

**LICKING COUNTY TRANSPORTATION
IMPROVEMENT DISTRICT**
(A COMPONENT UNIT OF LICKING COUNTY)
LICKING COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2024**



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Columbus, Ohio 43215
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Board of Trustees
Licking County Transportation Improvement District
20 South 2nd Street
Newark, Ohio 43055

We have reviewed the *Independent Auditor's Report* of the Licking County Transportation Improvement District, prepared by Julian & Grube, Inc., for the audit period January 1, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

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

September 23, 2025

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**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A COMPONENT UNIT OF LICKING COUNTY)
LICKING COUNTY, OHIO**

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Independent Auditor's Report

Licking County Transportation Improvement District
Licking County
20 South 2nd Street
Newark, Ohio 43055

To the Members of the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Licking County Transportation Improvement District, Licking County, Ohio, a component unit of Licking County, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Licking County Transportation Improvement District's basic financial statements as listed in the table of contents.

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 Licking County Transportation Improvement District, as of December 31, 2024, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described in Note 13 to the financial statements, Licking County Transportation Improvement District has an accumulated deficit net position as of December 31, 2024. This deficit is a result of how Licking County Transportation Improvement District is structured and its basic operations. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Licking County Transportation Improvement District
Licking County
Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Licking County Transportation Improvement District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Licking County Transportation Improvement District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Licking County Transportation Improvement District
Licking County
Independent Auditor's Report

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2025 on our consideration of Licking County Transportation Improvement District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Licking County Transportation Improvement District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Licking County Transportation Improvement District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
June 23, 2025

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

The management's discussion and analysis of Licking County Transportation Improvement District's (the "District") financial performance provides an overall review of the District's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Pursuant to Resolution No. 2015-01 adopted on May 13, 2015, Licking County Transportation Improvement District became a legal entity created under Chapter 5540 of the Ohio Revised Code.

Financial Highlights

Key financial highlights for 2024 are as follows:

- The total net position of the District decreased \$725,601 from 2023 net position of (\$3,525,030) to (\$4,250,631). Operating at a negative net position means that liabilities are greater than assets and that future revenues will, at least in part, be needed to make up past revenue shortfalls. The District's negative net position is primarily attributed to the recognition of long-term debt totaling \$8,866,335 specific to the widening and reconstruction of the State Route 310 and the Pataskala/Etna Refugee Road projects. Although these bonds and loan are collateralized by revenues pledged from governments partnering in approved intergovernmental agreements, revenues are not recognized until paid by participating governments to pay principal and interest. Excluding this long-term debt, the District would report positive net position of \$4,615,704.
- General revenues accounted for \$1,373,982 or 30% of total governmental activities revenue. Program specific revenues accounted for \$3,265,259 or 70% of total governmental activities revenue.
- The District had \$5,364,842 in expenses of which \$3,265,259 of these expenses were offset by program specific charges for capital grants and contributions which general revenues were not sufficient to cover remaining expenses.
- The General fund had revenues of \$1,336,904 in 2024 while expenditures totaled \$148,171. The ending fund balance for the General fund was \$1,851,541.
- The Etna State Route 310 LIC-310-1.26 fund had revenues of \$324,878 and expenditures of \$288,830. The ending fund balance was \$545,395.
- The Pataskala/Etna Refugee Road fund had revenues and other financing sources of \$4,278,373 and expenditures of \$3,728,778 and an ending fund balance of (\$285,532).
- The Intel Project fund had revenues and other financing sources of \$1,474,190 and expenditures of \$893,836 and an ending fund balance of \$509,497.

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The statement of net position and statement of activities provide information about the activities of the District as a whole, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. For 2024 the District reported the General, Etna State Route 310 LIC-310-1.26, Pataskala/Etna Refugee Road and Intel Project funds as major funds.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a description of the funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" The statement of net position and the statement of activities answer this question. These statements include all assets, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. In the statement of net position and the statement of activities, the District reports the following kind of activities:

Governmental activities - The District's programs and services are reported here including general government and transportation services. These services are funded primarily by intergovernmental revenues which were limited to pledged revenues from its members as well as capital grant revenues. The District's statement of net position and statement of activities can be found on pages 12-13 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The District does not report proprietary or fiduciary funds. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focuses on the District's most significant funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

For 2024 the District reported the General, Etna State Route 310 LIC-310-1.26, Pataskala/Etna Refugee Road and Intel Project funds as major funds. Information for these funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 18-36 of this report.

Government-Wide Financial Analysis

The statement of net position serves as a useful indicator of a government's financial position. The following below provides a summary of the District's net position for 2024 and 2023.

LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

	Net Position	
	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Current and other assets	\$ 14,476,615	\$ 10,647,716
Capital assets	1,007,978	1,156,498
Total assets	<u>15,484,593</u>	<u>11,804,214</u>
<u>Liabilities</u>		
Current liabilities	1,683,422	2,537,941
Long-term liabilities:		
Due within one year	165,000	160,000
Due in more than one year	8,701,335	5,436,194
Total liabilties	<u>10,549,757</u>	<u>8,134,135</u>
<u>Deferred inflows of resources</u>		
Nonexchange transactions unavailable	9,185,467	7,195,109
Total deferred inflows of resources	<u>9,185,467</u>	<u>7,195,109</u>
<u>Net Position</u>		
Net Investment in		
capital assets	771,737	1,145,978
Restricted	2,055,367	925,249
Unrestricted	(7,077,735)	(5,596,257)
Total net position	<u>\$ (4,250,631)</u>	<u>\$ (3,525,030)</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2024, the District's liabilities exceeded assets by \$4,250,631. A portion of the District's net position, \$2,055,367 represents resources that are subject to external restriction.

The following below provides a summary of the District's change in net position for 2024 and 2023.

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LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

	Change in Net Position	
	Governmental Activities	
	2024	2023
Revenues		
Program revenues:		
Capital grants and contributions	\$ 3,265,259	\$ 973,473
Total program revenues	<u>3,265,259</u>	<u>973,473</u>
General revenues:		
Unrestricted grants and entitlements	1,236,302	224,532
Interest	<u>137,680</u>	<u>87,781</u>
Total general revenues	<u>1,373,982</u>	<u>312,313</u>
Total revenues	<u>4,639,241</u>	<u>1,285,786</u>
Expenses:		
General government	148,171	174,716
Transportation	5,106,917	3,478,164
Interest and fiscal charges	<u>109,754</u>	<u>115,101</u>
Total expenses	<u>5,364,842</u>	<u>3,767,981</u>
Change in net position	(725,601)	(2,482,195)
Net position at beginning of year	<u>(3,525,030)</u>	<u>(1,042,835)</u>
Net position at end of year	<u>\$ (4,250,631)</u>	<u>\$ (3,525,030)</u>

Governmental Activities

Governmental activities net position was (\$4,250,631) a decrease of \$725,601 from 2023. Transportation expenses accounted for \$5,106,917 or 95% of total expenses.

Capital grants and contributions totaled \$3,265,259 and relate to state and local contributions for the primary purpose of improving infrastructure within Licking County. The increase in capital grants is due to the District receiving new grants, specifically infrastructure improvements associated with Intel. General revenues, specifically unrestricted grants and entitlements related to payments for future debt service and general operations. The increase in unrestricted grants is based on payment from the Licking County Commissioners for managing Intel Project grants from state and federal sources.

The statement of activities shows the cost of program services and any program revenues which may be offsetting those services. The following table shows the total cost of services and the net cost of services for 2024 and 2023.

LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Governmental Activities - Program Revenues vs. Total Expenses

	Governmental Activities			
	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program Expenses:				
General government	\$ 148,171	\$ 148,171	\$ 174,716	\$ 174,716
Transportation	5,106,917	1,841,658	3,478,164	2,504,691
Interest and fiscal charges	<u>109,754</u>	<u>109,754</u>	<u>115,101</u>	<u>115,101</u>
Total	<u><u>\$ 5,364,842</u></u>	<u><u>\$ 2,099,583</u></u>	<u><u>\$ 3,767,981</u></u>	<u><u>\$ 2,794,508</u></u>

Financial Analysis of the District's Fund

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

The District's governmental funds (as presented on the balance sheet) reported a combined fund balance of \$3,367,519 which is \$2,429,600 higher than last year's total of \$937,919. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2024 for all major governmental and other governmental funds.

	Fund Balances	Fund Balances	Increase (Decrease)
	12/31/2024	12/31/2023	
Major funds:			
General	\$ 1,851,541	\$ 662,808	\$ 1,188,733
State Route 310 LIC-310-1.26	545,395	509,347	36,048
Pataskala/Etna Refugee Road	(285,532)	(835,127)	549,595
Intel Project	509,497	(70,857)	580,354
Other Governmental	<u>746,618</u>	<u>671,748</u>	<u>74,870</u>
Total	<u><u>\$ 3,367,519</u></u>	<u><u>\$ 937,919</u></u>	<u><u>\$ 2,429,600</u></u>

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

Capital Assets and Debt Administration

Capital Assets

Net capital assets comprised land and equipment of \$1,007,978 at December 31, 2024. See Note 7 to the basic financial statements for detail on the District's capital assets.

