

**TRANSPORTATION IMPROVEMENT DISTRICT**

**BUTLER COUNTY**

**Audit Report**

**Year Ended December 31, 2015**







# Dave Yost • Auditor of State

Board of Trustees  
Transportation Improvement District of Butler County  
1921 Fairgrove Ave  
Hamilton, Ohio 45011

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

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

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

Dave Yost  
Auditor of State

January 17, 2018

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**TRANSPORTATION IMPROVEMENT DISTRICT  
BUTLER COUNTY, OHIO  
AUDIT REPORT  
For the Year Ended December 31, 2015**

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**TRANSPORTATION IMPROVEMENT DISTRICT  
 BUTLER COUNTY, OHIO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Federal Grantor/ Program Title	Grant Year	Federal CFDA Number	Expenditures
<b>Federal Highway Administration</b>			
<b>Direct</b>			
Highway Planning and Construction	2015	20.205	<u>\$ 2,869,096</u>
Total Federal Highway Administration			<u><u>\$ 2,869,096</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**TRANSPORTATION IMPROVEMENT DISTRICT  
BUTLER COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Transportation Improvement District's (the District's) under programs of the federal government for the year ended December 31, 2015. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C - MATCHING REQUIREMENTS**

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



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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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

Transportation Improvement District of Butler County  
1921 Fairgrove Avenue  
Hamilton, Ohio 45011

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 Transportation Improvement District of Butler 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 December 1, 2017. We noted the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment to GASB Statement No. 68*.

***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 opinions 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.

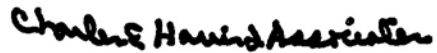
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies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



***Charles E. Harris & Associates, Inc.***  
December 1, 2017

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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

Transportation Improvement District of Butler County  
1921 Fairgrove Avenue  
Hamilton, Ohio 45011

To the Board of Trustees:

***Report on Compliance for the Major Federal Program***

We have audited the Transportation Improvement District of Butler County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended December 31, 2015. The District's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on the Major Federal Program***

In our opinion, the Transportation Improvement District of Butler County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.

***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings as item 2015-001. Our opinion on the major federal program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying Corrective Action Plan. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

***Report on Internal Control Over Compliance***

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

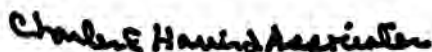
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings as item 2015-001 that we consider to be a material weakness.

The District's response to the internal control over compliance finding identified in our audit is described in the accompanying Corrective Action Plan. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Transportation Improvement District of Butler County (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. We issued our unmodified report thereon dated December 1, 2017. Our opinion also explained that the District adopted Governmental Accounting Standards Board Statement No. 68 and Governmental Accounting Standards Board Statement No. 71 during the year. We conducted our audit for the purpose of forming an opinion on the District's basic financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.



***Charles E. Harris and Associates, Inc.***  
December 1, 2017

**TRANSPORTATION IMPROVEMENT DISTRICT  
BUTLER COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR §200.515  
DECEMBER 31, 2015**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	Highway Planning and Construction CFDA #20.205
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

**TRANSPORTATION IMPROVEMENT DISTRICT  
BUTLER COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR §200.515  
DECEMBER 31, 2015  
(Continued)**

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
---------------------------------------

Finding Number	2015-001		
CFDA Title and Number	Highway Planning and Construction CFDA #20.205		
Federal Award Number / Year	FY 2015		
Federal Agency	Federal Highway Administration		
Pass-Through Entity	Ohio Department of Transportation		
Repeat Finding from prior audit?	No	Finding number (if repeat)	n/a

**Material Noncompliance/Material Weakness – Schedule of Federal Awards Expenditures**

2 CFR §200.510(b) provides that the auditee must prepare a Schedule of Expenditures of Federal Awards (SEFA) for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended which states the determination of when a Federal award is expended must be based on when the activity related to the Federal award occurs.

The District did not report all federal activity expended in 2015 on the Schedule, which caused an understatement of reported expenses for the Highway Planning and Construction Grant of \$1,587,598. The District has made this adjustment to the SEFA to properly reflect the 2015 activity.

Failure to accurately prepare the SEFA may result in noncompliance with the Uniform Guidance requirements and/or compromise the District's ability to obtain federal awards in the future.

We recommend that the District implement additional procedures to identify the correct year federal grants were expended and include them on the annual SEFA. Management should contact the various granting agencies and request documentation for all grant activity with the District to confirm activity.

**Management's Response:**

See Corrective Action Plan.

TRANSPORTATION IMPROVEMENT DISTRICT  
BUTLER COUNTY

CORRECTIVE ACTION PLAN  
December 31, 2015

FINDING NUMBER	PLANNED CORRECTIVE ACTION	ANTICIPATED COMPLETION DATE	RESPONSIBLE CONTACT PERSON
2015-001	The District is now including federal grant dollars in the year expended and has corrected past practice regarding year-end closeout procedures for federal grants. These procedures will be used yearly so that the annual schedule of federal awards expenditures are included in the correct year	Immediately	Sean Fraunfelter Accountant



**TRANSPORTATION IMPROVEMENT DISTRICT  
BUTLER COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31,2015**

The prior audit report, for the year ending December 31, 2014, reported no material citations or recommendations.

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Butler County, Ohio  
Transportation Improvement District  
Comprehensive Annual Financial Report



Note: The current rail crossing that will be replaced when the South Hamilton Crossing project is completed.

For the Fiscal Year Ended  
December 31, 2015

# INTRODUCTORY SECTION



The Liberty Towne Center located along Liberty Way, State Route 129 and Interstate 75, where the TID completed over \$50 million in infrastructure improvements over the past several years.

**Butler County, Ohio  
Transportation Improvement District**

**Comprehensive Annual  
Financial Report**

**For the Fiscal Year Ended  
December 31, 2015**

**Prepared by  
Sean Fraunfelter, CPA  
Finance/Administration**

**Transportation Improvement District of Butler County, Ohio**  
**Comprehensive Annual Financial Report**  
**For the Year Ended December 31, 2015**

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December 1, 2017

To the Citizens of Butler County and the Butler County Transportation Improvement District Board of Trustees:

We are pleased to present the Butler County Transportation Improvement District (TID) Comprehensive Annual Finance Report (CAFR) for the year ended December 31, 2015. This report contains basic financial statements and other financial and statistical information – providing complete and full disclosure of all financial aspects of the TID for 2015.

Responsibility for the accuracy, completeness and fairness of this report rests with the TID and the Finance Department, in particular. This report was prepared in conformity with accounting principles generally accepted in the United States of America set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. This report is representative of the TID's commitment to provide complete financial information to the citizens of Butler County.

#### **FORM OF GOVERNMENT AND REPORTING ENTITY**

The Butler County TID was created on June 30, 1993, under the auspices of provisions House Bill 154 and the Ohio Revised Code Section 5540.02. On December 7, 1993, the Butler County Commissioners authorized the creation of the TID by Resolution 93-12-2009. This resolution brought the TID together as an organized entity on January 31, 1994. The TID includes all of the territory within the following political subdivisions of Butler County: the City of Hamilton, the City of Fairfield, Fairfield Township, West Chester Township and Liberty Township. The Board of Trustees has appointed a representative from the City of Oxford as its board appointment. With this action, the TID Board and local governments are working to broaden the reach of the TID.

The TID is a jointly governed organization-both corporate and politic-given the powers to finance, construct, maintain, repair and operate transportation systems. The TID is governed by a Board of Trustees which acts as the authoritative and legislative body. The Board of Trustees currently is comprised of eighteen members, of which thirteen are voting and five are non-voting. Of the eighteen, three are elected as officers of the TID: the Chair, Vice-Chair and Secretary-Treasurer. Each officer serves a one-year term. TID Board members are appointed by the following member governments: Butler County, the City of Hamilton, the City of Fairfield, Fairfield Township, Liberty Township, West Chester Township, the State of Ohio, and the Ohio-Kentucky-Indiana Regional Council of Governments. The Butler County Engineer is designated by law as a member.

The Board Chair is appointed annually by the Board of Trustees. The Chair is responsible for presiding at all Board meetings and is the chief legislative officer of the TID. The TID Director, also hired by the Board of Trustees, serves as chief executive officer of the TID as prescribed by the Board of Trustees.

This report presents the financial activity of the District in conformity with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources, and is consistent with the reporting model as promulgated by GASB Statements No. 34, 54, 63, 65, 68 and 71.

GAAP requires management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent accountants.

## **MAJOR INITIATIVES**

### **South Hamilton Crossing**

The South Hamilton Crossing project will create an overpass over the CSX Railroad in the southern portion of the City replacing a dangerous angled at-grade crossing and allowing for greater access into the City's technology park and Miami University Hamilton. The project also makes significant changes to the adjoining roads by raising them to adjoin the new overpass.

The TID and City of Hamilton entered into an intergovernmental agreement during 2012 for the TID to oversee the engineering design phase of the project. The District received funding through the State of Ohio House Bill 51 initiative that permitted TIDs to request funding for local projects of \$250,000 annually and not to exceed ten percent of the total project cost. The District was successful in receiving this grant funding for two consecutive years to help fund the engineering/environmental work on the project. The engineering and environmental work has been completed.

The TID received grant funding through the Ohio-Kentucky-Indiana Council of Governments (OKI) Congestion Mitigation and Air Quality Improvement (CMAQ) program for right of way acquisition of \$2.45 million with the remaining right of way costs being provided from the City of Hamilton including the local match to the CMAQ grant. The TID retained real estate consultants to acquire all the parcels, easements, provide relocation assistance and other right of way assistance to a total of ninety-three parcels. The TID was successful in getting right of way cleared through ODOT on January 29, 2016 which allows the TID to advertise for construction inspection and management services.

The TID received \$10 million through the Ohio Department of Transportation - Transportation Review Advisory Council (TRAC) for the construction phase which requires no local match monies. The City of Hamilton also received a \$1,118,000 629 Roadwork Development Grant through the Ohio Development Services Agency for a share of the construction project that requires a fifty percent local match. The TID received an additional \$3.75 million through OKI from the Federal Surface Transportation Program (STP) for construction that requires a fifty percent match. The City of Hamilton, along with any funds received from the CSX Railroad and TID, will provide the match monies and any additional construction funds necessary. The TID will bid the project in the second quarter of 2016. The construction is expected to be completed by the end of 2018.



### **Salzman Road Relocation**

During 2013, the TID started working with the Cities of Monroe and Middletown to extend Salzman Road from the current terminus north of State Route 63 to Todhunter Road. The TID received House Bill 51 funding in 2014 for engineering design. The TID has been working with the property owner and related utilities to coordinate efforts to move forward with the construction project.

Late in 2014, the TID received notification from the OKI that the project was awarded \$1,682,000 in STP funding that would be available for construction starting on July 1, 2016. The grant requires a twenty percent match which will be covered jointly by the two cities as well as any additional cost to the project.

### **Interstate 75/Cox Road/Liberty Way**

During 2015, the TID along with the Ohio Department of Transportation, Butler County Engineer, Liberty Township and West Chester Township made the determination to evaluate the current configuration of Interstate 75, State Route 129, and Liberty Way interchange. With the additional retail development, Liberty Town Center, and the new construction of a Christ Hospital Facility and other development in the area, the interchange will be under tremendous pressure. The District entered into an agreement with EMHT for an interchange modification study. The TID disbursed the remaining funds held from the property sale to the Steiner Group to the Butler County Engineer in February 2016 to cover the second phase of this project.

## **ECONOMIC CONDITION AND OUTLOOK**

The TID has seen state and federal government financing for projects on the decline. With recent State of Ohio budget cuts, the local governments have limited resources to allocate for major infrastructure projects, but our partners have continued to step up, locally funding a large portion of the South Hamilton Crossing, a substantial part of the overall Bypass 4 widening project for the past several years and the earlier Liberty Interchange project, for which the bond payments are 100% locally funded. Funds previously allocated to TIDs through ODOT's operating budget were changed to a competitive process after fiscal year 2011 for the District. Eligible TIDs throughout the state may apply for up to \$250,000 annually per project subject to other limits per request. The TID was successful in its two applications for the South Hamilton Crossing project and one for the Salzman Road extension. The TID had used this funding in prior years to help offset operating costs. This is no longer an eligible expense. Despite selling some land during 2015, the TID is still holding significant land along Liberty Way that will help fund operations for the next decade. The remaining parcel is currently under a purchase agreement. The TID was able to generate over \$1 million in operating funds from the sale of the parcel during 2015.

The future sale of the District property and the administrative fee on the South Hamilton Crossing project will provide the District with operating capital to fund operations and develop projects over the next several years. The District's success in grant awards can help projects move forward in a more efficient manner, especially when multiple jurisdictions are involved.

The TID works with local officials to bring together transportation infrastructure improvement projects, but these projects can't happen without the financing commitment from the local governments. With tight budgets, local governments have turned to alternative methods for financing infrastructure projects that are necessary for either safety improvements or to bring in more development for the area. Tax increment financing areas are used along with other financing options such as joint economic development districts as ways to pay for these necessary improvements.

## **TID INTERNAL CONTROLS**

In developing and evaluating the TID's accounting system, consideration is given to the adequacy of internal accounting control. Internal accounting controls are designed to provide reasonable assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition, or 2) the reliability of financial records for preparing financial statements and maintaining accountability of assets. The TID has a small staff to complete segregation of duties, but everything is done to the best of the abilities of current staffing to assure that proper internal controls over cash, check writing and authorizations are in place.

