

Clermont County Transportation Improvement District
Clermont County, Ohio

Regular Audit

January 1, 2009, through December 31, 2009
Fiscal Year Audited Under GAGAS: 2009



Balestra, Harr & Scherer, CPAs, Inc.

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Mary Taylor, CPA
Auditor of State

Members of the Board
Clermont County Transportation Improvement District
175 East Main Street
Suite 150
Batavia, Ohio 45103

We have reviewed the *Independent Auditor's Report* of the Clermont County Transportation Improvement District, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2009 through December 31, 2009. 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 Clermont County Transportation Improvement District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 12, 2010

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Clermont County Transportation Improvement District
Clermont County, Ohio

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Independent Auditor's Report

Members of the Board
Clermont County Transportation Improvement District
175 East Main Street, Suite 150
Batavia, Ohio 45103

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Clermont County Transportation Improvement District (the District), Clermont County, a component unit of Clermont County, as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 Comptroller General to the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Clermont county Transportation Improvement District, Clermont County, Ohio, as of December 31, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2010 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. While we did not opine on the internal control over financial reporting or on compliance that report describes the scope of our testing of internal controls over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Clermont County Transportation Improvement District
Independent Auditor's Report
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We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The supplementary information provides additional information and is not a required part of the basic financial statements. We subjected the supplementary information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.
March 31, 2009

**CLERMONT COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)**

The discussion and analysis of Clermont County Transportation Improvement District's (the District's) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2009. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2009 are as follows:

- The District's net assets increased by \$1,298,709 to a year end total of \$3,967,171.
- During the year, the District generated \$3,662,184 of revenues and incurred expenses of \$2,363,475.
- The District initiated eight new projects during 2009 and continued the advancement of 10 projects initiated in prior years.
- The District was awarded a second \$500,000 grant from the Ohio Department of Development during 2009.

USING THIS ANNUAL REPORT

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

These statements are as follows:

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

DISTRICT SUMMARY

The District as a Whole

The following table provides a summary of the District's net assets for 2009 compared to 2008:

	<u>Governmental Activities</u>		Increase
	<u>2009</u>	<u>2008</u>	<u>(Decrease)</u>
Current and other assets	\$ 8,535,068	\$ 7,741,650	\$ 793,418
Total assets	<u>8,535,068</u>	<u>7,741,650</u>	<u>793,418</u>
Long-term debt outstanding	4,097,714	4,610,760	(513,046)
Other liabilities	470,183	462,428	7,755
Total liabilities	<u>4,567,897</u>	<u>5,073,188</u>	<u>(505,291)</u>
Net assets:			
Restricted for Capital Projects	41,799	84,028	(42,229)
Unrestricted	<u>3,925,372</u>	<u>2,584,434</u>	<u>1,340,938</u>
Total net assets	<u>\$ 3,967,171</u>	<u>\$ 2,668,462</u>	<u>\$ 1,298,709</u>

Total assets increased by \$793,418 and total liabilities decreased by \$505,291. Total assets increased as funding from intergovernmental revenues and grant income exceeded current year expenses. Total liabilities decreased primarily due to redemption of principal on debt.

Changes in Net Assets – The following table provides a summary of the District's changes in net assets for 2009 compared to 2008:

	<u>Governmental Activities</u>		Increase
	<u>2009</u>	<u>2008</u>	<u>(Decrease)</u>
Revenues			
General revenues:			
Intergovernmental	\$ 3,050,000	\$ 2,750,000	\$ 300,000
Interest Income	19,674	201,735	(182,061)
Program revenues:			
Operating Grants and Contributions	592,510	1,034,121	(441,611)
Total revenues	<u>3,662,184</u>	<u>3,985,856</u>	<u>(323,672)</u>
Program Expenses			
General Government	127,294	91,622	35,672
Program Development	18,327	56,485	(38,158)
Program Implementation	105,704	137,388	(31,684)
Public Works	1,930,693	2,662,495	(731,802)
Debt Service:			
Interest and Fiscal Charges	181,457	197,877	(16,420)
Total expenses	<u>2,363,475</u>	<u>3,145,867</u>	<u>(782,392)</u>
Total Change in Net Assets	1,298,709	839,989	458,720
Beginning Net Assets	<u>2,668,462</u>	<u>1,828,473</u>	<u>839,989</u>
Ending Net Assets	<u>\$ 3,967,171</u>	<u>\$ 2,668,462</u>	<u>\$ 1,298,709</u>

Governmental Activities

Net assets of the District's governmental activities increased by \$1,298,709 during 2009 compared to \$839,989 for 2008. Intergovernmental revenues increased due to a scheduled increase in the pledged revenues by the County as part of their pledged revenues to the District. Operating grants and contributions decreased as 2008 amounts contained contributions from Union Township as part of the Beechwood Road Realignment project and additional project-specific contributions from the Clermont County Engineers Office. Expenditures decreased during 2009 primarily as a result of completing the Beechwood Road Realignment project during 2008.