Debt Administration

The District reported the following long-term obligations at December 31, 2024 and 2023:

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
State Infrastructure Bank bonds	\$ 2,450,000	\$ 2,610,000
State Infrastructure Bank loan	5,086,634	2,753,601
Licking County Engineer	1,000,000	-
City of Johnstown loan	115,000	-
Total long-term obligations	<u>\$ 8,651,634</u>	<u>\$ 5,363,601</u>

See Note 8 to the basic financial statements for detail on the District's long-term obligations.

Economic Factors

The District continues to grow and expand its reach within Licking County having completed and started several new projects since its existence.

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

The District will continue to evaluate projects brought to its attention in order to determine if said projects meet the required criteria to better ensure that resources received are utilized for the greater good of Licking County.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, member governments, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Jared Knerr, Secretary/Treasurer, Licking County Transportation Improvement District, 20 South 2nd Street, Newark, Ohio 43055.

**BASIC
FINANCIAL STATEMENTS**

LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)

STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
Assets:	
Equity in pooled cash	\$ 4,533,723
Receivables:	
Due from other governments	9,942,892
Capital assets:	
Non-depreciable capital assets	1,000,088
Depreciable capital assets, net	7,890
Total capital assets, net	<u>1,007,978</u>
 Total assets	 <u>15,484,593</u>
 Liabilities:	
Accounts payable	672,651
Contracts payable	228,351
Accrued interest payable	22,069
Unearned revenue	760,351
Long-term liabilities:	
Due within one year	165,000
Due in more than one year	<u>8,701,335</u>
 Total liabilities	 <u>10,549,757</u>
 Deferred inflows of resources:	
Nonexchange transactions not available	<u>9,185,467</u>
 Total deferred inflows of resources	 <u>9,185,467</u>
 Total liabilities and deferred inflows of resources	 <u>19,735,224</u>
 Net position:	
Net investment in capital assets	771,737
Restricted for:	
Debt service	159,362
Transportation projects	1,896,005
Unrestricted	<u>(7,077,735)</u>
 Total net position	 <u>\$ (4,250,631)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Revenues		Net Revenue (Expense) and Change in Net Position
	Expenses	Capital Grants and Contributions	Governmental Activities
Governmental activities:			
General government	\$ 148,171	\$ -	\$ (148,171)
Transportation	5,106,917	3,265,259	(1,841,658)
Interest and fiscal charges	<u>109,754</u>	<u>-</u>	<u>(109,754)</u>
Total governmental activities	<u><u>\$ 5,364,842</u></u>	<u><u>\$ 3,265,259</u></u>	<u><u>(2,099,583)</u></u>
General revenues:			
Grants and entitlements not restricted to specific programs			1,236,302
Interest			<u>137,680</u>
Total general revenues			<u>1,373,982</u>
Change in net position			(725,601)
Net position at beginning of year			<u>(3,525,030)</u>
Net position at end of year			<u>\$ (4,250,631)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Etna State					Total
	General	Route 310	Pataskala/Etna	Intel	Other	Governmental
	LIC-310-1,26	Refugee Road		Project	Governmental	Funds
Assets:						
Equity in pooled cash	\$ 1,599,990	\$ 591,095	\$ -	\$ 1,323,751	\$ 1,018,887	\$ 4,533,723
Receivables:						
Interfund loans	240,387	-	-	-	-	240,387
Due from other governments	20,445	3,196,625	5,465,214	989,229	271,379	9,942,892
Total assets	<u>\$ 1,860,822</u>	<u>\$ 3,787,720</u>	<u>\$ 5,465,214</u>	<u>\$ 2,312,980</u>	<u>\$ 1,290,266</u>	<u>\$ 14,717,002</u>
Liabilities:						
Accounts payable	\$ 9,281	\$ -	\$ 195,374	\$ 309,453	\$ 158,543	\$ 672,651
Contracts payable	-	-	228,351	-	-	228,351
Interfund loans payable	-	-	240,387	-	-	240,387
Unearned revenue	-	45,700	-	504,801	209,850	760,351
Total liabilities	<u>9,281</u>	<u>45,700</u>	<u>664,112</u>	<u>814,254</u>	<u>368,393</u>	<u>1,901,740</u>
Deferred inflows of resources:						
Nonexchange transactions not available	-	3,196,625	5,086,634	989,229	175,255	9,447,743
Total deferred inflows of resources	<u>-</u>	<u>3,196,625</u>	<u>5,086,634</u>	<u>989,229</u>	<u>175,255</u>	<u>9,447,743</u>
Total liabilities and deferred inflows of resources	<u>9,281</u>	<u>3,242,325</u>	<u>5,750,746</u>	<u>1,803,483</u>	<u>543,648</u>	<u>11,349,483</u>
Fund balances:						
Restricted:						
Transportation	-	149,263	-	509,497	746,618	1,405,378
Debt Service	-	396,132	-	-	-	396,132
Assigned:						
Assigned for future purchase obligations	34,173	-	-	-	-	34,173
Unassigned	1,817,368	-	(285,532)	-	-	1,531,836
Total fund balances	<u>1,851,541</u>	<u>545,395</u>	<u>(285,532)</u>	<u>509,497</u>	<u>746,618</u>	<u>3,367,519</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,860,822</u>	<u>\$ 3,787,720</u>	<u>\$ 5,465,214</u>	<u>\$ 2,312,980</u>	<u>\$ 1,290,266</u>	<u>\$ 14,717,002</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2024