## **SIGNIFICANT FINANCIAL POLICIES**

The TID operates through administrative fees with local governments that participate in TID projects. The TID has the ability to purchase land that is not required for right of way purposes and hold for future resale. As discussed above, the TID has significant land along Liberty Way that will be critical to the long-term financial health of the TID, as well as provide possible funding alternatives to its project base.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The TID operates from three typical financial sources: investment interest revenue, local government contributions and an administration charge on project management services. The TID Board continues working on alternative funding sources for operations and projects. For additional information on the financial condition of the TID, please review the Management Discussion and Analysis starting on page 3 of the report.

From a long-term financial planning perspective, the TID Board and staff continue to evaluate future projects that will provide the District with the additional administrative revenue necessary to fund operations. The District's ability to work on projects such as the South Hamilton Crossing and the Salzman Road Relocation and future infrastructure needs in the Liberty Way area are critical for the District and also for the local governments throughout Butler County.

## **AUDIT**

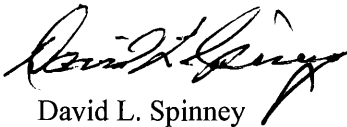
An audit team from Charles E. Harris and Associates Inc. performed this year's audit. The results of the audit are presented in the Independent Auditors Report.

## AWARDS AND ACKNOWLEDGMENTS

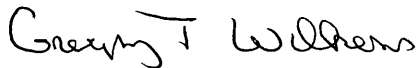
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the TID for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2014. This is the twentieth consecutive year that the TID has received this award for excellence. In order to be awarded a Certificate of Achievement, the TID must publish a clear and effective CAFR.

The TID staff works to develop a level of professionalism and sound financial reporting. The preparation and publication of this CAFR serves a cornerstone for the TID's efforts. A special note of acknowledgment is presented to our Board of Trustees for their knowledge and dedication, serving as volunteers to the TID. The TID also acknowledges our local governments that are critical to the success of the TID. Without their support to the projects of the TID, it would not be possible to have successfully completed almost \$314 million with fifteen construction projects throughout Butler County. The report demonstrates the level of accountability that we strive to maintain each year. We hope this report increases public confidence in the operation and management of the TID. The report also provides a fair presentation of the financial condition of the TID as of and for the year ended December 31, 2015.

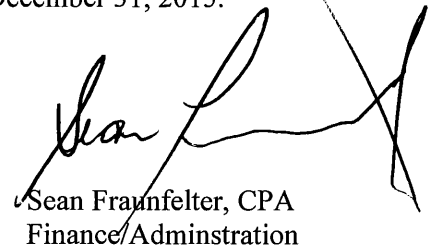
Respectfully submitted,



David L. Spinney  
TID Director



Gregory J. Wilkens, P.E., P.S.  
Secretary/Treasurer- Board of Trustees



Sean Fraunfelter, CPA  
Finance/Administration



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Butler County**

**Transportation Improvement District**

**Ohio**

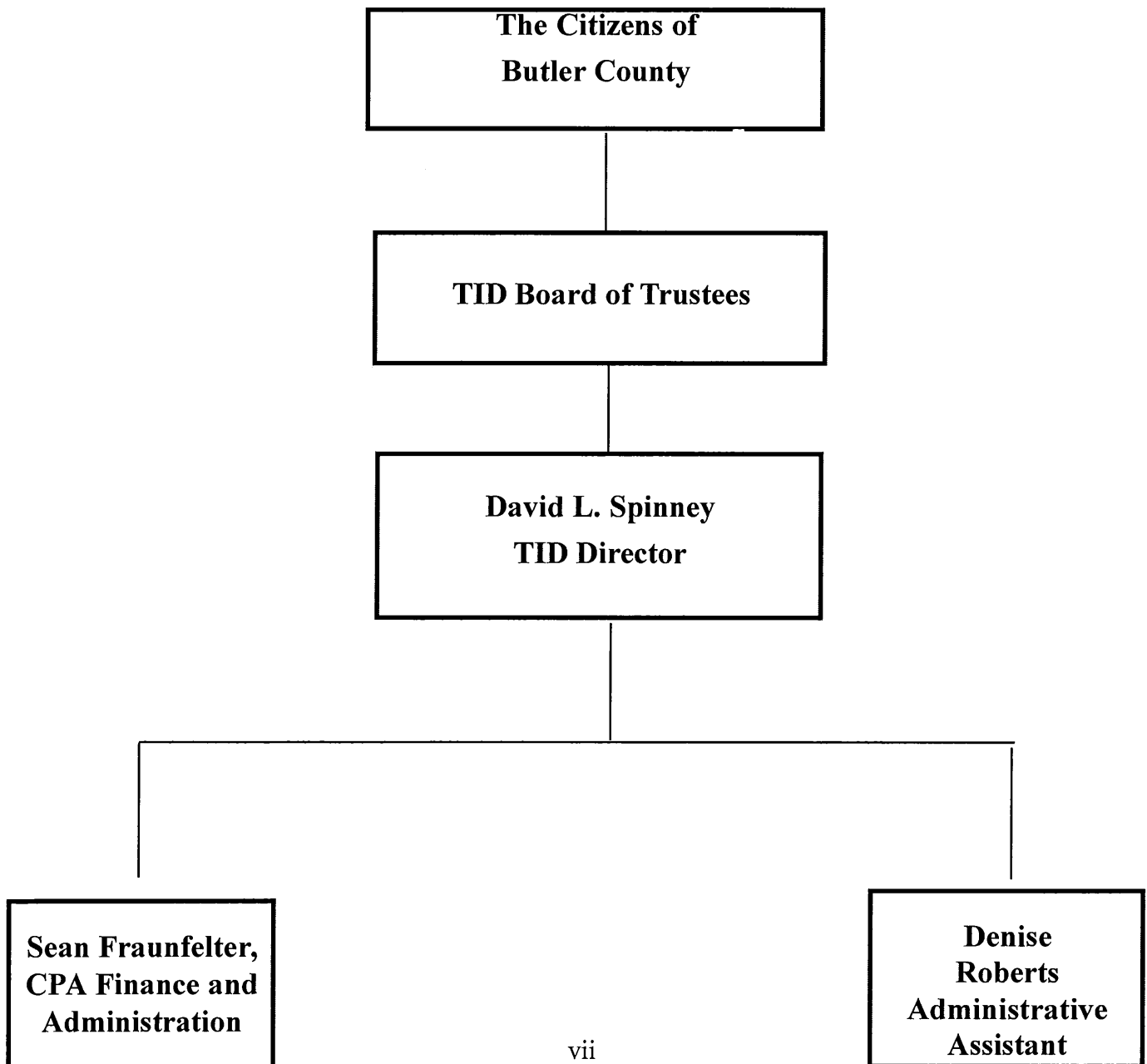
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

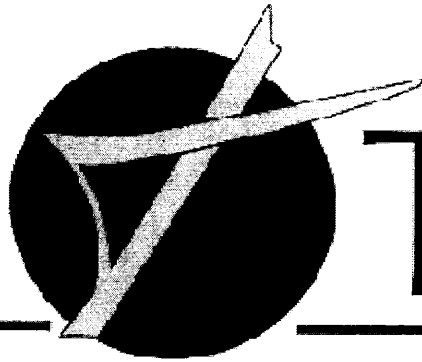
Executive Director/CEO



## **2015 Staff Organizational Chart**



BUTLER  
COUNTY

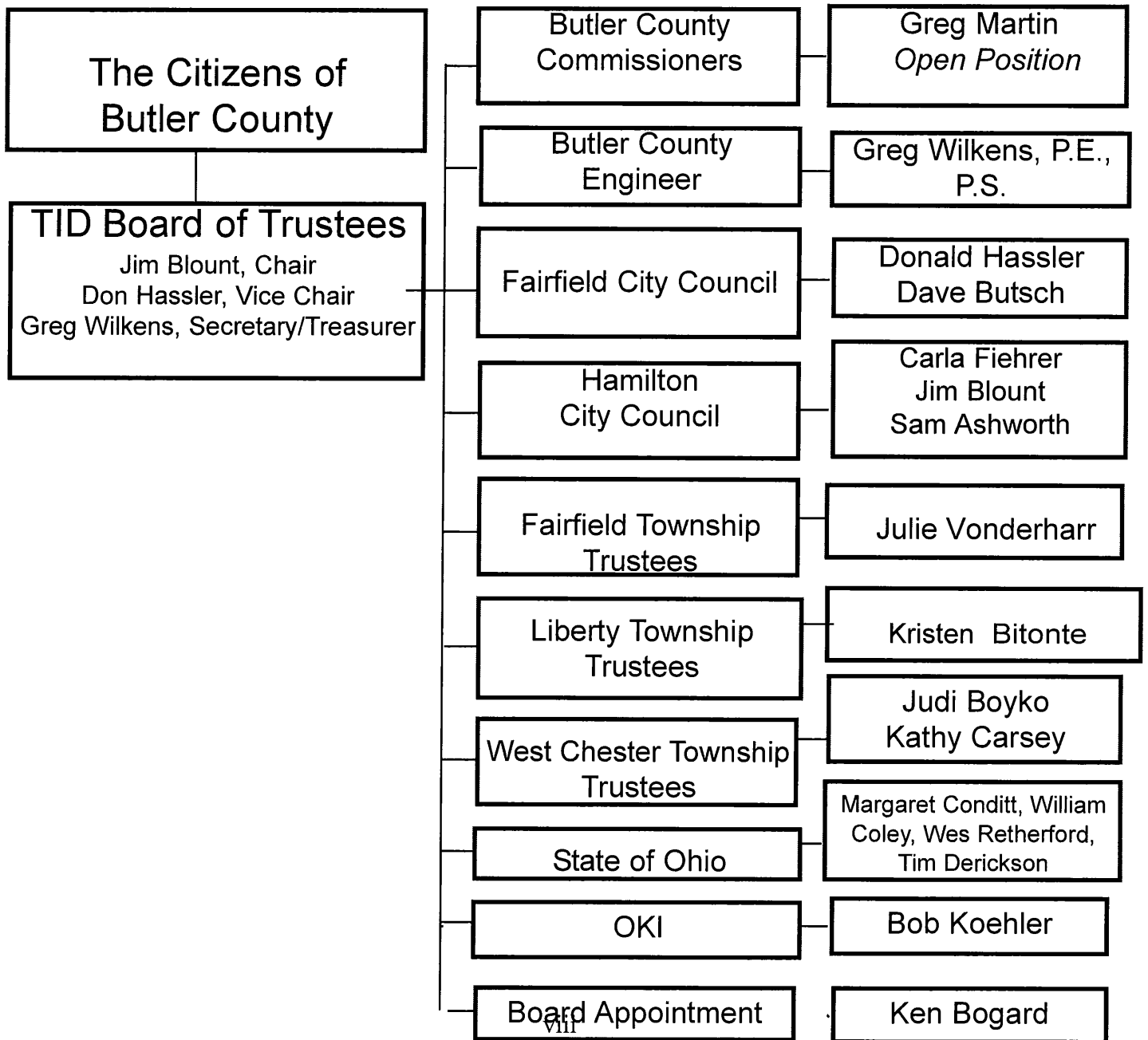


TID

TRANSPORTATION IMPROVEMENT DISTRICT

2015 Board of Trustees

Organizational Chart



# FINANCIAL SECTION



New Christ Hospital Facility near the Liberty Way Interchange



Part of the new Liberty Center development along Liberty Way Interchange

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Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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## **REPORT OF INDEPENDENT ACCOUNTANTS**

Transportation Improvement District of Butler County  
1921 Fairgrove Avenue  
Hamilton, Ohio 45011

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 the Transportation Improvement District of Butler 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 the Transportation Improvement District, Butler 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.

***Emphasis of Matter***

As Discussed in Note 12 to the financial statements, during the year ended December 31, 2015, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. We did not modify our opinion regarding these matters.

***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*, schedules of pension liabilities and pension contributions and required budgetary comparison schedule 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.

***Supplemental and Other Information***

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

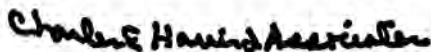
The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2017 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.



***Charles E. Harris & Associates, Inc.***  
December 1, 2017

# **TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015**

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Our discussion and analysis of the Transportation Improvement District of Butler County, Ohio's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2015. Please review it in conjunction with the transmittal letter and the District's basic financial statements, which begin on page 14.

### **FINANCIAL HIGHLIGHTS**

- Total net position increased \$6.5 million mainly due to the contributions to the Liberty Interchange project. The local governments contribute fully their net assigned revenues during the year then a calculation is done to return any excess funds. A portion was returned in the first quarter of 2016. It also increased as a larger amount of expenses were capitalized under construction in progress.
- General revenues accounted for \$1.1 million in revenues or 7.9 percent of all revenues. Program specific revenues in the form of charges for services and capital grants accounted for \$12.7 million or 92.1 percent of all revenues.
- The District added \$4.9 million in capital assets during the current year as the South Hamilton Crossing construction project saw significant expenses for the right of way acquisition process.
- Among the major funds, the Liberty Interchange fund saw \$4.5 million in intergovernmental expenses from the local governments compared to \$1.9 million in 2014.
- Since inception, the District has spent approximately \$314 million on construction projects in Butler County proving the District is a vital governmental tool to be used by the local governments to help increase the movement of the Butler County residents and open up valuable acreage for development that will keep Butler County as one of the growing communities in Ohio.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 14-15) provide information about the activities of the District as a whole and present a longer term view of the District's finances. Fund financial statements start on page 14. These statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most financially significant funds.

# **TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015**

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### **Reporting the District as a Whole**

#### *The Statement of Net Position and the Statement of Activities*

The analysis of the District as a whole begins on page 6. One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *Net Position* and changes in it. You can think of the District's Net Position, the difference between assets and deferred outflows, what the District owns, and liabilities and deferred inflows, what the District owes, as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's Net Position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's jurisdictional area, the availability of capital project needs and continuing local government support to assess the *overall health* of the District.