The District's Funds

The District's governmental funds reported a combined fund balance of \$7,488,758, which is an increase of \$656,795 from last year's total of \$6,831,963. This increase occurred within the General Fund totaling \$721,093 offset by a decrease in the non-major Stonelick-Williams Corner Bridge Fund totaling (\$64,298). The increase in the General Fund was primarily due to funding from intergovernmental revenues and grant income in excess of current year expenses. The decrease in the non-major Stonelick-Williams Corner Bridge Fund was a result of utilizing prior year project specific contributions from the Clermont County Engineers Office to fund current year project costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2009, the District reported no capital assets.

Debt

The District issued \$5,000,000 of Clermont County Transportation Improvement District Roadway Improvement Revenue Bonds, Series 2007, dated December 5, 2007, to finance Phase 1 of the District's Regional Transportation Improvement Program. The bonds will mature in various amounts through 2016 and carry interest at rates varying from 3.875 percent to 4.250 percent per annum.

During 2009, the District retired \$495,000 of the bonds with interest as scheduled. At December 31, 2009, \$4,030,000 remains outstanding.

Additional information concerning the District's debt can be found in Note 5 to the basic financial statements.

ECONOMIC FACTORS

The year ending December 31, 2009 was the third full year of operations. The District continued on its mission to improve the prosperity, health, safety, and welfare of the people of Clermont County and the State of Ohio. Multiple new projects that are to be integrated into the overall transportation goals of the District were initiated during the year in addition to those in initiated in prior years. In total, the District maintains 18 on-going projects as of December 31, 2009.

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

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to Secretary-Treasurer, Clermont County Transportation Improvement District 175 E. Main Street, Suite 150 Batavia, Ohio 45103.

Clermont County Transportation Improvement District
Statement of Net Assets
December 31, 2009

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 7,945,285
Intergovernmental Receivable	22,069
Grants Receivable	500,000
Unamortized Bond Issuance Costs	67,714
Total Assets	8,535,068
 Liabilities	
Accounts Payable	14,450
Contracts Payable	442,077
Accrued Interest Payable on Bonds	13,656
Long Term Liabilities:	
Due Within One Year	526,131
Due In More Than One Year	3,571,583
Total Liabilities	4,567,897
 Net Assets	
Restricted for Capital Projects	41,799
Unrestricted	3,925,372
 Total Net Assets	 \$ 3,967,171

See accompanying notes to the basic financial statements

Clermont County Transportation Improvement District
Statement of Activities
For the Year Ended December 31, 2009

		Program Revenues			Net (Expense) Revenues and Changes in Net Assets
Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities					
General Government	\$ 127,294	\$ -	\$ -	\$ -	\$ (127,294)
Program Development	18,327	-	-	-	(18,327)
Program Implementation	105,704	-	-	-	(105,704)
Public Works	1,930,693	-	592,510	-	(1,338,183)
Interest and Fiscal Charges	181,457	-	-	-	(181,457)
Total Governmental Activities	\$ 2,363,475	\$ -	\$ 592,510	\$ -	\$ (1,770,965)
General Revenues					
					3,050,000
					19,674
					3,069,674
					1,298,709
					2,668,462
					\$ 3,967,171

See accompanying notes to the basic financial statements

Clermont County Transportation Improvement District
Balance Sheet
Governmental Funds
December 31, 2009

	General Fund	Debt Service Fund	Wolfpen-Pleasant Hill Improvement Project Fund	Business 28 Phase I Improvement Project Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Investments	\$ 7,483,478	\$ -	\$ 23,214	\$ 47,445	\$ 391,148	\$ 7,945,285
Intergovernmental Receivable	-	-	-	22,069	-	22,069
Grant Receivable	500,000	-	-	-	-	500,000
Total Assets	\$ 7,983,478	\$ -	\$ 23,214	\$ 69,514	\$ 391,148	\$ 8,467,354
Liabilities						
Accounts Payable	\$ 14,450	\$ -	\$ -	\$ -	\$ -	\$ 14,450
Contracts Payable	-	-	23,214	47,445	371,418	442,077
Deferred Revenue	500,000	-	-	22,069	-	522,069
Total Liabilities	514,450	-	23,214	69,514	371,418	978,596
Fund Balances						
Unreserved, Undesignated in:						
General Fund	7,469,028	-	-	-	-	7,469,028
Restricted for Capital Projects	-	-	-	-	19,730	19,730
Total Fund Balances	7,469,028	-	-	-	19,730	7,488,758
Total Liabilities and Fund Balances	\$ 7,983,478	\$ -	\$ 23,214	\$ 69,514	\$ 391,148	\$ 8,467,354