Total governmental fund balances	\$ 3,367,519
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,007,978
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.	262,276
Due from other governments	262,276
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(22,069)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
State Infrastructure Bank bonds payable	(2,450,000)
State Infrastructure Bank loan payable	(5,086,634)
Licking County Engineer loan	(1,000,000)
City of Johnstown loan	(115,000)
Premium on State Infrastructure Bank bonds payable	<u>(214,701)</u>
Total	<u>(8,866,335)</u>
Net position of governmental activities	<u>\$ (4,250,631)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Etna State Route 310	LIC-310-1.26	Pataskala/Etna Refugee Road	(Formerly Nonmajor)		Total Governmental Funds
	General	Intel Project	Other Governmental			
Revenues:						
Intergovernmental Interest	\$ 1,236,302	\$ 287,800	\$ 1,945,340	\$ 474,190	\$ 295,653	\$ 4,239,285
	<u>100,602</u>	<u>37,078</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,680</u>
Total revenues	<u>1,336,904</u>	<u>324,878</u>	<u>1,945,340</u>	<u>474,190</u>	<u>295,653</u>	<u>4,376,965</u>
Expenditures:						
Current:						
General government	148,171	-	-	-	-	148,171
Transportation	-	-	3,376,026	893,836	335,783	4,605,645
Capital outlay	-	-	352,752	-	-	352,752
Debt service:						
Principal retirement	-	160,000	-	-	-	160,000
Interest and fiscal charges	-	128,830	-	-	-	128,830
Total expenditures	<u>148,171</u>	<u>288,830</u>	<u>3,728,778</u>	<u>893,836</u>	<u>335,783</u>	<u>5,395,398</u>
Excess (deficiency) of revenues over (under) expenditures	1,188,733	36,048	(1,783,438)	(419,646)	(40,130)	(1,018,433)
Other financing sources (uses):						
Loan proceeds	-	-	2,333,033	1,000,000	115,000	3,448,033
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,333,033</u>	<u>1,000,000</u>	<u>115,000</u>	<u>3,448,033</u>
Net change in fund balances	1,188,733	36,048	549,595	580,354	74,870	2,429,600
Fund balance at beginning of year, as previously reported	662,808	509,347	(835,127)	-	600,891	937,919
Adjustment - changes from nonmajor fund to major fund	-	-	-	(70,857)	70,857	-
Fund balance at beginning of year, as restated	662,808	509,347	(835,127)	(70,857)	671,748	937,919
Fund balance (deficit) at end of year	<u>\$ 1,851,541</u>	<u>\$ 545,395</u>	<u>\$ (285,532)</u>	<u>\$ 509,497</u>	<u>\$ 746,618</u>	<u>\$ 3,367,519</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)

**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, 2024**

Net change in fund balances - total governmental funds \$ 2,429,600

*Amounts reported for governmental activities in the
 statement of activities are different because:*

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Current year additions	\$ 352,752
Current year depreciation	<u>(2,630)</u>
Total	350,122

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.

(498,642)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

262,276

Proceeds of loans are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.

(3,448,033)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.

160,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items contributed to less interest being reported in the statement of activities:

Decrease in accrued interest payable	1,184
Amortization of bond premium	<u>17,892</u>
Total	19,076

Change in net position of governmental activities \$ **(725,601)**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1 - DESCRIPTION OF THE DISTRICT

The Licking County Transportation Improvement District (the “District”) is a body politic and corporate, created for the purpose of financing, constructing, maintaining, repairing, and operating selected transportation projects. The District was specifically created pursuant to Chapter 5540 of the Ohio Revised Code, as amended. The District was created by action of the Board of Trustees on May 13, 2015.