### **Reporting the District's Most Significant Funds**

#### *Fund Financial Statements*

The analysis of the District's major funds begins on page 8. The fund financial statements begin on page 16 and provide detailed information about the most significant funds, not the District as a whole. Some funds are required to be established by State law. However, the Board of Trustees establishes many other funds to help control and manage money for particular purposes (ex. various capital projects funds). The District only has governmental funds.

*Governmental Funds:* The District's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. 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 operations and the 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 the District's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation beside the fund financial statements.

*Notes to the Financial Statements:* The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements can be found on pages 20-42 of this report.

*Other information:* In addition to the basic financial statements and accompanying notes, this report also presents supplementary information, combining and individual fund statements and schedules and statistical information which can be found on pages 43-79 of this report.

# TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015

### THE DISTRICT AS A WHOLE

The District's total Net Position changed from a year ago as a result of additional intergovernmental revenue held for the South Hamilton Crossing construction project. Our analysis below focuses on the Net Position (Table 1) and Changes in Net Position (Table 2) of the District's governmental activities.

Table 1  
Net Position (in millions)

	Restated			Restated	
	2014	2015		2014	2015
Current and other assets	\$ 13.7	\$ 16.7	Deferred Inflows	\$ -	\$ (0.1)
Capital assets	3.6	6.2			
Total Assets	17.3	22.9	Net position:		
Deferred Outflows	-	0.2	Investment in capital assets	3.3	7.1
Long-term obligations	(47.6)	(46.5)	Restricted	8.8	13.8
Other liabilities	(1.2)	(1.3)	Unrestricted	(43.6)	(45.6)
Total Liabilities	(48.8)	(47.8)	Total net position	\$ (31.5)	\$ (24.7)

During 2015, the District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

# **TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015**

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GASB notes that pension obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the District’s statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan’s *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from (\$31,476,161) to (\$31,528,925).

Other than pensions, net position of the District’s activities increased significantly. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased from 2014 as the District received the 2014 revenue contributions for the Liberty Interchange but paid the excess funds back until February 2015. The District saw the current and other assets increase by \$1.6 million as the intergovernmental receivable for 2015 was over \$1 million with federal reimbursements for the South Hamilton Crossing project overlapping the years. The District was also holding the proceeds from the sale of the land long Liberty Way until February 2016 to pay of the engineering study along the State Route 129, Liberty Way and Cox Road area. The capital assets increased by \$4.2 million as the District capitalized expenses related to the right of way part of the South Hamilton Crossing project.

# TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

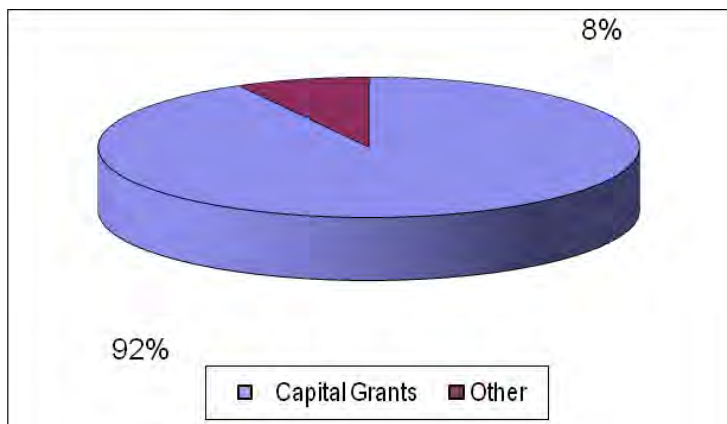
## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015

Table 2 compares the 2014 change in net position to the 2015 change in net position.

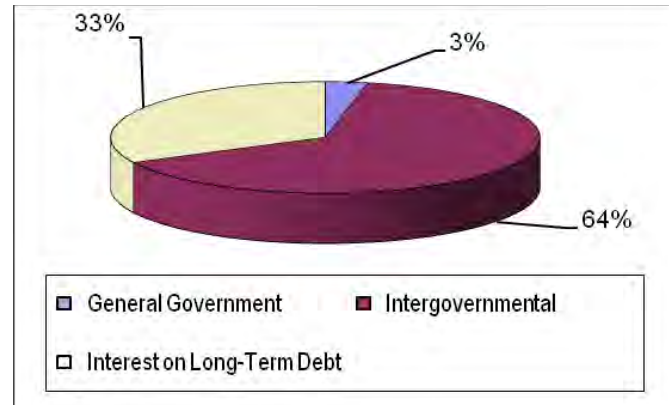
Table 2  
Changes in Net Position for 2015  
Compared with 2014 activity  
(in millions)

	Restated 2014	2015	Change
Program Revenues:			
Capital Grants	\$ 9.6	\$ 12.7	\$ 3.1
General Revenues:			
Other	2.2	1.1	(1.1)
Total Revenues	11.8	13.8	2.0
Program Expenses			
General Government	0.1	0.2	0.1
Intergovernmental	1.9	4.7	2.8
Interest of Long-Term Debt	2.4	2.4	-
Total Expenses	4.4	7.3	2.9
Change in Net Position	7.4	6.5	(0.9)
Beginning Net Position - Restated	(38.9)	(31.2)	7.7
Ending Net Position	\$ (31.5)	\$ (24.7)	\$ 6.8

### 2015 Governmental Activities Revenues



### 2015 Governmental Activities Expenses





# TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015

The District saw expenses increase from 2014 to 2015 mainly from a larger return of excess monies on the Liberty Interchange debt service deposits to Butler County and Liberty Township. The increase in revenues is attributed to state, federal and local contributions/reimbursements for the South Hamilton Crossing project.

Table 3 presents the cost of each of the District's programs as well as each program's net cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the District by each of these functions.

Table 3  
Governmental Activities  
(in millions)

	Total Cost of Services		Net Cost of Services	
	2014	2015	2014	2015
General Government	\$ 0.1	\$ 0.2	\$ 1.0	\$ 4.5
Intergovernmental	1.9	4.7	2.8	0.4
Interest on Long-Term Debt	2.4	2.4	1.4	0.5
<b>Total Expenses</b>	<b>\$ 4.4</b>	<b>\$ 7.3</b>	<b>\$ 5.2</b>	<b>\$ 5.4</b>

As the table above shows, the District works hard to cover the expenses/services the District provides. The interest on long-term debt is specifically covered by intergovernmental agreements. The District repays Liberty Township and Butler County any excess funds on their revenue contributions for the Liberty Interchange debt service. The funds received are account for a capital grant against both the interest and intergovernmental expenses. The net cost of services for general government is significantly higher than 2014 as the District received revenue for the South Hamilton Crossing project expenses that are capitalized onto the statement of net position under construction in progress.

### THE DISTRICT'S FUNDS

Table 4 presents the fund balances of the individual major funds and total nonmajor funds and an analysis of significant changes in the fund balances.

Table 4  
Year End Fund Balances in (Millions)

	2014	2015	% Change
General	\$ 4.3	\$ 4.9	14.0%
Liberty Interchange	10.4	11.4	9.6%
State Route 4 Bypass Widening	0.1	(0.2)	-300.0%
South Hamilton Crossing	0.6	0.5	-83.3%
Nonmajor Funds	-	-	0.0%
<b>Total Governmental Balances</b>	<b>\$ 15.4</b>	<b>\$ 16.6</b>	<b>7.8%</b>

# TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015

The **General Fund** realized an increase of \$0.6 million. The fund received a portion of the land proceeds from the sale of approximately four acres at the southwest corner of Cox Road and Liberty Way. This was the first significant revenue the general fund received in several years.

The 10% increase for the **Liberty Interchange Fund** is attributed to the contributions from Butler County, Liberty Township and West Chester Township under funding agreement exceeding the amount paid on debt service and returned as part of the funding agreement. The local government partners contributed one hundred percent of their net incremental revenue in the project area until certain funding requirements are met.

The **State Route Bypass 4 Widening Fund** decreased by 300% from the prior year as the District has used the trust funds used to pay down the principal on the outstanding bonds resulting in the negative fund balance being reported for the District's expenditures in prior years for engineering on the project that were paid from the District.

The **South Hamilton Crossing Fund** decreased by 83% as the City of Hamilton deposited right of way contributions during fiscal years 2014 and 2015 that were spent down to move the project forward.

The **Other Nonmajor Funds** accounts for the funds the District still maintains that have little to no balance in them. These funds account for prior projects the District has worked on and are finished but not officially closed out on the District's books. The District will leave the fund open until all possible phases of the project are completed or other related activity along the project corridor is completed. The District expects to close out several of these nonmajor funds over the next year. New in 2014 was the Salzman Road relocation project. The project was just initiated in the fourth quarter of 2014 and for 2015 still reports only engineering expenditures and reimbursements.

Table 5 presents a summary of governmental fund revenues for the 2014 fiscal year and the amounts and percent-ages of increases and decreases in relation to the prior year.

Table 5  
Total Governmental Fund Revenues

Revenue Source	2015 Amount	Percent of Total	Increase (Decrease) Over 2014	Percent Increase (Decrease)
Intergovernmental	\$ 12,674,061	98.4%	\$ 3,033,841	31.5%
Charges for Services	17,521	0.1%	(2,229)	-11.3%
Investment Earnings	32,352	0.3%	16,096	199.0%
Other	155,267	1.2%	(6,617)	-4.1%
<b>Total</b>	<b>\$ 12,879,201</b>	<b>100.0%</b>	<b>\$ 3,041,091</b>	<b>30.9%</b>

The 31% increase in **intergovernmental revenues** is related to the state, federal and local contributions for the right of way component of the South Hamilton Crossing project.

**Investments Earnings** almost tripled during 2015 as District invested certain Liberty Interchange Fund restricted balances and also operating fund balances in something other than very low yielding money market mutual funds. The District's decrease in **other revenues** relates to the IRS interest rebates on the State Route 4 Bypass bonds being lower with the interest expense being lower for the current year (the rebate is 45% of the interest expense for the year.)

# TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015

Table 6 presents the General Fund budget and the difference between the original budget and final budget for fiscal year 2015. Table 7 discusses the variance between the final budget and the actual results for the fiscal year.

### Original versus Final Budget

Table 6  
Original and Final Budget - General Fund

	Original	Final	Variance
<b>Revenues:</b>			
Charges for Services	\$ 28,500	\$ 20,000	\$ (8,500)
Investment Earnings	1,000	2,000	1,000
<b>Expenditures:</b>			
Current:			
General Government	280,144	303,769	(23,625)

The District's charges for services relate to administrative charges between the District and the Montgomery County Transportation Improvement District. The District is reimbursed for 25 hours monthly unless the cumulative hours build up and then only the base fee is charged. For expenditures, the District anticipated additional contractual services with the higher activity related to the land held for resale.

### Final Budget versus Actual

Table 7  
Final Budget versus Actual Results  
General Fund

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Charges for Services	\$ 20,000	\$ 17,875	\$ (2,125)
Investment Earnings	2,000	2,015	15
Other	-	56	56
<b>Expenditures:</b>			
Current:			
General Government	303,769	273,008	30,761

As discussed above, the District worked through 2015 with a very lean operating system. Charges for services revenue were under as not as many hours were used under the shared accounting agreement. The anticipated expenditures in contractual services ended up not being necessary.

# **TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015**

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### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

At year-end, the District had \$6.2 million invested in construction in progress assets. This amount represents an increase of \$4.5 million, or 135%, over the last year. The District spent that funds on the South Hamilton Crossing project and increased the carrying value on the land held for resale. For more information on capital assets, see Note 6 of the financial statements.

#### **Debt Administration**

During the year, the District had \$40.2 million in special obligation bonds for construction of the Liberty Interchange related projects outstanding. The debt is backed by intergovernmental agreements with Liberty Township, Butler County and West Chester Township. The project financing would not have occurred without the commitment of those governments. The bonds were issued at a \$1.6 million premium to cover the first seven months of interest expense. The District made the first payment on the principal during 2013. For more detailed information on this transaction, refer to Note 9 of the basic financial statements.

During 2009, the District saw the City of Hamilton, Butler County and Fairfield Township agree to support a \$7.3 million special obligation bond for the local share on the District's phases of the State Route 4 Bypass widening project. The bonds were issued under the economic recovery zone bond program so the participating governments received a 45% credit on the interest paid. This is critical for helping reduce the overall burden to these governments. The debt was reduced by \$285,000 during the year. For more detailed information on this transaction, refer to Note 9 of the basic financial statements.

### **ECONOMIC FACTORS**

The District has operated in Southeastern Butler County since its 1994 formation. The District is focusing on two projects. First, the South Hamilton Crossing project that will open up significant developable acreage within the City of Hamilton. The District was successful in obtaining \$10 million for construction funding through TRAC that will also require significant local contributions from the City. The District is also working on the development potential in the Cities of Monroe and Middletown for the Salzman Road project. The District was successful in securing a grant for engineering funds through the Ohio Jobs and Commerce program. The District also obtained \$1.68 million for construction through OKI.

It is important that the District is able to succeed in the development of these projects not only for Butler County and its residents, but also for the longevity of the District. The District has no continuing revenue source except an administration fee charged on the various projects that it conducts. With additional construction projects to better the transportation quality in Butler County, the District will continue to provide the residents of Butler County with an easier way to get from one place to the next.

The District still has approximately fifteen acres of developable land in the Liberty Interchange area along the northeast corner of the Cox Road/Liberty Way intersection. The District currently has a purchase agreement to sell the land to a developer. With the Liberty Center Development across Interstate 75 and the respective construction of a new Christ Hospital facility adjacent to this property, the District is looking at the revenue from this property to fund the administrative function and possibly initiate future project development as determined by our Director and Board of Trustees.

