	\$ 45,064	\$ -	\$ -	\$ 172,486	\$ 6,854,522
Accounts Receivable	-	-	3,573	-	-	-	-	-	3,573
Intergovernmental Receivable	-	-	687,712	423,145	899,846	-	508,007	1,445,048	3,963,758
Due from Other Funds	2,916,148	-	-	-	-	-	-	-	2,916,148
Contractor Retainage Accounts	-	-	-	97,103	-	-	16,299	28,004	141,406
Total Assets	\$ 8,612,356	\$ -	\$ 1,632,049	\$ 520,248	\$ 944,910	\$ -	\$ 524,306	\$ 1,645,538	\$ 13,879,407
Liabilities									
Accounts Payable	\$ 29,082	\$ -	\$ -	\$ -	\$ 18,101	\$ -	\$ -	\$ 19,655	\$ 66,838
Contracts Payable	18,470	-	1,632,049	-	26,963	-	-	512,729	2,190,211
Due to Other Funds	-	-	-	423,145	899,846	-	508,007	1,085,150	2,916,148
Retainage Accounts Payable	-	-	-	97,103	-	-	16,299	28,004	141,406
Total Liabilities	47,552	-	1,632,049	520,248	944,910	-	524,306	1,645,538	5,314,603
Deferred Inflows of Resources									
Unavailable Amounts	-	-	-	423,145	99,325	-	247,754	1,017,147	1,787,371
Total Deferred Inflows of Resources	-	-	-	423,145	99,325	-	247,754	1,017,147	1,787,371
Fund Balances									
Unassigned	8,564,804	-	-	(423,145)	(99,325)	-	(247,754)	(1,017,147)	6,777,433
Total Fund Balances	8,564,804	-	-	(423,145)	(99,325)	-	(247,754)	(1,017,147)	6,777,433
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,612,356	\$ -	\$ 1,632,049	\$ 520,248	\$ 944,910	\$ -	\$ 524,306	\$ 1,645,538	\$ 13,879,407

See accompanying notes to the basic financial statements

**Clermont Count Transportation Improvement District
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2015**

<i>Total Governmental Fund Balances</i>	\$ 6,777,433
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Intergovernmental receivables are not available to pay for current-period expenditures and therefore are deferred in the funds	1,787,371
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	
Bonds Payable	(15,655,000)
Premium on Bonds	(530,343)
Accrued Interest Payable	<u>(45,512)</u>
<i>Net Position of Governmental Activities</i>	<u><u>\$ (7,666,051)</u></u>

See accompanying notes to the basic financial statements

Clermont County Transportation Improvement District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2015

	General Fund	Debt Service Fund	Eastgate South Roundabout Project Fund	Ivy Pointe Boulevard Project Fund	Aicholtz Road Connector Project Fund	Clough Pike Improvement Project Fund	McMann Road Widening Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues:									
Intergovernmental Revenue	\$ 3,075,000	\$ -	\$ 990,000	\$ 250,000	\$ 800,521	\$ 1,591,378	\$ 272,753	\$ 1,879,973	\$ 8,859,625
Federal Interest Subsidy	-	89,861	-	-	-	-	-	-	89,861
Interest Income	7,821	-	-	-	-	-	-	-	7,821
Total Revenues	3,082,821	89,861	990,000	250,000	800,521	1,591,378	272,753	1,879,973	8,957,307
Expenditures									
Current:									
General Government	326,607	-	-	-	-	-	-	-	326,607
Program Implementation	178,785	-	-	-	-	-	-	-	178,785
Public Works	-	-	1,955,550	1,661,699	1,015,377	653,806	520,507	4,840,250	10,647,189
Debt Service:									
Redemption of Principal	-	1,685,000	-	-	-	-	-	-	1,685,000
Interest Expense	-	600,662	-	-	-	-	-	-	600,662
Total Expenditures	505,392	2,285,662	1,955,550	1,661,699	1,015,377	653,806	520,507	4,840,250	13,438,243
Excess (Deficiency) of Revenues Over	2,577,429	(2,195,801)	(965,550)	(1,411,699)	(214,856)	937,572	(247,754)	(2,960,277)	(4,480,936)
Other Financing Sources (Uses):									
Transfers-In	1,638,384	2,195,801	965,550	988,554	115,531	-	-	2,643,942	8,547,762
Transfers-Out	(6,909,378)	-	-	-	-	(937,572)	-	(700,812)	(8,547,762)
Total Other Financing Sources (Uses)	(5,270,994)	2,195,801	965,550	988,554	115,531	(937,572)	-	1,943,130	-
Net Change in Fund Balances	(2,693,565)	-	-	(423,145)	(99,325)	-	(247,754)	(1,017,147)	(4,480,936)
Fund Balance at Beginning of Year	11,258,369	-	-	-	-	-	-	-	11,258,369
Fund Balance at End of Year	<u>\$ 8,564,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (423,145)</u>	<u>\$ (99,325)</u>	<u>\$ -</u>	<u>\$ (247,754)</u>	<u>\$ (1,017,147)</u>	<u>\$ 6,777,433</u>