The District is governed by a Board of Trustees that acts as the authoritative and legislative body. The Board is comprised of five voting members with each Board member serving a term of two years and there are no term limits for reappointment. The Board members are appointed by the Licking County Commissioners. None of the Board members receive compensation for serving on the Board.

District Officers consist of a Chairman, Vice-Chairman and Secretary-Treasurer, who are elected annually from its members. The Chairman, Vice-Chairman and Secretary-Treasurer serve at the pleasure of the Board and are subject to removal by an affirmative vote of the majority of the Board at any time. The Chairman’s responsibilities are to preside at all meetings of the Board and be the Chief Officer of the District. The Secretary-Treasurer serves as the fiscal officer of the District. The District is a component unit of Licking County.

The District’s management believes the financial statements included in this report represent all activities over which the District is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

The most significant of the District’s accounting policies are described below.

A. Reporting Entity

For financial reporting purposes, the District’s basic financial statements include all funds, agencies, boards, commissions, and departments for which the District is financially accountable. Financial accountability, as defined by the GASB, exists if the District appoints a voting majority of an organization’s Governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the District.

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The District may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the District. The District also took into consideration other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's basic financial statements to be misleading or incomplete. The District has no component units.

B. Basis of Presentation - Fund Accounting

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the financial condition of the governmental activities of the District at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which governmental functions are self-financing or draw from the general revenues of the District.

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

C. Fund Accounting

The District uses funds to maintain its financial records during the year. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific revenues and expenses. The transactions of each fund are reflected in a self-balancing group of accounts.

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The District classifies each fund as either governmental, proprietary or fiduciary. The District does not have proprietary or fiduciary funds.

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

General fund - This fund is used to account for and report 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.

Etna State Route 310 LIC-310-1.26 fund - This capital projects fund received grant proceeds from Etna Township, Etna Community Improvement Corporation, State of Ohio and also loan proceeds from the Licking County Commissioners for purposes of expanding a portion of State Route 310 from 2 to 5 lanes.

Pataskala/Etna Refugee Road fund - This capital projects fund received proceeds from Etna Township, City of Pataskala, Ohio Public Works Commission, and the State Infrastructure Bank loan program for construction of roundabouts and widening of Refugee Road.

Intel Project fund - This capital projects fund received proceeds from the Ohio Department of Development, Ohio Department of Transportation and the Licking County Engineer for infrastructure improvements surrounding the new Intel Corporation complex.

D. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position.

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows of resources in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the District available means expected to be received within sixty days of year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include grants, entitlements and donations. On an accrual basis, revenue from grants, entitlements and donations is recognized in the 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 year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, this includes intergovernmental revenues not received during the available period.

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

F. Cash and Cash Equivalents

Cash balances of the District's funds are pooled and invested in investments in order to provide improved cash management. Individual fund integrity is maintained through District records. Each fund's interest in the pooled bank accounts is presented as "equity in pooled cash" on the financial statements.

During 2024, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Interest income is distributed to the funds according to statutory requirements or District financial policies. Interest revenue earned and credited to the General fund during 2024 amounted to \$100,602.

An analysis of the District's investment account at year-end is provided in Note 4.

G. Capital Assets

Capital assets which are required to be maintained by the District, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life threshold in excess of three years. Donated capital assets are recorded at acquisition value at the date received. In addition, assets having an estimated useful life of more than one year that are below the \$5,000 threshold and not considered repair and maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets are considered significant.

General capital asset values were determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental Activities</u> <u>Estimated Lives</u>
Machinery and equipment	3-15 years
Buildings and improvements	30-50 years
Infrastructure	7-100 years

H. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and loans are recognized as a liability on the governmental fund financial statements when due.

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Unearned Revenue

Unearned revenue arises when revenues are received before revenue recognition criteria have been satisfied. At December 31, 2024 this includes project funds received before all corresponding expenses/expenditures have been incurred.

J. Interfund Activity

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

K. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

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

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the General fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Board of Trustees, which includes giving the Secretary/Treasurer the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the General fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund 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 restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

L. Estimates

The preparation of the basic 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 basic financial statements and accompanying notes. Actual results may differ from those estimates.

M. Unamortized Bond Premiums/Accounting Gain or Loss/Bond Issuance Costs

Bond premiums are deferred and amortized over the term of the bonds using the straight line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

For a refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow or inflow of resources.

On the governmental fund financial statements, bond premiums and deferred charges from refunding are recognized in the current period. The reconciliation between the face value of the bonds and the amount reported on the statement of net position.

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Bond issuance costs are expensed when they occur.