# ***TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO***

## ***MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015***

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### **REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 1921 Fairgrove Ave., Hamilton, Ohio 45011

Sean Fraunfelter, CPA  
Finance and Administration

# TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

## STATEMENT OF NET POSITION DECEMBER 31, 2015

<b>Assets:</b>	
Cash and Cash Equivalents	\$ 824,138
Cash in Segregated Accounts	2,034,497
Restricted Cash with Fiscal Agent	11,176,317
Accounts Receivable	2,021
Interest Receivable	15,077
Intergovernmental Receivables	1,083,634
Land held for Resale	1,558,439
<i>Total Current Assets</i>	<u>16,694,123</u>
<b>Noncurrent Assets:</b>	
Nondepreciable Capital Assets	6,220,785
<b>Total Assets</b>	<u>22,914,908</u>
 <b>Deferred Outflows of Resources:</b>	
Prepaid Insurance	254,556
Pensions	12,473
<b>Deferred Outflows of Resources:</b>	<u>267,029</u>
 <b>Liabilities:</b>	
<b>Current Liabilities:</b>	
Accounts Payable	31,314
Contracts Payable	54,634
Accrued Wages and Benefits	1,233
Intergovernmental Payable	1,028
Accrued Interest Payable	192,059
Special Obligation Bonds Payable - Current	1,005,000
<i>Total Current Liabilities</i>	<u>1,285,268</u>
<b>Noncurrent Liabilities:</b>	
Net Pension Liability	61,614
Special Obligation Bonds Payable	46,495,737
<i>Total Noncurrent Liabilities</i>	<u>46,557,351</u>
<b>Total Liabilities</b>	<u>47,842,619</u>
 <b>Deferred Inflows of Resources:</b>	
Pensions	1,082
 <b>Net Position:</b>	
Net investment in capital assets	6,220,785
Restricted for:	
Capital Improvements	2,643,179
Debt Service	11,176,320
Unrestricted	(44,702,048)
<b>Total Net Position</b>	<u>\$ (24,661,764)</u>

See accompanying notes to the financial statements

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

<b>Functions/Programs</b>	<b>Program Revenues</b>			<b>Net Revenue and Change in Net Position</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Capital Grants and Contributions</b>	<b>Primary Government Governmental Activities</b>
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 233,088	\$ 17,521	\$ 4,751,778	\$ 4,536,211
Intergovernmental	4,677,279	-	5,088,434	411,155
Interest on Long-Term Debt	2,360,541	-	2,841,031	480,490
<b>Total Primary Government</b>	<b>\$ 7,270,908</b>	<b>\$ 17,521</b>	<b>\$ 12,681,243</b>	<b>5,427,856</b>
General Revenues:				
Unrestricted Investment Earnings				32,352
Miscellaneous				219,909
Special Item - Sale of Land				843,079
Total General Revenues and Special Item				1,095,340
Change in Net Position				6,523,196
Net Position - Beginning (Deficit) - Restated				(31,184,960)
Net Position - Ending (Deficit)				<b>\$ (24,661,764)</b>

See accompanying notes to the financial statements

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**BALANCE SHEET -  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2015**

	<u>General</u>	<u>Liberty Interchange</u>	<u>State Route 4 Bypass Widening</u>	<u>South Hamilton Crossing</u>
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 819,989	\$ -	\$ -	\$ -
Cash in Segregated Accounts	-	2,034,497	-	-
Receivables:				
Accounts, net	2,021	-	-	-
Intergovernmental	-	-	-	993,702
Interest	2,288	12,789	-	-
Interfund Loan	2,542,954	-	-	-
Land held for Resale	1,558,439	-	-	-
Restricted Assets:				
Cash with Fiscal Agent	-	10,953,982	222,335	-
<b>Total Assets</b>	<u>\$ 4,925,691</u>	<u>\$ 13,001,268</u>	<u>\$ 222,335</u>	<u>\$ 993,702</u>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities:</b>				
Payable:				
Accounts	\$ 8,903	\$ -	\$ -	\$ 22,411
Contracts	-	7,299	-	46,871
Accrued Wages and Benefits	1,233	-	-	-
Intergovernmental	1,028	-	-	-
Interfund Loan	-	1,602,033	396,588	409,748
<b>Total Liabilities</b>	<u>11,164</u>	<u>1,609,332</u>	<u>396,588</u>	<u>479,030</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - intergovernmental revenues	-	-	-	7,182
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,182</u>
<b>Fund Balances:</b>				
Restricted:				
Debt Service	-	10,953,985	222,335	-
Capital Improvements	-	437,951	-	507,490
Unassigned:				
General	4,914,527	-	-	-
Capital Projects (Deficit)	-	-	(396,588)	-
Total Fund Balances (Deficit)	<u>4,914,527</u>	<u>11,391,936</u>	<u>(174,253)</u>	<u>507,490</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 4,925,691</u>	<u>\$ 13,001,268</u>	<u>\$ 222,335</u>	<u>\$ 993,702</u>

See accompanying notes to the financial statements



**Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
December 31, 2015**

Other Governmental Funds	Total Governmental Funds		
		<b>Total Governmental Fund Balances</b>	\$ 16,598,732
		<i>Amounts reported in governmental activities in the statement of Net Position are different because:</i>	
\$ 4,149	\$ 824,138	Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.	6,220,785
-	2,034,497		
-	2,021		
89,932	1,083,634	Other long term assets are not available for current period expenditures and therefore are deferred in the funds.	7,182
-	15,077		
-	2,542,954		
-	1,558,439		
-	11,176,317	Prepaid insurance premiums reported as an expenditures period expenditures and therefore are deferred in governmental funds are allocated as an expense	254,556
\$ 94,081	\$ 19,237,077		
		Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(47,692,796)
\$ -	\$ 31,314		
464	54,634	The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:	
-	1,233	Deferred Outflows - Pensions	12,473
-	1,028	Deferred Inflows - Pensions	(1,082)
134,585	2,542,954	Net Pension Liability	(61,614)
135,049	2,631,163		
-	7,182		
-	7,182	<b>Net Position of Governmental Activities</b>	<b>\$ (24,661,764)</b>
-	11,176,320		
4,149	949,590		
-	4,914,527		
(45,117)	(441,705)		
(40,968)	16,598,732		
\$ 94,081	\$ 19,237,077		

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>General</u>	<u>Liberty Interchange</u>	<u>State Route 4 Bypass Widening</u>	<u>South Hamilton Crossing</u>
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 7,551,210	\$ 371,073	\$ 4,514,278
Charges for Services	17,521	-	-	-
Investment Earnings	2,361	29,273	54	664
All Other	56	-	155,211	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	19,938	7,580,483	526,338	4,514,942
<b>Expenditures:</b>				
Current:				
General Government	190,334	88,976	-	4,429
Intergovernmental	-	4,521,004	155,211	-
Capital Outlay	-	-	-	4,582,565
Debt Service:				
Principal Retirement	-	495,000	285,000	-
Interest and Fiscal Charges	-	1,967,775	381,100	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	190,334	7,072,755	821,311	4,586,994
Excess (Deficiency) of Revenues Over (Under) Expenditures	<hr/> (170,396)	<hr/> 507,728	<hr/> (294,973)	<hr/> (72,052)
<b>Other Financing Sources:</b>				
Proceeds from Sale of Land	805,695	427,564	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	635,299	935,292	(294,973)	(72,052)
Fund Balances (Deficit) - beginning - Restated	4,279,228	10,456,644	120,720	579,542
Fund Balances (Deficit) - ending	<hr/> <u>\$ 4,914,527</u>	<hr/> <u>\$ 11,391,936</u>	<hr/> <u>\$ (174,253)</u>	<hr/> <u>\$ 507,490</u>

See accompanying notes to the financial statements

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended December 31, 2015**

Other Governmental Funds	Total Governmental Funds		
		<b>Net Change in Governmental Fund Balances</b>	\$ 1,205,155
\$ 237,500	\$ 12,674,061	<b>Amounts reported for the governmental activities in the statement of activities are different because:</b>	
-	17,521	Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated to the projects as construction in progress.	4,475,342
-	32,352	Governmental funds report premiums as other financing sources, whereas these amounts are deferred and amortized on the statement of activities.	64,642
-	155,267	Revenues in the statement of activities that do not provide current financial resources are not reported as such in the funds.	7,182
237,500	12,879,201	In the statement of activities, interest and charges are accrued on outstanding bonds, whereas, in governmental funds, they are reported when due.	2,570
1,064	284,803	Bonds payable are due and payable in the current period and therefore are not reported in the statement of activities	780,000
-	4,676,215	Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.	(9,185)
234,847	4,817,412	Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities	11,726
-	780,000	The issuance of long term debt provides current financial resources to governmental funds, then the repayment reduces long-term liabilities in the statement of Net Position. In the current year, this amount relates only to the amortization of prepaid insurance:	(14,236)
-	2,348,875	<b>Change in Net Position of Governmental Activities</b>	<u>\$ 6,523,196</u>
235,911	12,907,305		
1,589	(28,104)		
-	1,233,259		
1,589	1,205,155		
(42,557)	15,393,577		
<u>\$ (40,968)</u>	<u>\$ 16,598,732</u>		

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Transportation Improvement District of Butler County (the “District”) is a body, both corporate and politic, created for the purpose of financing, constructing, maintaining, repairing and operating selected transportation projects. The District was specifically formed under the auspices of House Bill 154, and Ohio Revised Code, Chapter 5540, as amended, and created by action of the Board of County Commissioners of Butler County on December 7, 1993.

The District is a jointly governed entity administered by a Board of Trustees (“Board”) that acts as the authoritative and legislative body of the entity. The Board is comprised of eighteen board members, of which thirteen are voting and five are non-voting appointed by the relative member governments. Of the eighteen, three are elected as officers of the District; Chair(person), Vice-Chair(person), and Secretary-Treasurer. Each Officer serves a term of one year; there are no term limits for reappointment. The member governments include the following political subdivisions: Butler County, the City of Hamilton, the City of Fairfield, Fairfield Township, West Chester Township, Liberty Township, the State of Ohio, and the Ohio-Kentucky-Indiana Regional Council of Governments. No board members receive compensation for serving on the Board, except for the Director.

The Board of Trustees annually appoints the Chair(person) of the Board from existing board members. The Chair responsibilities are to preside at all meetings of the Board; be the chief officer of the District; perform all duties commonly incident to the position of presiding officer of a board, commission or business organization and exercise supervision over the business of the District, its officers and employees.

The Board of Trustees appoints a Director of the District. The position of the Director is a non-voting position on the Board, and the Director receives annual compensation for his duties. The compensation package of the Director is passed by resolution of the Board. The Director’s main responsibility is acting as chief executive officer of the District as prescribed by the Board of Trustees.

The accompanying statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization’s governing body and either (1) the District’s ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Intergovernmental reimbursements associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period within the government wide statements. All other revenue items are considered measurable and available only when the District receives the actual revenue.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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. The District only uses governmental funds.

*Governmental Funds*

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose 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 and deferred inflows is reported as fund balance.

The District reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources of the District 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 and the bylaws of the District.

Liberty Interchange Capital Projects Fund – This project involved the reconfiguration of the State Route 129 Extension at Interstate 75. The interchange was reconstructed to allow an eastward movement through a collector-distributor connection with Liberty Way. This fund also accounted for the auxiliary road improvements around the interchange. The TID completed financing for the project during 2007 while right of way acquisition started in 2006. The ground breaking for the project was done in the fourth quarter of 2007. The project was completed and open to traffic in October 2009. The local governments have revenue contribution agreements in place to cover the debt service. During 2015, the District has started an interchange modification study to evaluate traffic patterns from development.

State Route 4 Bypass Widening Capital Projects Fund – This project accounted for the engineering and environmental work to proceed with widening State Route 4 Bypass from the two terminus points on State Route 4. The TID and Butler County Engineer received stimulus funding and other state grants to complete Phases 1, 2, and 3 which started in 2010 and were open to traffic in 2011. The City of Fairfield was under construction for their phase during 2010 and completed it during 2012. The District finished the construction aspect of Phase 5A during 2012. The local governments are continuing to pay for the related debt service on the project.

South Hamilton Crossing Fund – This project accounts for the study, engineering, right of way acquisition and construction of a railroad overpass along Grand Avenue in the southern portion of the City of Hamilton. The TID has entered into as agreements with the City for overseeing the engineering and environmental process and right-of-way acquisition. The District was successful in receiving a \$10 million allocation through the Ohio Department of Transportation’s TRAC project to fund a large portion of the construction cost.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***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.

Nonexchange transactions, in which the District receives value without directly giving value in return, includes grants and donations. On an accrual basis, revenue from grants 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 specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must be available before it can be recognized.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position represents a composition of net position that applies to future periods and so will not be recognized as an outflow of resources until then. The District reports deferred outflows of resources on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 7.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will be recognized until that time. Grants received before the eligibility requirements are met and pensions are also recorded as deferred inflows of resources. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (see Note 7). On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred inflows of resources.

***Expenses/Expenditures***

On an 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.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Cash and Cash Equivalents**

Cash received by the District is pooled for investment purposes. Equity interest in the pool is presented as “Cash and Cash Equivalents” on the statement of net position and governmental fund balance sheet by activity or fund. The District utilizes a financial institution management of several trust accounts for the State Route 4 Bypass Widening project. The District utilizes another financial institution for the management of two trust accounts for the Liberty Interchange project. The balances in these accounts are presented on the financial statements as “Restricted Cash with Fiscal Agent.” The District maintain a “Cash in Segregated Accounts” for holding land proceeds on acreage around the Liberty Interchange project that was purchased with bond proceeds which requires the funds be used within the project scope or pay down debt service.

During fiscal year 2015, investments were limited to money market mutual funds and U.S. Agency securities.