See accompanying notes to the basic financial statements

**Clermont County Transportation Improvement District
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2015**

<i>Net Change in Fund Balances - Total Governmental Funds</i>	\$ (4,480,936)
 <i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>	
Intergovernmental revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(703,808)
 The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position	
Redemption of Principal on Bonds	1,685,000
Amortization of Premium on Bonds	73,394
 In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due	<u>4,543</u>
 <i>Change in Net Position of Governmental Activities</i>	<u><u>\$ (3,421,807)</u></u>

See accompanying notes to the basic financial statements

**CLERMONT COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
CLERMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

1. REPORTING ENTITY

The Clermont County Transportation Improvement District (the District) is a body politic and corporate, created for the purpose of financing, constructing, maintaining, repairing, and operating select transportation projects. The District was specifically created pursuant to Chapter 5540 of the Ohio Revised Code, as amended. The District was created by action of the Board of Clermont County Commissioners on June 21, 2006.

The District is governed by a Board of Trustees that acts as the authoritative and legislative body of the entity. The Board is comprised of seven members of whom five are voting and two are ex-officio (non-voting). Each Board member serves a term of two years and there are no term limits for reappointment. The five voting Board members are appointed by the Board of Clermont County Commissioners. The Speaker of the Ohio House of Representatives and the President of the Ohio Senate each appoint one ex-officio member. None of the Board members receive compensation for serving on the Board.

District Officers consist of a Chairman, Vice-Chairman and Secretary-Treasurer, who are elected annually from among the voting members of the Board. The Chairman, Vice-Chairman and Secretary-Treasurer serve at the pleasure of the Board and are subject to removal by an affirmative vote of the majority of the Board at any time. The Chairman's responsibilities are to preside at all meetings of the Board and be the chief officer of the District. The Secretary-Treasurer serves as the fiscal officer of the District.

The District is reported as a component unit to Clermont County, Ohio, as defined by the provisions of GASB statement numbers 14 and 39. As such, its activities are reported within the County's Comprehensive Annual Financial Report.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limitations. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements - During the year the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The District 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. There is one category of funds: Governmental.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The District has the following major governmental funds:

General Fund - Accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Debt Service Fund - Accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Eastgate South Roundabout Project Fund - Located in Union Township, the intersection of Eastgate South Drive and Clepper Lane serves traffic coming from five separate entry points. This project will remove the existing signalized intersection and replace traffic signals with a roundabout. Construction for this project initiated in 2015 with an expected completion during early 2016.

Ivy Point Boulevard Project Fund - Provides for extending the existing roadway approximately a quarter of a mile beyond the intersection of Ferguson Drive and Ivy Pointe Boulevard to a new connection with Aicholtz Road. This will improve access in this area and provide better service to traffic that will be generated by the new Cincinnati Children's Hospital development and ease congestion on Eastgate Boulevard as well as provide better

connectivity for the entire area. Construction for this project initiated in 2014 with an expected completion during early 2016.

Aicholtz Road Connector Project Fund - Provides for reestablishing a vital link in the Eastgate area's roadway network, help congestion on State Route 32 and improve access and mobility for local residents and businesses. This project is currently under design with right of way activities progressing during 2015.

Clough Pike Improvement Project Fund - Provides for the widening of Clough Pike to three lanes from Mt. Carmel-Tobasco Road to Glen-Este Withamsville Road. Construction for this project initiated in 2013 and was substantially completed during 2015.

McMann Road Widening Project Fund - This project consists of the widening and installation of a left turn lane at L-3 Fuzing & Ordnance Systems. The addition of a left turn lane will allow employees and visitors to safely access their entrance while through traffic continues to flow without interruption. Construction for this project initiated and was substantially completed during 2015.

C. Measurement Focus

Governmental-wide Financial Statements - The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the Statement of Net Position. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

All governmental funds are accounted for using a *flow of current financial resources* measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that

the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, there are no items reported in the government-wide statement of net position for deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, there are no items reported in the government-wide statement of net position for deferred inflows of resources. The governmental funds balance sheet reports deferred inflows which arise from receivables which will not be collected within the available period under a modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

E. Cash and Cash Equivalents

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash" on the balance sheet and statement of net position.