N. Net Position

Net position represents the difference between assets, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets specifically purchased with debt proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Prepayments

Payments made to vendors for services that will benefit beyond December 31, 2024 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which it was consumed. The District did not report prepaid items at December 31, 2024.

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the District Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2024.

Q. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivables/payables.” These amounts are eliminated in the governmental activities column on the statement of net position.

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2024, the District has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, “Omnibus 2022”, GASB Statement No. 100, “Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62”, Implementation Guide No. 2023-1 and GASB Statement No. 101, “Compensated Absences”.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on balances previously report by the District.

The objective of GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the District.

The objective of GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the District.

The objective of GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of GASB Statement No. 101 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at December 31, 2024 included a deficit of \$285,532 in the Pataskala/Etna Refugee Road fund. The General fund is liable for any deficit in this fund and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Change within the Financial Reporting Entity

For 2024, the District's Intel Project fund presentation was adjusted from nonmajor to major due to meeting the quantitative threshold for a major fund. This change is separately displayed on the face of the financial statements.

NOTE 4 - DEPOSITS

State statutes classify monies held by the District into three categories.

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

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

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

Interim monies may be deposited or invested in the following securities:

1. 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 and interest by the United States;
2. 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;

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 4 - DEPOSITS - (Continued)

3. 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;
4. Bonds and other obligations of the State of Ohio; and with certain limitations including a requirement for maturity within a ten year from the date of settlement, bonds and other obligations of a political subdivision of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items 1 or 2, above, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);
8. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty and two hundred seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one period.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Secretary/Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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.

Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Payment for investments may be made only upon delivery of the securities representing the investments to the Secretary/Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 4 - DEPOSITS - (Continued)

Deposits with Financial Institutions

At December 31, 2024, the carrying amount of all District deposits was \$3,838,268 and the bank balance of all City deposits was \$3,904,412. Of the bank balance, \$250,000 was covered by the FDIC, \$3,318,750 was covered by the OPCS and \$335,662 was exposed to custodial risk as discussed below because those deposits were uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 102% of the carrying value of the deposits.

Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2024, the District's financial institution was approved for a collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

Investments

<u>Measurement/Investment</u>	<u>Investment Maturities</u>		<u>S&P Rating</u>
	<u>Measurement</u>	<u>Less than 12 Months</u>	
<u>Amount</u>			
Net Asset Value Per Share: STAR Ohio	\$ 695,455	\$ 695,455	AAAm

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 4 - DEPOSITS - (Continued)

Credit Risk: STAR Ohio carries a rating of AAA by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, 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 has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

NOTE 5 - RECEIVABLES

Receivables at December 31, 2024 consisted of intergovernmental receivables (presented as due from other governments) arising from grants and entitlements. Receivables have been recorded to the extent that they are measurable at December 31, 2024. All receivables are expected to be collected within the subsequent year, except for receivables pledged from other governments to assist with future debt payments, which will be received as the payments come due.

NOTE 6 - INTERFUND TRANSACTIONS

Interfund balances at December 31, 2024, as reported on the fund statements as interfund loans receivable/payables consist of the following:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Pataskala/Etna Refugee Road	\$ 240,387

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by December 31. These interfund balances will be repaid once the anticipated revenues are received. The interfund balances are expected to be repaid within one year.

NOTE 7 - CAPITAL ASSETS

Governmental activities capital asset activity for the year ended December 31, 2024, was as follows:

LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 - CAPITAL ASSETS - (Continued)

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/23</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/24</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,145,978	\$ 124,401	\$ (498,642)	\$ 771,737
Construction in progress	-	228,351	-	228,351
Total capital assets, not depreciated	<u>1,145,978</u>	<u>352,752</u>	<u>(498,642)</u>	<u>1,000,088</u>
<i>Capital assets, being depreciated:</i>				
Equipment	26,300	-	-	26,300
Total capital assets, being depreciated	<u>26,300</u>	<u>-</u>	<u>-</u>	<u>26,300</u>
<i>Less: accumulated depreciation:</i>				
Equipment	(15,780)	(2,630)	-	(18,410)
Total accumulated depreciation	<u>(15,780)</u>	<u>(2,630)</u>	<u>-</u>	<u>(18,410)</u>
Total capital assets, being depreciated, net	<u>10,520</u>	<u>(2,630)</u>	<u>-</u>	<u>7,890</u>
Total capital assets	<u><u>\$ 1,156,498</u></u>	<u><u>\$ 350,122</u></u>	<u><u>\$ (498,642)</u></u>	<u><u>\$ 1,007,978</u></u>

Equipment depreciation expense charged to governmental activities was \$2,630.