Except for nonparticipating investment contracts, investments are reported at fair value that is based on quoted market prices. Investment contracts and money market investments that has a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

Following Ohio statutes, the Board of Trustees has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2015 amounts to \$2,361, with no interest assigned to other funds as they operate on a reimbursement basis and do not receive interest. The Liberty Interchange and State Route 4 Bypass Widening capital projects funds also received interest on trust accounts of \$29,273 and \$54 respectively. The District maintains the South Hamilton Crossing fund monies from the City of Hamilton in a separate bank deposit account that generated \$664 for the fiscal year.

For presentation in the financial statements, investments with an original maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an original maturity of more than three months that are not purchased from the pool are reported as investments.

**E. Restricted Assets**

Restricted assets are cash and cash equivalents whose use is limited by legal requirements. Restricted cash with fiscal agent represent amounts required by debt covenant to be segregated for construction expenses and future debt service on the outstanding bonds.

**F. Interfund Transactions**

During the course of normal operations, the District has numerous transactions between funds.

On the governmental funds balance sheet, receivables and payables resulting from short-term interfund loans are classified as “interfund loan receivables/payables.” These amounts are eliminated on the statement of net position.



**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Land held for Resale**

The District is holding 14.8 acres at the northeast corner of Liberty Way and Cox Road purchased with operating reserves in fiscal year 2005. A purchase option is currently in place to sale the property to a developer in August 2016. The funds will be used for operating purposes when sold. The District sold 3.8 acres on the southeast corner of Liberty Way and Cox Road during the year for \$390,180.

**H. Capital Assets**

Capital assets generally result from expenditures in the governmental funds. These assets are reported on the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not. The District maintains the ownership of the asset until a dedication plat is filed with the participating government for recording of the road. There were no projects dedicated during the fiscal year. The District also owns several parcels of land at the end of the fiscal year that will be sold in future years to help finance TID operations or projects.

**I. Prepaid Insurance**

The District issued the 2007 Special Obligation Bonds in relation to the Liberty Interchange project with bond insurance to produce a lower effective interest rate on the bonds. Under GASB 65 that initial payment is amortized over the remaining life of the bonds.

**J. Compensated Absences**

The District does not accrue compensatory time on exempt employees. Sick leave is allowed to be carried over to the next fiscal year but cannot be paid out in any case. Vacation time is earned by the District's administrative assistant and can be carried over into the next year with permission of the Director. The accrued balance is accounted for in accrued wages and benefits.

**K. Intergovernmental Revenues**

For governmental funds, intergovernmental revenues, such as contributions awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

**M. Fund Balance**

The District reports fund balance under GASB No. 54 “*Fund Balance Reporting and Governmental Fund Type Definitions*”. The District reports the following categories:

- Nonspendable fund balance relates to the value of consumable inventories and prepaids. The District has no balance to report in this category.
  
- Restricted fund balances related to bond proceeds maintained in segregated accounts for construction projects. Of the \$949,590 restricted for capital improvements in the Liberty Interchange fund, \$437,951 relates to proceeds from sale of land bought with bond proceeds. The \$507,490 restricted for capital improvements relates to the remaining City of Hamilton allocation for funds for right of way purchases after reimbursements from the Ohio Department of Transportation. The \$11,176,320 restricted for debt service is subject to the bond covenants. None of the restricted funds in the Liberty Interchange, State Route 4 Bypass Widening or South Hamilton Crossings funds are available to offset the unrestricted fund deficits.
  
- Committed fund balances are balances the District Board has formally allocated. The District has no balance to report in this category.
  
- Assigned fund balances are balances the District administration have specified the future use. The District has no balance to report in this category.
  
- 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 amounts are available.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Net Position**

Net position presents the difference between assets, deferred inflows, liabilities and deferred outflows in the statement of net position. Net position – net investment in capital assets is capital assets reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments. The District reports a large unrestricted net position deficit as the Liberty Interchange bonds and State Route Bypass 4 bonds are still outstanding but the related capital assets were dedicated over to the responsible party to maintain the infrastructure.

**O. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

**P. Reconciliation of government-wide and fund financial statements**

*Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:*

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$47,692,796) difference are as follows:

Special Obligation Bonds Payable	(\$46,300,000)
Special Obligation Bonds – Premium	(1,200,737)
Accrued Interest Payable	(192,059)
Net Adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	(\$47,692,796)
	(\$47,692,796)

**NOTE 2 – ACCOUNTABILITY**

**Fund Deficits**

As of December 31, 2015, State Route 4 Bypass Widening, State Route 129 Extension and Salzman Road Capital Projects Funds had deficit fund balances of \$174,253, \$39,645 and \$5,472 respectively. The deficits were created through the reimbursement process of the District’s intergovernmental agreements with the participating local governments. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
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**NOTE 2 – ACCOUNTABILITY (Continued)**

**Compliance**

The State Route 4 Bypass Widening fund had expenditures in excess of appropriations by \$11,611 as the District trustee fees were higher than anticipated and the amount of the recovery zone bond rebate was greater than expected which is paid back to the District' local partners. The District's budgetary legal level of control is the object level as stated earlier. The general fund reports a negative \$1,813 for personal services as the final expenditures came in two percent above the final budgeted figured.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds. The following is a list of the allowable investments for the District:

- United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- The State Treasury Asset Reserve of Ohio (STAR Ohio);
- Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
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**NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)**

- Under limited circumstances, corporate debt obligations rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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 it will be held to maturity. Investments may be made only upon delivery of the securities representing the investments to the Finance Director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Deposits**

*Custodial Credit Risk*

Custodial Credit Risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District does not have a custodial credit risk policy beyond what the State statute requires.

At year-end the carrying amount of the District's deposits was \$4,118,363 and the bank balance was \$4,162,120. \$1,992,058 of bank balances was covered by federal depository insurance coverage with \$2,170,152 being uninsured under federal depository coverage but collateralized by pooled funds by each bank.

**B. Investments**

*Custodial Credit Risk*

The risk that, in the event of a failure of a counter party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District employs the use of "safekeeping" accounts to hold and maintain custody of its investments as identified within this policy and as a means of mitigating this risk.

*Interest Rate Risk*

The risk that the District will incur fair value losses arising from rising interest rates. Such risk is mitigated by the investment policy by limiting investments to certain maximum maturities. As a rule, unless specified otherwise within the policy, investments are to have a maximum maturity of five years unless the investment is matched to a specific expenditure. The context of a specific investment purchase must be weighed in proportion to the remainder of the existing investment portfolio and the "prudent investor" rule to attempt to limit such risk.

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District has no investment policy dealing with credit risk except to maintain investments that are subject the investment policy.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
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**NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)**

During 2015, the District limited investments to securities in federal governmental agencies and money market mutual funds. Below are the credit ratings of the District's investments:

Security	Rating Agency	
	Moody's	Standard & Poor's
Federal Home Loan Bank Note	Aaa	AA+
Federal National Mortgage Association Note	Aaa	AA+
Federal Farm Credit Bank Notes	Aaa	AA+
Dreyfus Government Prime Cash Management Fund	Aaa-mf	AAAm
Fidelity Government Fund	Aaa-mf	AAAm

*Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single user. The District's investment policy allows investments in Federal Agencies or Instrumentalities.

The District's investments at December 31, 2015 are summarized below:

Investment	Average Maturity	Amount	Concentration Risk
Federal Home Loan Bank Note	1.55	\$1,233,049	15.38%
Federal National Mortgage Association Note	2.75	1,341,623	16.73%
Federal Farm Credit Bank Notes	1.31	670,592	8.36%
Dreyfus Government Prime Cash Management Fund	<60 days	6,443,087	59.45%
Fidelity Government Fund	<60 days	228,238	0.07%
Total		\$9,916,589	

**NOTE 4 – INTERFUND BALANCES**

Interfund balances at December 31, 2015, consist of the following individual receivables and payables in the governmental fund balance sheet (such amounts are removed in the statement of net position):

Fund	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$2,542,954	\$0
Capital Projects Funds:		
Liberty Interchange	0	1,602,033
State Route 4 Bypass Widening	0	396,588
South Hamilton Crossing	0	409,748
Nonmajor Funds	0	134,585
Total Capital Projects Funds	0	2,542,954
Totals	\$2,542,954	\$2,542,954

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
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**NOTE 4 – INTERFUND BALANCES** (Continued)

During the year the capital projects funds expended monies for construction projects that are defined as governmental reimbursement contracts. The reimbursements were not made before year-end and the General Fund advanced monies to cover the deficits in the funds. A large portion of the interfund payable in the Liberty Interchange fund relates to the District’s purchase of eighteen acres of land on the eastside of the Liberty interchange. The interfund in the State Route 4 Bypass Widening fund relates to the payments made advance the fifth phase A on the widening project where the District advanced the engineering funds. The District is evaluating sources to recover those costs. The General Fund will be repaid within one year or less once the reimbursements are received.

**NOTE 5 – INTERGOVERNMENTAL REVENUES AND CHARGES FOR SERVICES**

The following entities, which are a part of the District, have contributed the following funds during 2015:

Member Name	Contribution
Ohio Department of Transportation	\$2,401,778
Butler County	5,212,418
Liberty Township	2,378,656
Fairfield Township	143,181
City of Hamilton	2,473,862
West Chester Township	64,166
Totals	\$12,674,061

Charges for services recorded in the General Fund, represents the District’s contract with the Montgomery County TID for providing monthly financial services.

**NOTE 6 – CAPITAL ASSETS**

Summary by category of changes in capital assets:

Category	December 31, 2014	Additions	Deletions	December 31, 2015
Construction in Progress	\$1,401,478	\$4,819,307	\$0	\$6,220,785

For 2015, the engineering project and right of way acquisition continued on the South Hamilton Crossing project contributing to the increase in capital assets. The District transferred several projects to other local governments including the related Liberty Way Interchange projects in 2012 although the District still has the special obligation bonds recorded the Statement of Position which results in the unrestricted net position being reported as large deficit.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
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**NOTE 7 – PENSION PLANS**

**A. Net Pension Liability**

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the District’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the District’s obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.



**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 7 – PENSION PLANS (Continued)**

**B. Plan Description – Ohio Public Employees Retirement System (OPERS)**

Plan Description - District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information):

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
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**NOTE 7 – PENSION PLANS (Continued)**

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 7 – PENSION PLANS** (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
<b>2015 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2015 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The District’s contractually required contribution was \$8,960 for year 2015.

**C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability was measured as December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportionate Share of the Net Pension Liability	\$61,614
Proportion of the Net Pension Liability	0.000511%
Pension Expense	\$6,727

At December 31, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
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**NOTE 7 – PENSION PLANS (Continued)**

	OPERS
<b>Deferred Outflows of Resources</b>	
Differences between expected and actual experience	\$3,280
District contributions subsequent to the measurement date	9,193
Total Deferred Outflows of Resources	\$12,473
 <b>Deferred Inflows of Resources</b>	
Net difference between projected and actual earnings on pension plan investments	\$1,082

\$9,193 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Traditional Plan Net Deferred Outflows of Resources
Fiscal Year Ending June 30:	
2015	\$ (323)
2016	(323)
2017	(739)
2018	(742)
Total	(\$2,126)

**D. Actuarial Methods and Assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuations are presented on the following page.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
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**NOTE 7 – PENSION PLANS (Continued)**

**Key Methods and Assumptions Used in Valuation of Total Pension Liability**

<b>Actuarial Information</b>	<b>Traditional Pension Plan</b>	<b>Combined Plan</b>
Valuation Date	December 31, 2014	December 31, 2014
Experience Study	5 Year Period Ended December 31, 2010	5 Year Period Ended December 31, 2010
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions		
Actuarial Investment Rate of Return	8.00%	8.00%
Wage Inflation	3.75%	3.75%
Projected Salary Increases	4.25% - 10.05%	4.25% - 8.05%
	(includes wage inflation at 3.75%)	(includes wage inflation at 3.75%)
Cost-of-living Adjustments	3.00% Simple	3.00% Simple

Mortality rates are the RP-2000 mortality table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the disabled female mortality rates were used, set forward two years. For females, 100% of the disabled female mortality rates were used.

The discount rate used to measure the total pension liability was 8.0% for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the net pension liability or asset calculated using the discount rate of 8.0%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or higher than the current rate.

**Sensitivity of Net Pension Liability/(Asset) to Changes in the Discount Rate**

<b>Employers' Net Pension Liability/(Asset)</b>	<b>1% Decrease 7.0%</b>	<b>Current Discount Rate</b>	<b>1% Increase 9.0%</b>
Traditional Pension Plan	\$113,353	\$61,614	\$18,038

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 7 – PENSION PLANS** (Continued)

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return.

<b>Asset Class</b>	<b>Target Allocation for 2014</b>	<b>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</b>
Fixed Income	23.00%	2.31%
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other Investments	18.00	4.59
<b>TOTAL</b>	<b>100.00%</b>	<b>5.28%</b>

The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan, and the VEBA Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money-weighted rate of return, net of investment expense, for the Defined Benefit portfolio is 6.95% for 2014.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 7 – PENSION PLANS (Continued)**

**E. Average Remaining Service Life**

GASB 68 requires that changes arising from differences between expected and actual experience or from changes in actuarial assumptions be recognized in pension expense over the average remaining service life of all employees provided with benefits through the pension plan (active and inactive). This is to consider these differences on a pooled basis, rather than an individual basis, to reflect the expected remaining service life of the entire pool of employees with the understanding that inactive employees have no remaining service period. As of December 31, 2014, the average of the expected remaining service lives of all employees calculated by our external actuaries for the Traditional Pension Plan was 3.1673 years and for the Combined Plan was 9.4080 years. Employers should use these amounts when calculating elements of pension expense subject to amortization requirements as defined in GASB 68 and reported in the Schedule of Collective Pension Amounts.