F. Capital Assets

The District reports no capital assets. Title to assets maintained by the District as part of project related expenditures will transfer to the County or State upon project completion.

G. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, government fund payables and accrued liabilities that are incurred and are paid in a timely manner with current financial resources are reported as obligations of the funds. Long-term loans are recognized as a liability on the government fund financial statements when due.

H. Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and eliminated in the Statement of Activities. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

I. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provision, enabling legislation, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

As of December 31, 2015, net position of the District totals a negative \$7,666,051. The negative net position balance is a result of applying generally accepted accounting principles (GAAP). GAAP requires the reporting of total long term debt obligations while amounts reported for receivables under the intergovernmental agreements that are used as collateral for the debt are limited to amounts formally appropriated by the District's funding partners. In lieu of appropriating the intergovernmental agreement in its entirety, the funding partners formally appropriate the current year's portion of the agreement, on an annual basis, effective at the inception of each calendar year.

J. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted - The fund balance is reported as 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 - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Trustees. Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Trustees.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District 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.

K. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

3. DEFICIT FUND BALANCES

The fund balance deficits at December 31, 2015 of \$423,145 in the Ivy Point Boulevard Project Fund, \$99,325 in the Aicholtz Road Connector Project Fund, \$247,754 in the McMann Road Widening Project Fund and \$1,017,147 in the Other Governmental Funds (all of which are capital project funds) arise from the recognition of revenues on the modified accrual basis. The deficits do not exist under the cash basis of accounting. The General Fund provides funding for the payment of expenditures in advance of the funds recognizing revenues from outside sources.

4. EQUITY IN POOLED CASH

Monies held by the District are classified by State statute into three categories.

Active deposits are public deposits necessary to meet current demands upon the District. Active deposits must be maintained either as cash by the District, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the District has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

The District has an Investment Policy that authorizes the Secretary-Treasurer to make investments of available monies from the funds of the District in securities as authorized by State law. These include:

1. bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for payment of principal and interest thereon but does not include stripped principal or interest obligations of such obligations;
2. bonds, notes, debentures, or any other obligations or securities directly issued by a Federal government agency or instrumentality;
3. interim deposits in Board-approved depositories;
4. bonds and other obligations of the State;
5. no-load money market mutual funds consisting exclusively of obligations described in A. and B. above or repurchase agreements secured by such obligations, provided such investments are made only through banks and savings and loan institutions authorized by R.C. 135.03;
6. The State Treasury Asset Reserve (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. Protection of District cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105 percent of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year-end, the carrying amount of the District's deposits was \$6,995,928 and the bank balance was \$7,182,534. Outstanding checks represent the difference between the carrying and bank balances. Federal depository insurance covered \$622,285 of the bank balance. The remaining \$6,560,249 was collateralized in the manner described above.

5. INTERGOVERNMENTAL AGREEMENTS

The District has entered into intergovernmental agreements with the Clermont County Commissioners, Clermont County Engineers Office, Miami Township, Union Township and the City of Milford to provide funding to the District to facilitate the development and implementation of the District's projects.

The initial intergovernmental agreements executed with the Clermont County Commissioners and Clermont County Engineers Office each provided for \$10,000,000 of funding commitments from available revenue sources in the amount of \$1,000,000 per year for a period of 10 years beginning in 2007. Amendments to those agreements have increased the pledged revenue commitments over an extended period ending 2028.

The initial intergovernmental agreements with Miami Township and Union Township each provided for \$1,000,000 of funding commitments from available revenue sources in the amount of \$100,000 per year for a period of 10 years beginning in 2007. The agreement with Miami Township was amended during 2009 to increase the pledged revenue commitment of the Township over an extended period ending 2028. The agreement with Union Township was amended during 2011 to increase the pledged revenue commitment of the Township over an extended period ending 2028.