NOTE 8 – LONG-TERM OBLIGATIONS

Changes in the District's long-term obligations were as follows:

<i>Direct Borrowing:</i>	<u>Balance at</u> <u>12/31/2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance at</u> <u>12/31/2024</u>	<u>Due in</u> <u>One Year</u>
State Infrastructure Bank Bonds, Series 2017	\$ 2,610,000	\$ -	\$ (160,000)	\$ 2,450,000	\$ 165,000
Etna State Route 310 SIB Bonds - Premium	232,593	-	(17,892)	214,701	-
State Infrastructure Bank Loan, 2023	2,753,601	2,333,033	-	5,086,634	-
Licking County Engineer	-	1,000,000	-	1,000,000	-
City of Johnstown	-	115,000	-	115,000	-
Total Long-Term Obligations	<u>\$ 5,596,194</u>	<u>\$ 3,448,033</u>	<u>\$ (177,892)</u>	<u>\$ 8,866,335</u>	<u>\$ 165,000</u>

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 8 – LONG-TERM OBLIGATIONS - (Continued)

The Treasurer of State of Ohio, through the State Transportation Infrastructure GRF Bond Fund Program, issued State of Ohio Transportation Project Revenue Bonds, Series 2017-1 in order to provide moneys to be loaned pursuant to Sections 5531.09 and 5531.10 of the Ohio Revised Code to the District for the purpose of financing street improvements, which include the acquisition, construction, equipping, and installation of road improvements, right-of-way purchases and issuance costs associated with the widening of State Route 310 from Interstate 70 to U.S. 40 (the “Project”); to pay capitalized interest during construction of the Project; and to pay the costs of issuance of the bonds.

The State Infrastructure Bank bonds issued totaled \$4,745,000 at an interest rate of 3.5% and are collateralized by income tax collections within the Etna Township Joint Economic Development Zone No. 1 and Joint Economic Development Zone No. 2. These revenues are then distributed to Licking County, Etna Township, the Southwest Licking Local School District and Etna Township Joint Economic Development Zone No. 2 Board which a portion of these revenues must be used to pay principal and interest associated with the State Infrastructure Bank bonds. During 2020, the District elected to pay down the outstanding State Infrastructure Bonds making an additional \$1,300,000 principal payment changing the final maturity date to November 2036 from November 2041. The principal and interest requirements to retire the bonds are as follows:

Year Ending December 31,	State Infrastructure Bonds		
	Principal	Interest	Total
2025	\$ 165,000	\$ 120,773	\$ 285,773
2026	170,000	112,159	282,159
2027	180,000	103,288	283,288
2028	190,000	93,903	283,903
2029	200,000	84,003	284,003
2030-2034	1,095,000	254,408	1,349,408
2035-2036	450,000	23,650	473,650
Total	<u>\$ 2,450,000</u>	<u>\$ 792,184</u>	<u>\$ 3,242,184</u>

The Treasurer of State of Ohio, through the State Transportation Infrastructure Bank, authorized the sum of \$7,000,000, with interest at a rate of 3% annum upon the closing date of the loan, payable to the District for the purpose of providing infrastructure improvements for the City of Pataskala/Etna Township Refugee Road project. This loan is collateralized equally by revenues pledged by Etna Township and the City of Pataskala for the repayment of this loan. Once this loan has been finalized, an amortization schedule will be provided.

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 8 – LONG-TERM OBLIGATIONS - (Continued)

Resolution 122-290 adopted by the Licking County Commissioners on March 7, 2024 provided a loan of \$1,000,000 from the Licking County Engineer for the purpose of completing the District's Mink/Duncan Plains Roundabout Project (PID 119726). This 0% loan will be paid no later than December 31, 2027.

The District entered into an Intergovernmental Agreement with the City of Johnstown for the purpose of performing a study on State Route 37 and U.S. Route 62 Intersection Improvements. This project will be funded by a reimbursement grant from the Ohio Department of Transportation and the City of Johnstown loaned \$115,000 to the District to begin this project. Once the project is completed and grant funds have been received, the District will repay this 0% loan on or before January 30, 2027.

NOTE 9 – INTERGOVERNMENTAL AGREEMENTS/RELATED PARTY TRANSACTIONS

The Licking County Commissioners and the Licking County Engineers Office have committed to provide funding to the District to facilitate the development and implementation of the District's projects.

For 2021, the District entered into an intergovernmental agreement with Etna Township to provide infrastructure improvements at Pike Street through the State Route 310 area roadway. The District contributed \$50,000 toward this project with Etna Township contributing \$350,000. During 2024, the District recognized \$74,529 as intergovernmental revenue in the Etna Township Pike Street Fund, a nonmajor governmental fund, in the basic financial statements. Revenue is recognized as eligibility criteria are met. Any funds received prior to revenue recognition criteria being met are recorded as unearned revenue which totaled \$209,850. The District also earned a fee as stipulated in the agreement for administrative fees that are recorded as intergovernmental revenue in the General fund in the basic financial statements.