**NOTE 8 –POSTEMPLOYMENT BENEFITS PLANS**

OPERS' Post-Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2015, the employer contribution allocated to the members in the Traditional Plan and the Combined Plan was 2% of covered payroll. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The District's actual contributions that were used to fund post employment benefits in 2015, 2014, and 2013 were \$1,493, \$728, and \$403, respectively, 100 percent has been contributed for fiscal years 2015, 2014 and 2013.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of employer contributions towards the health care fund after the end of the transition period.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
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**NOTE 9 – LONG-TERM OBLIGATIONS**

	Restated Balance December 31, 2014	Issued	Retired	Balance December 31, 2015	Due Within One Year
<b>Governmental Activities:</b>					
Special Obligation Bonds:					
4.00%-5.00% 2007	\$40,730,000	\$0	\$495,000	\$40,235,000	\$705,000
Premium	1,183,033	0	59,152	1,123,881	0
Special Obligation Bonds					
1.875%-6.50% 2009	6,350,000	0	285,000	6,065,000	300,000
Premium	82,346	0	5,490	76,856	0
Net Pension Liability					
OPERS	60,221	1,393	0	61,614	
Governmental Activity					
Long-Term Liabilities	\$48,405,600	\$1,393	\$844,642	\$47,562,351	\$1,005,000

*Special Obligation Bonds:* On February 15, 2007 the District issued \$41,130,000 for the purpose of constructing the Liberty Interchange and related infrastructure projects. The bonds were issued for twenty-eight years with a final maturity in 2034 at an interest rate range of four to five percent. The bonds will be repaid from the Liberty Interchange capital projects fund trust accounts through intergovernmental agreements with Liberty Township, Butler County and West Chester Township. A premium of \$1,656,249 on the issuance of the bonds will be amortized over the life of the debt.

The District has pledged all future revenues from the intergovernmental agreements to repay the \$41,130,000 in special obligation bonds to finance the Liberty Interchange project. The bonds are paid from tax increment financing revenue received from Liberty Township, Butler County and West Chester Township's applicable properties located around the project. Total principal and interest remaining on the bonds is \$62,245,291 payable through December 2034. For the current year, principal of \$495,000 and interest of \$1,964,475 was while total tax increment financing revenue was \$7,551,210.

On December 16, 2009, the District issued \$7,275,000 for the purpose of paying the local share of the three phases on State Route 4 Bypass. The issue was completed under the provisions of the economic recovery zone bond program. The District will receive a forty-five percent refund of the interest payment annually that will be returned the local governments to help reduce the total interest expense on the project. The bonds have a final maturity of December 1, 2029 and will be repaid through intergovernmental agreements with Butler County, City of Hamilton and Fairfield Township. A premium of \$109,796 on the issuance of the bonds will be amortized over the life of the debt.



**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 9 – LONG-TERM OBLIGATIONS** (Continued)

The principal and interest requirements for outstanding bonds as of December 31, 2015 are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total	Rate
2016	\$1,005,000	\$2,304,705	\$3,309,705	5.00%
2017	1,200,000	2,256,331	3,456,331	4.00
2018	1,340,000	2,205,969	3,545,969	5.00
2019	1,520,000	2,138,969	3,658,969	4.25
2020	1,705,000	2,071,351	3,776,351	5.00
2021-2025	12,385,000	8,800,109	21,185,109	4.75-5.00
2026-2030	20,125,000	4,844,738	24,969,738	4.75-5.00
2031-2034	7,020,000	566,450	7,586,450	4.50-5.00
Totals	<u>\$46,300,000</u>	<u>\$25,188,622</u>	<u>\$71,488,622</u>	

**NOTE 10 – CONSTRUCTION COMMITMENTS**

The District has several major outstanding contracts for services. The following amounts remain on these contracts as of December 31, 2015.

Project and Contractor	Outstanding Balance
Liberty Interchange – EMHT (engineering)	\$62,621
South Hamilton Crossing – Heritage Land Service (right of way)	205,820
South Hamilton Crossing – O.R Colan (right of way)	78,850

**NOTE 11 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees and natural disaster. During 2015, the District contracted with Cincinnati Financial Insurance Co. for liability, property, and crime damage and RSUI Indemnity Company for public officials insurance. Coverage provided by the companies are as follows:

Public Official Errors and Omissions Liability (Per occurrence)	\$1,000,000
Business Auto Coverage Liability Combined	1,000,000
Commercial General Liability	2,000,000
Commercial Property	1,000,000
Personal and Advertising Injury	1,000,000
Valuable Papers	75,000
Crime Insurance:	
Forgery or Alteration	25,000
Employee Dishonesty (Per occurrence)	500,000
Surety Bond (Gregory Wilkens, Secretary/Treasurer)	500,000

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

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**NOTE 11 – RISK MANAGEMENT** (Continued)

The District has had no significant reduction in insurance coverage from prior years. The District has had no settlements exceed insurance coverage for the past three years.

Workers' compensation coverage is maintained by paying premiums to the State Bureau of Workers' Compensation. The premium is calculated based upon accident history and administrative costs.

**NOTE 12 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION**

For fiscal year 2015, the District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

Net position December 31, 2014	(\$31,476,161)
Adjustments:	
Net Pension Liability	(60,221)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>7,457</u>
Restated Net Position December 31, 2014	<u><u>(\$31,528,925)</u></u>

Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

**NOTE 13 – RESTATEMENT OF FUND BALANCE**

The District reports land held for resale on the government-wide statement of net position; however, the District did not report the balance on the governmental balance sheet for fiscal year 2014. The District restated the beginning balance in the general fund from \$2,376,824 to \$4,279,228 to properly reflect the reporting of \$1,902,404 land held for resale in the general fund.

# **REQUIRED SUPPLEMENTARY INFORMATION SECTION**

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**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Charges for Services	\$ 28,500	\$ 20,000	\$ 17,875	\$ (2,125)
Investment Earnings	1,000	2,000	2,015	15
All Other	-	-	56	56
Total Revenues	<u>29,500</u>	<u>22,000</u>	<u>19,946</u>	<u>(2,054)</u>
<b>Expenditures:</b>				
Current:				
General Government				
Personal Services	84,044	84,044	85,857	(1,813)
Contractual Services	137,400	159,025	129,721	29,304
Materials and Supplies	11,500	13,500	10,723	2,777
Other	47,200	47,200	46,707	493
Total General Government	<u>280,144</u>	<u>303,769</u>	<u>273,008</u>	<u>30,761</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditure	(250,644)	(281,769)	(253,062)	28,707
<b>Other Financing Sources:</b>				
Proceeds from Sale of Land	-	1,195,875	1,195,875	-
Total Other Financing Sources	<u>-</u>	<u>1,195,875</u>	<u>1,195,875</u>	<u>-</u>
Net Change in Fund Balance	(250,644)	914,106	942,813	28,707
Fund Balance Beginning of Year	2,445,107	2,445,107	2,445,107	-
Fund Balance End of Year	<u>\$ 2,194,463</u>	<u>\$ 3,359,213</u>	<u>\$ 3,387,920</u>	<u>\$ 28,707</u>
		Budget Basis	\$ 942,813	
		Revenue Accruals	(8)	
		Expenditure Accruals	36,459	
		GAAP Basis	<u>\$ 979,264</u>	

See accompanying notes to the required supplementary information

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Budgetary Process**

Legally, the Ohio Revised Code does not strictly impose a requirement on the District to follow the budgetary process but the District chose to follow these laws by an act within their entity's by-laws. The major documents prepared are the certificate of estimated resources and the appropriation resolution, both of which are prepared on the budgetary basis of accounting.

The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified by resolution of the District Board. All funds are required to be budgeted and appropriated. The level of budgetary control is at the object level for the District. Any budgetary modifications at this level may only be made by resolution of the District Board. Supplemental appropriations were necessary during the year which increased the original budget amounts.

Under the District's By-laws, revenues not specifically related to a particular fund shall be deposited into the District's General Fund. Monies can only be transferred from the General Fund by resolution of the District Board.

1. **Estimated Resources**

As part of the District's budgetary process, the Board approves the budgetary document. The budgetary document states the projected revenue of each fund. Prior to December 31, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the budgetary document. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the budgetary document is amended to include any unencumbered balances from the preceding year. The budgetary document may be further amended during the year if the Board determines that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the first and final budgetary document issued during 2015.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2. Appropriations

An annual appropriation resolution must be passed by July 15 of the preceding year for the period January 1 to December 31. The appropriation resolution fixes spending authority at the fund and object level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among funds and objects within a fund may be modified during the year only by a resolution of the Board. The amounts reported as the original budgeted amounts in the budgetary statements reflect the appropriations in the first complete appropriated budget, including amounts automatically carried over from prior years. The amounts reported as final budgeted amounts in the schedules of budgetary comparison represent the final appropriation amounts, including all supplemental appropriations.

3. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

4. Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than GAAP. The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures are recorded when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting on the governmental fund statements and on the full accrual basis on the government-wide statements.





Transportation Improvement District of Butler County, Ohio (the "District")  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 Public Employees Retirement System of Ohio  
 Last Two Fiscal Years (1)

	2014	2013
The District's Proportion of the Net Pension Liability	0.000511%	0.000511%
The District's Proportion Share of the Net Pension Liability	\$ 60,221	\$ 61,613
The District's Covered-Employee Payroll	69,015	67,969
The District's Proportion Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	87.26%	90.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) Information prior to 2013 is not available

Amounts presented as of the District's measurement date  
 which is the prior fiscal year end.

Transportation Improvement District of Butler County, Ohio (the "District")  
 Required Supplementary Information  
 Schedule of the District's Required Contributions  
 Public Employees Retirement System of Ohio  
 Last Ten Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contributions	\$ 8,960	\$ 8,972	\$ 8,836	\$ 6,575
Contributions in Relation to the Contractually Required Contribution	<u>(8,960)</u>	<u>(8,972)</u>	<u>(8,836)</u>	<u>(6,575)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The District Covered-Employee Payroll	\$ 74,669	\$ 69,015	\$ 67,969	\$ 65,750
Contributions as a Percentage of Covered- Employee Payroll	12.00%	13.00%	13.00%	10.00%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 6,589	\$ 5,357	\$ 12,105	\$ 9,033	\$ 17,035	\$ 19,149
<u>(6,589)</u>	<u>(5,357)</u>	<u>(12,105)</u>	<u>(9,033)</u>	<u>(17,035)</u>	<u>(19,149)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 73,211	\$ 63,024	\$ 172,929	\$ 129,043	\$ 200,412	\$ 239,363
9.00%	8.50%	7.00%	7.00%	8.50%	8.00%

## NONMAJOR GOVERNMENTAL FUNDS

### CAPITAL PROJECTS FUND

The Capital Projects Funds are used to account for the construction of major capital improvement programs within the jurisdiction of the District.

#### **Union Centre Extension Fund**

Formerly known as Symmes Road Extension, the fund is used to account for the TID's improvements and construction of a five-lane road from State Route 747 to Seward Road.

#### **State Route 747 Capital Projects Fund**

This fund accounts for the widening of State Route 747 from Tylersville Road to the State Route 129 Extension, also known as phase three of the widening project. The District completed the first phase in 2000 with the County Engineer completing the second phase during 2005. The District has completed actual construction during 2007 with closeout in 2009. This fund was also responsible for the engineering and certain real property associated with the Princeton Road intersection in Liberty Township. The construction of this section was completed by the County Engineer. This fund was officially closed in fiscal year 2013 by Board Resolution.

**State Route 129 Extension Fund** – The fund accounted for the TID's construction of a 10.7 mile divided above grade interstate like roadway from the City of Hamilton to Interstate 75. The District is working on transferred all the right of way for the project to ODOT. The bonds were defeased.

#### **Muhlhauser Road Fund**

To account for the construction of a five-lane road from State Route 747 to West Chester Road. The TID used the cash balance to fund additional right of way and construction expenditures to help reduce the County and Township portion of the widening from State Route 747 to State Route 4 during the year.