The remaining amended intergovernmental agreement balances covering pledged revenues as of December 31, 2015, are as follows:

	<u>Remaining Agreement</u>
Clermont County Commissioners	\$17,875,000
Clermont County Engineers Office	13,000,000
Miami Township	6,600,000
Union Township	<u>1,300,000</u>
Total	<u>\$38,775,000</u>

(This space intentionally left blank)

6. LONG-TERM DEBT

Changes in the long-term debt of the District during 2015 were as follows:

	Maturity/ Interest Rate	Balance January 1, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2015</u>	Amount Due Within <u>One Year</u>
Series 2007						
Roadway Improvement Bonds –	2016					
\$5,000,000	4.250%	\$1,270,000	\$ -	(\$620,000)	\$650,000	\$650,000
Premium		7,663	-	(5,147)	2,516	2,516
Series 2010						
Roadway Improvement Bonds –	2025					
\$5,925,000	2.90- 5.35%	4,510,000	-	(365,000)	4,145,000	370,000
Series 2012						
Roadway Improvement Bonds –	2028					
\$5,000,000	2.00- 3.00%	4,465,000	-	(275,000)	4,190,000	280,000
Premium		96,884	-	(11,327)	85,557	10,793
Series 2013						
Roadway Improvement Bonds –	2028					
\$8,035,000	2.50- 5.00%	7,095,000	-	(425,000)	6,670,000	435,000
Premium		<u>499,190</u>	<u>-</u>	<u>(56,920)</u>	<u>442,270</u>	<u>54,110</u>
Total		<u>\$17,943,737</u>	<u>\$ -</u>	<u>(\$1,758,394)</u>	<u>\$16,185,343</u>	<u>\$1,802,419</u>

During 2007, the District issued \$5,000,000 of Clermont County Transportation Improvement District Roadway Improvement Revenue Bonds, Series 2007, dated December 5, 2007, to finance the first phase of the District's Regional Transportation Improvement Program. The remaining balance of the Series 2007 bonds will mature on December 1, 2016 in an amount equal to \$650,000 plus interest at a rate of 4.25 percent per annum, payable semi-annually on June 1 and December 1.

During 2010, the District issued \$5,925,000 of Clermont County Transportation Improvement District Roadway Improvement Revenue Bonds, Series 2010, dated June 3, 2010, to finance the second phase of the District's Regional Transportation Improvement Program. The balance of the Series 2010 bonds will mature on December 1 in various amounts ranging from \$370,000 in 2016 to \$470,000 in 2025. Interest, at rates varying from 2.90 percent to 5.35 percent per annum, is payable semi-annually on June 1 and December 1. The Series 2010 Bonds are Recovery Zone Economic Development Bonds subject to a Federal subsidy that reimburses the District 45 percent of interest payable on the Bonds.

During 2012, the District issued \$5,000,000 of Clermont County Transportation Improvement District Roadway Improvement Revenue Bonds, Series 2012, dated August 7, 2012, to finance the third phase of the District's Regional Transportation Improvement Program. The balance of the Series 2012 bonds will mature on December 1 in various amounts ranging from \$280,000 in 2016 to \$380,000 in 2028. Interest, at rates varying from 2.00 percent to 3.00 percent per annum, is payable semi-annually on June 1 and December 1.

During 2013, the District issued \$8,035,000 of Clermont County Transportation Improvement District Roadway Improvement Revenue Bonds, Series 2013, dated May 3, 2013, to finance the fourth phase of the District's Regional Transportation Improvement Program. The balance of the Series 2013 bonds will mature on December 1 in various amounts ranging from \$435,000 in 2016 to \$615,000 in 2028. Interest, at rates varying from 2.50 percent to 5.00 percent per annum, is payable semi-annually on June 1 and December 1.

The District has pledged receipts which consist of 1) the project funding; 2) future project funding; 3) net RID revenues; and 4) any other revenues, such as gifts or grants, to the extent they are not prohibited by their terms, to repay the principal and interest on the bonds. The bonds are payable from pledged revenues through 2028. Annual principal and interest payments on the bonds after the Federal subsidy are expected to require approximately 71 percent of annual pledged revenues through 2016, 51 percent from 2017 through 2025 and 35 percent from 2026 through 2028.

The annual requirements to retire the bonds, including the 45 percent federal subsidy applicable to interest on the Series 2010 bonds, are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Gross Interest</u>	<u>Federal Subsidy</u>	<u>Total</u>
2016	\$1,735,000	\$546,142	(\$91,257)	\$2,189,885
2017	1,115,000	487,798	(84,847)	1,517,951
2018	1,135,000	455,268	(77,836)	1,512,432
2019	1,160,000	422,943	(70,039)	1,512,904
2020	1,185,000	389,473	(61,863)	1,512,610
2021-2025	6,440,000	1,287,329	(162,868)	7,564,461
2026-2028	<u>2,885,000</u>	<u>211,250</u>	<u>-</u>	<u>3,096,250</u>
Total	<u>\$15,655,000</u>	<u>\$3,800,203</u>	<u>(\$548,710)</u>	<u>\$18,906,493</u>

7. CONTRACTUAL COMMITMENTS

As of December 31, 2015, the District had open contractual commitments related to various projects as follows:

<u>Contract Amounts</u>	<u>Paid to Date</u>	<u>Remaining Commitments</u>
<u>\$9,213,658</u>	<u>\$5,573,677</u>	<u>\$3,639,981</u>

8. TRANSFERS

During the year, the District transferred \$2,195,801 from the General Fund to the debt service fund for debt service and \$4,713,577 from the General Fund to various project funds to fund expenditures. In addition, certain project funds transferred a total of \$1,638,384 to the General Fund to return funds provided for funding of expenditures in prior years in advance of receiving project specific funding from outside sources.

9. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- General Liability
- Public Officials Liability
- Crime

There have been no claims resulting from these risks since inception of the District in July 2006. There have been no significant changes in coverage since July 2006.

10. SUBSEQUENT EVENTS

During February 2016, the intergovernmental agreements, as discussed in Note 5, between the District and the Clermont County Commissioners, the Clermont County Engineers Office, Miami Township and Union Township were amended to extend each funding partner's pledged revenue through the year ended December 31, 2036. The amended intergovernmental agreement balances, after amendment, are as follows:

	<u>Remaining Agreement</u>
Clermont County Commissioners	\$28,875,000
Clermont County Engineers Office	21,000,000
Miami Township	7,400,000
Union Township	<u>2,100,000</u>
Total	<u>\$59,375,000</u>

The District issued Clermont County, Ohio Transportation Improvement District, Series 2016, Special Obligation Revenue Bonds, dated April 1, 2016 in the amount of \$7,815,000 for the purpose of financing a portion of the District's Regional Transportation Improvement Program projects. The Series 2016 bonds will mature on December 1 in various amounts ranging from \$270,000 in 2017 to \$550,000 in 2036. Interest, at rates varying from 3.00 percent to 4.00 percent per annum, is payable semi-annually on June 1 and December 1.

This page intentionally left blank

**Clermont County Transportation Improvement District
Combining Balance Sheet
All Governmental Funds
December 31, 2015**

	General Fund	Debt Service Fund	Eastgate South Roundabout Project Fund	Ivy Pointe Boulevard Project Fund	Aicholtz Road Connector Project Fund	Clough Pike Improvement Project Fund	McMann Road Widening Project Fund
Assets							
Equity in Pooled Cash	\$ 5,696,208	\$ -	\$ 940,764	\$ -	\$ 45,064	\$ -	\$ -
Accounts Receivable	-	-	3,573	-	-	-	-
Intergovernmental Receivable	-	-	687,712	423,145	899,846	-	508,007
Due from Other Funds	2,916,148	-	-	-	-	-	-
Contractor Retainage Accounts	-	-	-	97,103	-	-	16,299
Total Assets	\$ 8,612,356	\$ -	\$ 1,632,049	\$ 520,248	\$ 944,910	\$ -	\$ 524,306
Liabilities							
Accounts Payable	\$ 29,082	\$ -	-	-	\$ 18,101	\$ -	\$ -
Contracts Payable	18,470	-	1,632,049	-	26,963	-	-
Due to Other Funds	-	-	-	423,145	899,846	-	508,007
Retainage Accounts Payable	-	-	-	97,103	-	-	16,299
Total Liabilities	47,552	-	1,632,049	520,248	944,910	-	524,306
Deferred Inflows of Resources							
Unavailable Amounts	-	-	-	423,145	99,325	-	247,754
Total Deferred Inflows of Resources	-	-	-	423,145	99,325	-	247,754
Fund Balances							
Unassigned	8,564,804	-	-	(423,145)	(99,325)	-	(247,754)
Total Fund Balances	8,564,804	-	-	(423,145)	(99,325)	-	(247,754)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,612,356	\$ -	\$ 1,632,049	\$ 520,248	\$ 944,910	\$ -	\$ 524,306

(continued)

Clermont County Transportation Improvement District
Combining Balance Sheet
All Governmental Funds
December 31, 2015
(continued)