For 2022, the District entered into an intergovernmental agreement with the City of Pataskala, Etna Township, and the Licking County Commissioners to provide infrastructure improvements for Refugee Road. The project will be funded in phases and revenue sources noting through December 31, 2024, total contributions of \$2,300,000 were contributed to the project of which have been recognized as intergovernmental revenue in the Pataskala/Etna Refugee Road Fund, a major governmental fund, in the basic financial statements. Revenue is recognized as eligibility criteria are met.

In 2024, the District entered into an intergovernmental agreement with the City of Newark to provide engineering design and right-of-way services for the corridor consisting of Thornwood Drive to Faye Road. Revenue is recognized as revenue recognition criteria is met which is on a reimbursement basis as a receivable of \$211,517 was recognized at December 31, 2024. The District also earned an administrative fee which was recognized as revenue of \$175,000.

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 9 – INTERGOVERNMENTAL AGREEMENTS/RELATED PARTY TRANSACTIONS -
(Continued)**

The District entered into an Intergovernmental Agreement with the City of Johnstown for the purpose of performing a study on State Route 37 and U.S. Route 62 Intersection Improvements. This project will be funded by a reimbursement grant from the Ohio Department of Transportation and the City of Johnstown loaned \$115,000 to the District to begin this project. The District also earned an administrative fee of \$10,000 which was recognized as revenue at December 31, 2024.

Any funds received prior to revenue recognition criteria being met are recorded as unearned revenue. The District also earned a fee as stipulated in the agreement for administrative fees that are recorded as intergovernmental revenue in the General fund in the basic financial statements.

Revenue is recognized as eligibility criteria are met. Any funds received prior to revenue recognition criteria being met are recorded as unearned revenue.

NOTE 10 - RISK MANAGEMENT

The District has not obtained commercial insurance based on limited exposure to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

NOTE 11 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds.

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at December 31, 2024.

B. Litigation

The District is currently not involved in pending litigation at year-end.

**LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 12 – OTHER COMMITMENTS – ENCUMBRANCES

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for cash basis encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 43,454
Pataskala/Etna Refugee Road	1,986,473
Intel Project	464,626
Nonmajor governmental funds	<u>516,486</u>
 Total	 <u>\$ 3,011,039</u>

NOTE 13 – ACCUMULATED DEFICIT OF NET POSITION

At December 31, 2024, the District has an accumulated deficit net position of \$4.3 million. This deficit is a result of how the District is structured and its basic operations. The District was established to finance, construct, maintain, repair, and operate street, highway, and other transportation projects and in relation construct, reconstruct, improvement, alter, and repair roads, highways, and other related infrastructure and facilities. At times, the District will issue debt on-behalf of governmental entities through approved intergovernmental agreements whereas the total amount of debt is recognized as a liability on the District's Statement of Net Position. The related deficit will be reduced and eliminated as outstanding debt is paid primarily with future revenues pledged by those participating governments.

NOTE 14 – SUBSEQUENT EVENTS

Resolution 123-340 passed by the Licking County Commissioners authorized its staff, and as applicable the County Auditor, to provide loans to the District in order to complete the Intel Local Roads Projects in the following amounts at the following times:

- In January 2025, the amount of \$3,500,000;
- Upon receipt of a request from the District expected to occur later in 2025, or in 2026, an additional sum of \$3,500,000.

These funds will be issued at 0% and repaid by the end of calendar year 2027.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Licking County Transportation Improvement District
Licking County
20 South 2nd Street
Newark, Ohio 43055

To the Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Licking County Transportation Improvement District, Licking County, Ohio, a component unit of Licking County, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Licking County Transportation Improvement District's basic financial statements, and have issued our report thereon dated June 23, 2025, wherein we noted as described in Note 13 to the financial statements, Licking County Transportation Improvement District has an accumulated deficit net position as of December 31, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Licking County Transportation Improvement District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Licking County Transportation Improvement District's internal control. Accordingly, we do not express an opinion on the effectiveness of Licking County Transportation Improvement District's internal control.

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

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

Licking County Transportation Improvement District
Licking County
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Licking County Transportation Improvement District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Licking County Transportation Improvement District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Licking County Transportation Improvement District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
June 23, 2025

OHIO AUDITOR OF STATE KEITH FABER



LICKING COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

LICKING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/7/2025

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

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