**Salzman Road Fund** – The fund accounts for the TID's engineering costs associated with the construction of roadwork improvements by relocating the existing Yankee Road from its intersection with Todhunter Road from its current configuration directly south to the northern terminus of existing Salzman Road.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2015

CAPITAL PROJECTS

	Union Centre Extension	State Route 129 Extension	Muhlhauser Road	Salzman Road Relocation	Total Nonmajor Governmental Funds
\$	325	-	3,824	-	4,149
	-	-	-	89,932	89,932
	325	-	3,824	89,932	94,081

Assets:

Assets:  
Cash and Cash Equivalents  
Receivables from Other Governments  
**Total Assets**

Liabilities and Fund Balance

Liabilities:  
Contracts Payable  
Interfund Loan Payable  
**Total Liabilities**

\$	-	-	-	464	464
	-	39,645	-	94,940	134,585
	-	39,645	-	95,404	135,049

Fund Balances:

Restricted for Capital Purposes  
Unassigned  
**Total Fund Balances**

	325	-	3,824	-	4,149
	-	(39,645)	-	(5,472)	(45,117)
	325	(39,645)	3,824	(5,472)	(40,968)

**Total Liabilities and Fund Balances**

\$	325	-	3,824	89,932	94,081
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**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	CAPITAL PROJECTS				Total Nonmajor Governmental Funds
	Union Centre Extension	State Route 129 Extension	Muhlhauser Road	Salzman Road Relocation	
<b>Revenues:</b>					
Intergovernmental	-	\$ -	-	\$ 237,500	\$ 237,500
Total Revenues	-	-	-	237,500	237,500
<b>Expenditures:</b>					
Current:					
General Government	-	-	-	1,064	1,064
Capital Outlay	-	-	-	234,847	234,847
Total Expenditures	-	-	-	235,911	235,911
Change in Fund Balance	-	-	-	1,589	1,589
Fund Balance (Deficit) - Beginning of Year	325	(39,645)	3,824	(7,061)	(42,557)
Fund Balance (Deficit) - End of Year	\$ 325	\$ (39,645)	\$ 3,824	\$ (5,472)	\$ (40,968)

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
LIBERTY INTERCHANGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenue	\$ 6,700,000	\$ 6,700,000	\$ 7,551,210	\$ 851,210
Investment Earnings	1,000	1,000	(2,772)	(3,772)
Total Revenues	<u>6,701,000</u>	<u>6,701,000</u>	<u>7,548,438</u>	<u>847,438</u>
<b>Expenditures:</b>				
Current:				
General Government	15,000	225,664	81,677	143,987
Intergovernmental	8,761,529	8,761,529	4,521,004	4,240,525
Debt Service:				
Principal	495,000	495,000	495,000	-
Interest and Fiscal Charges	1,967,475	1,970,475	1,967,775	2,700
Total Expenditures	<u>11,239,004</u>	<u>11,452,668</u>	<u>7,065,456</u>	<u>4,387,212</u>
Excess of Revenues and Other Financing Sources Over Expenditures	(4,538,004)	(4,751,668)	482,982	5,234,650
<b>Other Financing Sources:</b>				
Proceeds from Sale of Land	426,275	427,564	427,564	-
Total Other Financing Sources	<u>426,275</u>	<u>427,564</u>	<u>427,564</u>	<u>-</u>
Net Change in Fund Balance	(4,111,729)	(4,324,104)	910,546	5,234,650
Fund Balance Beginning of Year	10,438,258	10,438,258	10,438,258	-
Fund Balance End of Year	<u>\$ 6,326,529</u>	<u>\$ 6,114,154</u>	<u>\$ 11,348,804</u>	<u>\$ 5,234,650</u>

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
STATE ROUTE 4 BYPASS WIDENING  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental Revenue	\$ 371,075	\$ 371,075	\$ 371,073	\$ (2)
Investment Earnings	50	50	54	4
All Other Revenue	153,625	153,625	155,211	1,586
Total Revenues	<u>524,750</u>	<u>524,750</u>	<u>526,338</u>	<u>1,588</u>
<b>Expenditures:</b>				
Current:				
Intergovernmental	153,625	153,625	155,211	(1,586)
Debt Service:				
Principal Retirement	285,000	285,000	285,000	-
Interest and Fiscal Charges	371,075	371,075	381,100	(10,025)
Total Expenditures	<u>809,700</u>	<u>809,700</u>	<u>821,311</u>	<u>(11,611)</u>
Net Change in Fund Balance	(284,950)	(284,950)	(294,973)	(10,023)
Fund Balance Beginning of Year	120,720	120,720	120,720	-
Fund Balance (Deficit) End of Year	<u>\$ (164,230)</u>	<u>\$ (164,230)</u>	<u>\$ (174,253)</u>	<u>\$ (10,023)</u>



**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SOUTH HAMILTON CROSSING  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental Revenue	\$ 4,750,000	\$ 4,750,000	\$ 3,642,418	\$ (1,107,582)
Investment Earnings	-	1,000	664	(336)
Total Revenues	<u>4,750,000</u>	<u>4,751,000</u>	<u>3,643,082</u>	<u>(1,107,918)</u>
<b>Expenditures:</b>				
Current:				
General Government	15,000	15,000	3,279	11,721
Capital Outlay	<u>4,775,000</u>	<u>4,975,000</u>	<u>4,664,609</u>	<u>310,391</u>
Total Expenditures	<u>4,790,000</u>	<u>4,990,000</u>	<u>4,667,888</u>	<u>322,112</u>
Net Change in Fund Balance	(40,000)	(239,000)	(1,024,806)	(785,806)
Fund Balance Beginning of Year	615,283	615,283	615,283	-
Fund Balance (Deficit) End of Year	<u>\$ 575,283</u>	<u>\$ 376,283</u>	<u>\$ (409,523)</u>	<u>\$ (785,806)</u>

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
NONMAJOR CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**UNION CENTRE EXTENSION FUND**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Total Expenditures	-	-	-	-
Change in Fund Balance	-	-	-	-
Fund Balance Beginning of Year	325	325	325	-
Fund Balance End of Year	\$ 325	\$ 325	\$ 325	\$ -

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
NONMAJOR CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**STATE ROUTE 129 EXTENSION FUND**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Total Revenues	-	-	-	-
<b>Expenditures:</b>				
Total Expenditures	-	-	-	-
Change in Fund Balance	-	-	-	-
Fund Balance (Deficit) Beginning of Year	(39,645)	(39,645)	(39,645)	-
Fund Balance (Deficit) End of Year	<u>\$ (39,645)</u>	<u>\$ (39,645)</u>	<u>\$ (39,645)</u>	<u>\$ -</u>

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
NONMAJOR CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	MUHLHAUSER ROAD FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>Revenues:</b>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Total Expenditures	-	-	-	-
Change in Fund Balance	-	-	-	-
Fund Balance Beginning of Year	3,824	3,824	3,824	-
Fund Balance End of Year	<u>\$ 3,824</u>	<u>\$ 3,824</u>	<u>\$ 3,824</u>	<u>\$ -</u>

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
NONMAJOR CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**SALZMAN ROAD EXTENSION**

	Budgeted Amounts		Actual	Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental Revenue	\$ 252,360	\$ 267,750	\$ 147,568	\$(120,182)
Total Revenues	<u>252,360</u>	<u>267,750</u>	<u>147,568</u>	<u>(120,182)</u>
<b>Expenditures:</b>				
Current:				
General Government	5,000	5,000	1,064	3,936
Capital Outlay	252,360	267,750	238,429	29,321
Total Expenditures	<u>257,360</u>	<u>272,750</u>	<u>239,493</u>	<u>33,257</u>
Net Change in Fund Balance	(5,000)	(5,000)	(91,925)	(86,925)
Fund Balance (Deficit) Beginning of Year	(3,015)	(3,015)	(3,015)	-
Fund Balance (Deficit) End of Year	<u>\$ (8,015)</u>	<u>\$ (8,015)</u>	<u>\$ (94,940)</u>	<u>\$ (86,925)</u>



# STATISTICAL SECTION

## Current TID Projects

Salzman Road  
Extension



South Hamilton  
above grade  
railroad crossing



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**Transportation Improvement District of  
Butler County, Ohio  
Statistical Section Descriptions  
December 31, 2015**

This part of the District's report presents detailed information as a context for understanding what the information in the financial statements, note disclosure, and required supplementary information says about the District's overall financial health.

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and situation have changed over time.	63-69
<b>Revenue Capacity (The District has no specific revenue source that generates year over year for the District; therefore, there are no tables presenting this information)</b>	
<b>Debt Capacity</b>	
This schedule presents information to help the reader assess the affordability of the District's current levels of outstanding debt. The District has no ability to issue additional debt in the future without an agreement through one of the participating governments.	70-72
<b>Operating Information</b>	
These schedules contain operational data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	73
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	74-77



**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
**NET POSITION BY COMPONENT**

**LAST TEN YEARS (accrual basis of accounting)**

	Restated				
	2015	2014	2013	2012	2011
Governmental Activities:					
Net investment in capital assets	\$ 6,220,785	\$ 3,303,882	\$ 2,685,889	\$ 27,234,348	\$ 38,210,364
Restricted	13,819,499	8,833,748	7,134,278	8,502,463	11,790,879
Unrestricted	<u>(44,702,048)</u>	<u>(43,322,590)</u>	<u>(48,701,083)</u>	<u>(41,571,889)</u>	<u>1,857,888</u>
<b>Total Governmental Activities Net Position</b>	<b><u>\$ (24,661,764)</u></b>	<b><u>\$ (31,184,960)</u></b>	<b><u>\$ (38,880,916)</u></b>	<b><u>\$ (5,835,078)</u></b>	<b><u>\$ 51,859,131</u></b>
Governmental Activities:					
Net investment in capital assets	\$ 30,424,084	\$ 20,005,940	\$ 18,504,670	\$ 16,543,620	\$ 15,034,816
Restricted	10,320,050	5,560,411	6,869,668	1,650,174	374,477
Unrestricted	<u>1,919,013</u>	<u>1,871,650</u>	<u>646,935</u>	<u>1,731,632</u>	<u>1,148,080</u>
<b>Total Governmental Activities Net Position</b>	<b><u>\$ 42,663,147</u></b>	<b><u>\$ 27,438,001</u></b>	<b><u>\$ 26,021,273</u></b>	<b><u>\$ 19,925,426</u></b>	<b><u>\$ 16,557,373</u></b>

Source: District financial records

Note: Fiscal year 2013 saw the District transfer \$32,266,980 of capital assets to other local governments as the projects were completed resulting in a large unrestricted net position deficit as the related debt obligations stayed with the District.

Note: Fiscal year 2012 saw the District transfer \$56,901,877 of capital assets to other local governments as the projects were completed resulting in a large unrestricted net position deficit as the related debt obligations stayed with the District.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**CHANGE IN NET POSITION**

**LAST TEN YEARS (accrual basis of accounting)**

	2015	2014	2013	2012
<b>Expenses:</b>				
Governmental Activities				
General Government	\$ 233,088	\$ 149,716	\$ 496,536	\$ 331,860
Intergovernmental	4,677,279	1,880,598	2,004,365	6,065,704
Fiscal Charges	-	-	-	-
Interest on Long Term Debt	2,360,541	2,374,969	2,387,552	2,398,076
<i>Total Governmental Activities Expenses</i>	<u>7,270,908</u>	<u>4,405,283</u>	<u>4,888,453</u>	<u>8,795,640</u>
<b>Program Revenues:</b>				
Charges for Services				
General Government	17,521	19,750	20,875	97,180
Operating Grants and Contributions				
General Government	4,751,778	1,138,047	201,134	-
Intergovernmental	5,088,434	4,682,347	-	-
Interest on Long Term Debt	2,841,031	3,802,539	3,767,570	8,612,849
<i>Total Governmental Activities Program Revenues</i>	<u>12,698,764</u>	<u>9,642,683</u>	<u>3,989,579</u>	<u>8,710,029</u>
<b>Net (Expense)/Revenue</b>	<u>5,427,856</u>	<u>5,237,400</u>	<u>(898,874)</u>	<u>(85,611)</u>
<b>General Revenues</b>				
Grants and Contributions Unrestricted	-	-	-	-
Unrestricted Investment Earnings	32,352	16,256	(2,145)	16,684
Change in Fair Value of Investments	-	-	-	-
Miscellaneous	219,909	226,526	122,161	64,642
Special Item - Sale of Land	843,079	1,924,573	-	-
Special Item - Disposal of Assets	-	-	(32,266,980)	(56,901,877)
<i>Total Governmental Activities General Revenues</i>	<u>1,095,340</u>	<u>2,167,355</u>	<u>(32,146,964)</u>	<u>(56,820,551)</u>
<b>Change in Net Position</b>	<u>\$ 6,523,196</u>	<u>\$ 7,404,755</u>	<u>\$ (33,045,838)</u>	<u>\$ (56,906,162)</u>

Source: District financial records.

2011	2010	2009	2008	2007	2006
\$ 1,827,060	\$ 402,366	\$ 715,520	\$ 454,730	\$ 2,338,236	\$ 1,702,925
-	-	-	-	-	-
-	-	-	327,044	-	6,516,155
2,414,524	2,467,505	2,181,640	1,751,628	1,585,006	6,152,002
4,241,584	2,869,871	2,897,160	2,533,402	3,923,242	14,371,082
27,669	35,407	203,329	619,864	24,172	94,991
6,419,127	12,861,985	1,345,354	7,232,136	5,611,078	1,946,633
-	-	-	-	-	-
6,713,131	5,859,116	2,367,815	-	-	-
13,159,927	18,756,508	3,916,498	7,852,000	5,635,250	2,041,624
8,918,343	15,886,637	1,019,338	5,318,598	1,712,008	(12,329,458)
-	-	-	-	-	500,000
179,297	198,866	77,411	877,121	1,486,437	510,536
-	-	-	(164,276)	164,276	(1,375)
98,344	73,227	319,979	64,404	5,332	46,481
-	-	-	-	-	-
-	(933,584)	-	-	-	-
277,641	(661,491)	397,390	777,249	1,656,045	1,055,642
\$ 9,195,984	\$ 15,225,146	\$ 1,416,728	\$ 6,095,847	\$ 3,368,053	\$ (11,273,816)



**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**FUND BALANCES, GOVERNMENTAL FUNDS**

***LAST TEN YEARS (modified accrual basis of accounting)***

	2015	2014	2013	2012	2011
General Fund					
Unassigned	\$ 4,914,527	\$ 4,279,228	\$ 2,606,885	\$ 3,172,070	\$ 3,454,396
All other governmental funds					
Restricted	12,125,910	11,668,263	7,138,427	9,343,008	13,642,716
Unassigned	(441,705)	(553,914)	(2,441,015)	(3,314,177)	(3,910,658)
Total All other governmental funds	11,684,205	11,114,349	4,697,412	6,028,831	9,732,058
Total Governmental Funds	<u>\$ 16,598,732</u>	<u>\$ 15,393,577</u>	<u>\$ 7,304,297</u>	<u>\$ 9,200,901</u>	<u>\$ 13,186,454</u>
	2010	2009	2008	2007	2006
General Fund					
Reserved	-	-	154	\$ -	\$ 6,652
Unreserved	3,415,701	3,523,834	3,229,925	2,815,145	3,302,479
Total General Fund	3,309,131	3,309,131	3,309,131	3,309,131	3,309,131
All other governmental funds					
Reserved	11,009,788	13,526,176	15,319,008	30,608,670	2,282,459
Unreserved, reported in:					
Debt Service	-	-	-	-	-
Capital Projects	(2,450,556)	(3,421,084)	(4,172,730)	(4,343,901)	(1,775,709)
Total All other governmental funds	8,559,232	10,105,092	11,146,278	26,264,769	506,750
Total Governmental Funds	<u>\$ 11,974,933</u>	<u>\$ 13,628,926</u>	<u>\$ 14,376,203</u>	<u>\$ 29,079,914</u>	<u>\$ 3,809,229</u>