	Old State Route 74 Widening Project Fund	Batavia and Half Acre Rd Project Fund	Woodville Pike Rahab Project Fund	BHG Drainage Improvements Project Fund	Linton Road Bridge Project Fund	Wolfpen- Pleasant Hill Safety Improvements Project Fund	Wolfpen Landslide Project Fund
Assets							
Equity in Pooled Cash	\$ 42,182	\$ -	\$ -	\$ 36,723	\$ 10,867	\$ 58,828	\$ -
Accounts Receivable	-	-	-	-	-	-	-
Intergovernmental Receivable	-	-	455,595	162,142	344,883	-	64,452
Due from Other Funds	-	-	-	-	-	-	-
Contractor Retainage Accounts	-	-	22,522	-	-	-	-
Total Assets	\$ 42,182	\$ -	\$ 478,117	\$ 198,865	\$ 355,750	\$ 58,828	\$ 64,452
Liabilities							
Accounts Payable	\$ 12,432	\$ -	\$ -	\$ 7,223	\$ -	\$ -	\$ -
Contracts Payable	29,750	-	359,898	29,500	10,867	58,828	-
Due to Other Funds	-	-	95,697	162,142	344,883	-	64,452
Retainage Accounts Payable	-	-	22,522	-	-	-	-
Total Liabilities	42,182	-	478,117	198,865	355,750	58,828	64,452
Deferred Inflows of Resources							
Unavailable Amounts	-	-	95,697	162,142	344,883	-	64,452
Total Deferred Inflows of Resources	-	-	95,697	162,142	344,883	-	64,452
Fund Balances							
Unassigned	-	-	(95,697)	(162,142)	(344,883)	-	(64,452)
Total Fund Balances	-	-	(95,697)	(162,142)	(344,883)	-	(64,452)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 42,182	\$ -	\$ 478,117	\$ 198,865	\$ 355,750	\$ 58,828	\$ 64,452

(continued)

Clermont County Transportation Improvement District
Combining Balance Sheet
All Governmental Funds
December 31, 2015
(continued)

	Business 28 Phase I Improvements Project Fund	South Altman Landslide Project Fund	Laurel Pt. Isabel Emergency Culvert Project Fund	Merwin Ten Mile at 125 Intersection Project Fund	Clermont County ITS-Phase 2 Project Fund	SR 28/BHG at Jer-Les Drive Project Fund	SR 131 Improvements at Seipelt Elementary Project Fund
Assets							
Equity in Pooled Cash	\$ -	\$ 7,370	\$ -	\$ -	\$ -	\$ 4,780	\$ -
Accounts Receivable	-	-	-	-	-	-	-
Intergovernmental Receivable	-	-	156,125	123,505	-	84,246	54,100
Due from Other Funds	-	-	-	-	-	-	-
Contractor Retainage Accounts	-	-	-	5,482	-	-	-
Total Assets	\$ -	\$ 7,370	\$ 156,125	\$ 128,987	\$ -	\$ 89,026	\$ 54,100
Liabilities							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts Payable	-	7,370	-	-	-	4,780	-
Due to Other Funds	-	-	156,125	123,505	-	84,246	54,100
Retainage Accounts Payable	-	-	-	5,482	-	-	-
Total Liabilities	-	7,370	156,125	128,987	-	89,026	54,100
Deferred Inflows of Resources							
Unavailable Amounts	-	-	156,125	55,502	-	84,246	54,100
Total Deferred Inflows of Resources	-	-	156,125	55,502	-	84,246	54,100
Fund Balances							
Unassigned	-	-	(156,125)	(55,502)	-	(84,246)	(54,100)
Total Fund Balances	-	-	(156,125)	(55,502)	-	(84,246)	(54,100)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 7,370	\$ 156,125	\$ 128,987	\$ -	\$ 89,026	\$ 54,100

(continued)

**Clermont County Transportation Improvement District
Combining Balance Sheet
All Governmental Funds
December 31, 2015
(continued)**

	CCTID ITS Phase 3 Project Fund	Oaisir Rail Corridor Tier 2 Project Fund	Aicholtz Road Widening Project Fund	SR 28 & Branch Hill Intersection Improvements Project Fund	Old SR 74 and East Tech Drive Project Fund	Wards Corner Widening Project Fund	Total
Assets							
Equity in Pooled Cash	\$ 8,095	\$ -	\$ 3,571	\$ -	\$ 70	\$ -	\$ 6,854,522
Accounts Receivable	-	-	-	-	-	-	3,573
Intergovernmental Receivable	-	-	-	-	-	-	3,963,758
Due from Other Funds	-	-	-	-	-	-	2,916,148
Contractor Retainage Accounts	-	-	-	-	-	-	141,406
Total Assets	<u>\$ 8,095</u>	<u>\$ -</u>	<u>\$ 3,571</u>	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ -</u>	<u>\$ 13,879,407</u>
Liabilities							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,838
Contracts Payable	8,095	-	3,571	-	70	-	2,190,211
Due to Other Funds	-	-	-	-	-	-	2,916,148
Retainage Accounts Payable	-	-	-	-	-	-	141,406
Total Liabilities	<u>8,095</u>	<u>-</u>	<u>3,571</u>	<u>-</u>	<u>70</u>	<u>-</u>	<u>5,314,603</u>
Deferred Inflows of Resources							
Unavailable Amounts	-	-	-	-	-	-	1,787,371
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,787,371</u>
Fund Balances							
Unassigned	-	-	-	-	-	-	6,777,433
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,777,433</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,095</u>	<u>\$ -</u>	<u>\$ 3,571</u>	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ -</u>	<u>\$ 13,879,407</u>