Source: District financial records

Note: The District implemented GASB 54 in 2011 without retroactive application.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS**

***LAST TEN YEARS (modified accrual basis of accounting)***

	2015	2014	2013	2012
<b>Revenues</b>				
Intergovernmental	\$ 12,674,061	\$ 9,640,220	\$ 3,311,026	\$ 8,771,638
Charges for Services	17,521	19,750	20,875	23,625
Investment Earnings	32,352	16,256	(2,145)	16,684
Change in Fair Value of Investments	-	-	-	-
All Other	155,267	161,884	759,036	250,540
<b>Total Revenues</b>	<b>12,879,201</b>	<b>9,838,110</b>	<b>4,088,792</b>	<b>9,062,487</b>
<b>Expenditures</b>				
Current				
General Government	284,803	277,379	485,735	358,578
Intergovernmental	4,676,215	1,873,537	2,004,365	6,065,704
Capital Outlay	4,817,412	497,391	765,996	4,019,483
Debt Service:				
Principal	780,000	565,000	355,000	220,000
Interest and Fiscal Charges	2,348,875	2,362,500	2,374,300	2,384,275
<b>Total Expenditures</b>	<b>12,907,305</b>	<b>5,575,807</b>	<b>5,985,396</b>	<b>13,048,040</b>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	(28,104)	4,262,303	(1,896,604)	(3,985,553)
<b>Other Financing Sources (Uses)</b>				
Face Value of Debt	-	-	-	-
Premium from Sale of Bonds	-	-	-	-
Proceeds from the Sale of Land	1,233,259	1,924,573	-	-
Transfers In	-	-	97,598	-
Transfers Out	-	-	(97,598)	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,233,259</b>	<b>1,924,573</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,205,155</b>	<b>\$ 6,186,876</b>	<b>\$ (1,896,604)</b>	<b>\$ (3,985,553)</b>
Debt Service as a percentage of noncapital expenditures	37%	59%	52%	29%

Notes:

For 2010-2007, the District is making interest only payments on two special obligation bonds.

For 2006, the District had the highway improvement bond repaid through the ODOT lease agreement.



2011	2010	2009	2008	2007	2006
\$ 12,685,358	\$ 18,610,388	\$ 4,182,486	\$ 7,232,136	\$ 5,552,956	\$ 105,260,360
27,375	35,407	203,329	619,525	24,172	86,743
1,045	198,866	77,411	877,121	1,486,437	510,536
-	-	-	(164,276)	164,276	(1,375)
262,248	241,144	433,769	3,761	5,332	46,481
<u>12,976,026</u>	<u>19,085,805</u>	<u>4,896,995</u>	<u>8,568,267</u>	<u>7,233,173</u>	<u>105,902,745</u>
1,747,494	395,934	471,659	457,808	566,846	573,356
-	-	-	-	-	-
7,451,767	17,700,816	11,376,352	20,159,154	18,352,385	2,481,580
185,000	-	-	-	-	109,725,000
2,380,244	2,388,362	2,187,543	2,074,387	3,096,795	7,625,060
<u>11,764,505</u>	<u>20,485,112</u>	<u>14,035,554</u>	<u>22,691,349</u>	<u>22,016,026</u>	<u>120,404,996</u>
1,211,521	(1,399,307)	(9,138,559)	(14,123,082)	(14,782,853)	(14,502,251)
-	-	7,275,000	-	41,130,000	-
-	-	109,796	-	1,656,249	-
-	-	-	-	-	-
-	-	-	79	14,415,206	14,415,206
-	-	-	(79)	(14,415,206)	(14,415,206)
<u>-</u>	<u>-</u>	<u>7,384,796</u>	<u>-</u>	<u>42,786,249</u>	<u>-</u>
<u>\$ 1,211,521</u>	<u>\$ (1,399,307)</u>	<u>\$ (1,753,763)</u>	<u>\$ (14,123,082)</u>	<u>\$ 28,003,396</u>	<u>\$ (14,502,251)</u>
58%	84%	77%	82%	57%	99%

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**REVENUE BOND COVERAGE - LIBERTY INTERCHANGE  
SPECIAL OBLIGATION BONDS  
LAST NINE FISCAL YEARS**

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<u>Year</u>	<u>Gross Revenue (1)</u>	<u>Debt Service Requirement (2)</u>	<u>Coverage(3)</u>
2007	\$ 1,489,072	\$ 1,573,377	94.64%
2008	3,766,336	1,983,575	189.88%
2009	2,308,664	1,983,475	116.39%
2010	5,859,116	1,983,475	295.40%
2011	6,131,365	1,983,475	309.12%
2012	3,815,871	1,983,475	192.38%
2013	2,139,307	2,098,475	101.95%
2014	8,213,549	2,263,875	362.81%
2015	7,551,210	2,459,475	307.03%
Total	<u>\$ 41,274,490</u>	<u>\$ 18,312,677</u>	<u>225.39%</u>

Source: District's records

(1) The District receives intergovernmental revenue from Liberty Township, Butler County and West Chester Township for payment of debt service.

(2) The 2007 debt service payment was funded through the \$1,656,249 premium on the sale.

(3) Full receipt of gross revenues from entities is required until 150% of next two years debt service is maintained in the trust account.

NOTE: The District issued the Liberty Interchange special obligation bonds in February 2007.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**REVENUE BOND COVERAGE - STATE ROUTE 4 BYPASS  
SPECIAL OBLIGATION BONDS  
LAST SEVEN FISCAL YEARS**

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<u>Year</u>	<u>Gross Revenue (1)</u>	<u>Debt Service Requirement (2)</u>	<u>Coverage</u>
2009	\$ 117,084	\$ 204,068	57.37%
2010	380,237	404,887	93.91%
2011	581,766	584,769	99.49%
2012	613,292	613,050	100.04%
2013	383,679	628,075	61.09%
2014	288,624	661,625	43.62%
2015	371,073	656,076	56.56%
Total	<u>\$ 2,735,755</u>	<u>\$ 3,752,550</u>	<u>72.90%</u>

Source: District's records

- (1) The District will receive intergovernmental revenue from Fairfield Township, Butler County and the City of Hamilton for payment of debt service.
- (2) The 2009 debt service payment was funded through the \$109,796 premium on the sale and Butler County's initial contribution of \$117,084. The 2010-2015 debt service was offset with an IRS tax credit which repaid in proportion to the respective debt service amounts under (1). Revenues for 2013-2015 are under the debt service requirement as the District used the escrow refunds to pay down the debt service. The remaining construction fund balance will be used to pay down principal only in 2016 as well.

NOTE: The District issued the State Route 4 Bypass special obligation bonds in December 2009.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**RATIO OF SPECIAL OBLIGATION BONDS PER CAPITA  
LAST NINE FISCAL YEARS**

Fiscal Year	Special Obligation Bonds		All Outstanding Debt of District	Butler County Per Capita (1)	Net Debt Per Capita	Net Debt per Personal Income
	Liberty Interchange	State Route 4 Bypass				
2007	\$ 42,727,097	\$ -	\$ 42,727,097	358,116	\$ 119.31	0.34%
2008	42,667,945	-	42,667,945	360,775	118.27	0.33%
2009	42,608,793	7,384,796	49,993,589	363,184	137.65	0.40%
2010	42,549,641	7,379,306	49,928,947	368,130	135.63	0.38%
2011	42,490,489	7,188,816	49,679,305	369,999	134.27	0.39%
2012	42,431,337	6,963,326	49,394,663	370,589	133.29	0.36%
2013	42,257,185	6,717,836	48,975,021	371,511	131.83	0.36%
2014	41,913,033	6,432,346	48,345,379	374,158	129.21	0.33%
2015	41,358,881	6,141,856	47,500,737	374,158	126.95	NA

Source: District records

(1) The county's population is estimated by the Bureau of Economic Analysis for the years 2007-2009. The 2010 population reflects data collected by the United States Census Bureau. 2011 - 2014 are based on estimates from the United States Census Bureau Butler County Quickfacts. The information for 2015 is not available so 2014 is used for the calculation.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION**

**LAST TEN YEARS**

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<u>Year</u>	<u>General Government Employees</u>
2015*	1
2014*	1
2013*	1
2012*	1
2011*	1
2010*	1
2009	2
2008	2.5
2007	3
2006	3

Note: District's financial records

\* The District has two employees that work part time.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**TOP TEN TAX PAYERS  
REAL PROPERTY**

**CURRENT AND NINE YEARS AGO**

Name of Taxpayer	2014			2006		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Realty Ohio	\$ 13,703,780	1	0.20%			
MillerCoors LLC	12,143,180	2	0.17%	21,045,150	2	3.03%
Mejor Stores LTD PRT	11,367,410	3	0.16%	12,451,050	6	1.80%
Boymel Sam TR	11,121,320	4	0.16%			
AK Steel Corporation	10,769,410	5	0.15%	15,965,410	4	2.30%
US Industrial REIT III Midwest	9,065,000	6	0.13%			
First Industrial L P	8,791,470	7	0.13%			
Dugan Financial LLC	8,727,540	8	0.12%			
DCT Port Union LLC	8,640,870	9	0.12%			
Cincinnati Lesaint Industrial	8,050,000	10	0.11%			
Cincinnati Financial Corporation				16,913,280	3	0.00%
Ohio Casualty Insurance				11,139,210	7	2.44%
Cincinnati Gas & Electric				185,038,750	1	1.61%
Cincinnati Bell				12,500,650	5	26.68%
Butler Rural Electric				8,979,560	8	1.80%
Walmart Real Estate Business Trust				8,849,240	9	1.29%
Fath-Village Park Apartments				7,763,210	10	1.28%
<b>Total</b>	<b>\$ 102,379,980</b>		<b>1.46%</b>	<b>\$ 300,645,510</b>		<b>1.12%</b>
<b>Total Assessed Valuation</b>	<b>\$ 7,000,079,350</b>			<b>\$ 693,588,790</b>		<b>43.35%</b>

Source: Butler County Auditor's Office  
Fiscal year 2015 information is not available

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**  
**PRINCIPAL EMPLOYERS**

**ONE YEAR AGO (MOST RECENT) AND NINE YEARS AGO**

Name of Employer	2014			2006		
	Number of Employees	Rank	% of Total Employment	Number of Employees	Rank	% of Total Employment
Miami University	3,282	1	1.85%	4,200	1	3.08%
Cincinnati Financial Corp.	3,280	2	1.85%	2,600	3	1.91%
AK Steel	2,412	3	1.36%	4,100	2	3.01%
GE Aviation	2,000	4	1.13%			
Lakota School District	1,827	5	1.03%			
Butler County Government	1,700	6	0.96%			
Mercy Regional Hospital	1,210	7	0.68%			
Ohio Casualty Insurance	1,209	8	0.68%	1,300	5	0.95%
Hamilton City School District	1,150	9	0.65%			
Fort Hamilton Hospital	1,017	10	0.57%			
Middletown Regional Hospital				1,250	6	0.92%
Cornerstone/Frontgate				1,470	4	1.08%
FKI Logistics				1,000	7	0.73%
Pierre Foods				871	8	0.64%
Smart Paperps				659	9	0.48%
Total	19,087		10.77%	18,100		13.27%
Total Employed within the County	177,300			136,387		

Source: 2014 Butler County Comprehensive Annual Financial Report and presented as they have presented.  
 Note: The employment information was not available for 2015.

## TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

### DEMOGRAPHIC INFORMATION

#### LAST TEN YEARS

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Year	Population (1)	Total Personal Income (1)	Per Capita Personal Income (1)	Unemployment Rate (2)
2006	353,888	\$ 12,034,315,328	\$ 34,006	5.6%
2007	358,116	12,561,634,932	35,077	5.1%
2008	360,775	12,811,481,025	35,511	5.9%
2009	363,184	12,585,778,336	34,654	9.3%
2010	368,130	12,975,478,110	35,247	9.6%
2011	369,999	12,585,955,000	34,016	7.6%
2012	370,589	13,559,851,510	36,590	6.0%
2013	371,511	13,584,842,480	36,566	6.0%
2014	374,158	14,536,786,616	38,852	4.2%
2015	374,158	NA	NA	4.2%

Source: (1) The information is provided from the Butler County, Ohio annual report. NA means the information was not available for that particular fiscal year. The information for 2015 was not available at the time the table was composed.

(2) Unemployment figures are derived from Ohio Labor Market Information. These numbers are prepared in cooperation with the Bureau of Labor Statistics, are determined by place of residence, and are not seasonally adjusted.



**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**MISCELLANEOUS STATISTICS**

**DECEMBER 31, 2015**

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Date of Creation: 1993  
The first Transportation Improvement District in Ohio.

County: Butler

County Seat: City of Hamilton, Ohio

Number of Political Subdivisions within the District: 6  
Butler County  
City of Hamilton  
City of Fairfield  
Fairfield Township  
West Chester Township  
Liberty Township

Number of Interstate Highways inside the District: 2 (Interstate 75)  
(State Route 129)

Source: Transportation Improvement District

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# Dave Yost • Auditor of State

**BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT**

**BUTLER 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  
JANUARY 30, 2018**