Clermont County Transportation Improvement District
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
All Governmental Funds
For the Year Ended December 31, 2015

	General Fund	Debt Service Fund	Eastgate South Roundabout Project Fund	Ivy Pointe Boulevard Project Fund	Aicholtz Road Connector Project Fund	Clough Pike Improvement Project Fund	McMann Road Widening Project Fund
Revenues:							
Intergovernmental Revenue	\$ 3,075,000	\$ -	\$ 990,000	\$ 250,000	\$ 800,521	\$ 1,591,378	\$ 272,753
Federal Interest Subsidy	-	89,861	-	-	-	-	-
Interest Income	7,821	-	-	-	-	-	-
Total Revenues	<u>3,082,821</u>	<u>89,861</u>	<u>990,000</u>	<u>250,000</u>	<u>800,521</u>	<u>1,591,378</u>	<u>272,753</u>
Expenditures							
Current:							
General Government	326,607	-	-	-	-	-	-
Program Implementation	178,785	-	-	-	-	-	-
Public Works	-	-	1,955,550	1,661,699	1,015,377	653,806	520,507
Debt Service:							
Redemption of Principal	-	1,685,000	-	-	-	-	-
Interest Expense	-	600,662	-	-	-	-	-
Total Expenditures	<u>505,392</u>	<u>2,285,662</u>	<u>1,955,550</u>	<u>1,661,699</u>	<u>1,015,377</u>	<u>653,806</u>	<u>520,507</u>
Excess (Deficiency) of Revenues Over	<u>2,577,429</u>	<u>(2,195,801)</u>	<u>(965,550)</u>	<u>(1,411,699)</u>	<u>(214,856)</u>	<u>937,572</u>	<u>(247,754)</u>
Other Financing Sources (Uses):							
Transfers-In	1,638,384	2,195,801	965,550	988,554	115,531	-	-
Transfers-Out	<u>(6,909,378)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(937,572)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(5,270,994)</u>	<u>2,195,801</u>	<u>965,550</u>	<u>988,554</u>	<u>115,531</u>	<u>(937,572)</u>	<u>-</u>
Net Change in Fund Balances	(2,693,565)	-	-	(423,145)	(99,325)	-	(247,754)
Fund Balance at Beginning of Year	<u>11,258,369</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 8,564,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (423,145)</u>	<u>\$ (99,325)</u>	<u>\$ -</u>	<u>\$ (247,754)</u>

(continued)

Clermont County Transportation Improvement District
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
All Governmental Funds
For the Year Ended December 31, 2015
(continued)

	Old State Route 74 Widening Project Fund	Batavia and Half Acre Rd Project Fund	Woodville Pike Rahab Project Fund	BHG Drainage Improvements Project Fund	Linton Road Bridge Project Fund	Wolfpen- Pleasant Hill Safety Improvements Project Fund	Wolfpen Landslide Project Fund
Revenues:							
Intergovernmental Revenue	\$ -	\$ -	\$ 359,898	\$ 277,800	\$ -	\$ -	\$ 193,273
Federal Interest Subsidy	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>359,898</u>	<u>277,800</u>	<u>-</u>	<u>-</u>	<u>193,273</u>
Expenditures							
Current:							
General Government	-	-	-	-	-	-	-
Program Implementation	-	-	-	-	-	-	-
Public Works	1,159,570	927,261	455,595	439,942	344,883	276,726	257,725
Debt Service:							
Redemption of Principal	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-
Total Expenditures	<u>1,159,570</u>	<u>927,261</u>	<u>455,595</u>	<u>439,942</u>	<u>344,883</u>	<u>276,726</u>	<u>257,725</u>
Excess (Deficiency) of Revenues Over	<u>(1,159,570)</u>	<u>(927,261)</u>	<u>(95,697)</u>	<u>(162,142)</u>	<u>(344,883)</u>	<u>(276,726)</u>	<u>(64,452)</u>
Other Financing Sources (Uses):							
Transfers-In	1,159,570	927,261	-	-	-	276,726	-
Transfers-Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,159,570</u>	<u>927,261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,726</u>	<u>-</u>
Net Change in Fund Balances	-	-	(95,697)	(162,142)	(344,883)	-	(64,452)
Fund Balance at Beginning of Year-Restated	-	-	-	-	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (95,697)</u>	<u>\$ (162,142)</u>	<u>\$ (344,883)</u>	<u>\$ -</u>	<u>\$ (64,452)</u>

(continued)

Clermont County Transportation Improvement District
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
All Governmental Funds
For the Year Ended December 31, 2015
(continued)

	Business 28 Phase I Improvements Project Fund	South Altman Landslide Project Fund	Laurel Pt. Isabel Emergency Culvert Project Fund	Merwin Ten Mile at 125 Intersection Project Fund	Clermont County ITS-Phase 2 Project Fund	SR 28/BHG at Jer-Les Drive Project Fund	SR 131 Improvements at Seipelt Elementary Project Fund
Revenues:							
Intergovernmental Revenue	\$ -	\$ 187,078	\$ -	\$ 80,503	\$ 80,539	\$ -	\$ -
Federal Interest Subsidy	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>187,078</u>	<u>-</u>	<u>80,503</u>	<u>80,539</u>	<u>-</u>	<u>-</u>
Expenditures							
Current:							
General Government	-	-	-	-	-	-	-
Program Implementation	-	-	-	-	-	-	-
Public Works	200,737	187,106	156,125	136,005	102,210	84,246	54,100
Debt Service:							
Redemption of Principal	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-
Total Expenditures	<u>200,737</u>	<u>187,106</u>	<u>156,125</u>	<u>136,005</u>	<u>102,210</u>	<u>84,246</u>	<u>54,100</u>
Excess (Deficiency) of Revenues Over	<u>(200,737)</u>	<u>(28)</u>	<u>(156,125)</u>	<u>(55,502)</u>	<u>(21,671)</u>	<u>(84,246)</u>	<u>(54,100)</u>
Other Financing Sources (Uses):							
Transfers-In	200,737	28	-	-	21,671	-	-
Transfers-Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>200,737</u>	<u>28</u>	<u>-</u>	<u>-</u>	<u>21,671</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	(156,125)	(55,502)	-	(84,246)	(54,100)
Fund Balance at Beginning of Year-Restated	-	-	-	-	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (156,125)</u>	<u>\$ (55,502)</u>	<u>\$ -</u>	<u>\$ (84,246)</u>	<u>\$ (54,100)</u>

(continued)

Clermont County Transportation Improvement District
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
All Governmental Funds
For the Year Ended December 31, 2015
(continued)

	CCTID ITS Phase 3 Project Fund	Oaisir Rail Corridor Tier 2 Project Fund	Aicholtz Road Widening Project Fund	SR 28 & Branch Hill Intersection Improvements Project Fund	Old SR 74 and East Tech Drive Project Fund	Wards Corner Widening Project Fund	Total
Revenues:							
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -	\$ 165,000	\$ 535,882	\$ 8,859,625
Federal Interest Subsidy	-	-	-	-	-	-	89,861
Interest Income	-	-	-	-	-	-	7,821
Total Revenues	-	-	-	-	165,000	535,882	8,957,307
Expenditures							
Current:							
General Government	-	-	-	-	-	-	326,607
Program Implementation	-	-	-	-	-	-	178,785
Public Works	28,393	15,074	7,767	6,715	70	-	10,647,189
Debt Service:							
Redemption of Principal	-	-	-	-	-	-	1,685,000
Interest Expense	-	-	-	-	-	-	600,662
Total Expenditures	28,393	15,074	7,767	6,715	70	-	13,438,243
Excess (Deficiency) of Revenues Over	(28,393)	(15,074)	(7,767)	(6,715)	164,930	535,882	(4,480,936)
Other Financing Sources (Uses):							
Transfers-In	28,393	15,074	7,767	6,715	-	-	8,547,762
Transfers-Out	-	-	-	-	(164,930)	(535,882)	(8,547,762)
Total Other Financing Sources (Uses)	28,393	15,074	7,767	6,715	(164,930)	(535,882)	-
Net Change in Fund Balances	-	-	-	-	-	-	(4,480,936)
Fund Balance at Beginning of Year-Restated	-	-	-	-	-	-	11,258,369
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,777,433



Dave Yost • Auditor of State

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

Clermont County Transportation Improvement District
Clermont County
2381 Clermont Center Drive
Batavia, Ohio 45103

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clermont County Transportation Improvement District, Clermont County, Ohio (the District) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 27, 2016.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

Columbus, Ohio

May 27, 2016



Dave Yost • Auditor of State

CLERMONT COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

CLERMONT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 16, 2016**