See accompanying notes to the basic financial statements

**Clermont Count Transportation Improvement District
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2009**

Total Governmental Fund Balances \$ 7,488,758

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

Grant receivables are not available to pay for current-period expenditures and therefore are deferred in the funds 500,000

Intergovernmental receivables are not available to pay for current-period expenditures and therefore are deferred in the funds 22,069

Long-term liabilities, including bonds payable, are not due and payable in the current period therefore are not reported in the funds

Bonds Payable (4,030,000)

Premium on Bonds (67,714)

Unamortized Bond Issuance Costs 67,714

Accrued Interest Payable (13,656)

Net Assets of Governmental Activities \$ 3,967,171

See accompanying notes to the basic financial statements

Clermont County Transportation Improvement District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

For the Year Ended December 31, 2009

	General Fund	Debt Service Fund	Wolfpen-Pleasant Hill Improvement Project Fund	Business 28 Phase I Improvement Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Intergovernmental Revenue	\$ 3,426,754	\$ -	\$ -	\$ 70,441	\$ -	\$ 3,497,195
Total Revenues	3,426,754	-	-	70,441	-	3,497,195
Expenditures						
Current:						
General Government	127,294	-	-	-	-	127,294
Program Development	18,327	-	-	-	-	18,327
Program Implementation	105,704	-	-	-	-	105,704
Public Works	-	-	309,219	377,166	1,244,308	1,930,693
Total Expenditures	251,325	-	309,219	377,166	1,244,308	2,182,018
Excess (Deficiency) of Revenues Over Expenditures	3,175,429	-	(309,219)	(306,725)	(1,244,308)	1,315,177
Other Financing Sources (Uses):						
Interest Income	19,674	-	-	-	-	19,674
Redemption of Principal	-	(495,000)	-	-	-	(495,000)
Interest Expense	-	(183,056)	-	-	-	(183,056)
Transfers-In	-	678,056	309,219	306,725	1,180,010	2,474,010
Transfers-Out	(2,474,010)	-	-	-	-	(2,474,010)
Total Other Financing Sources (Uses)	(2,454,336)	-	309,219	306,725	1,180,010	(658,382)
Net Change in Fund Balances	721,093	-	-	-	(64,298)	656,795
Fund Balance at Beginning of Year	6,747,935	-	-	-	84,028	6,831,963
Fund Balance at End of Year	\$ 7,469,028	\$ -	\$ -	\$ -	\$ 19,730	\$ 7,488,758

See accompanying notes to the basic financial statements

**Clermont County Transportation Improvement District
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2009**

Net Change in Fund Balances - Total Governmental Funds \$ 656,795

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

Grant revenues in the statement of activities that do not provide current
financial resources are not reported as revenues in the funds 250,000

Intergovernmental revenues that were previously deferred in the funds
are not reported as revenues in the statement of activities (104,685)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of principal of long-term debt
consumes current financial resources of governmental funds. Neither
transaction, however, has any effect on net assets

Redemption of Principal on Bonds	495,000
Amortization of Premium on Bonds	18,046
Amortization of Cost of Issuance on Bonds	(18,046)

In the statement of activities, interest is accrued on outstanding bonds
whereas in governmental funds, an interest expenditure is reported when due 1,599

Change in Net Assets of Governmental Activities \$ 1,298,709

See accompanying notes to the basic financial statements

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

1. REPORTING ENTITY

The Clermont County Transportation Improvement District (the District) is a body politic and corporate, created for the purpose of financing, constructing, maintaining, repairing, and operating 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 Clermont County Commissioners on June 21, 2006.

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

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

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

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There is one category of funds: Governmental.

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

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

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

Wolfpen Pleasant Hill Improvement Project Fund - Provides for construction of additional lanes to facilitate north-south travel between SR 28 and SR 131, and additional turn lanes to accommodate access.

Business 28 Phase I Improvement Project Fund - Provides for the widening of existing Business SR 28 and consolidation of access points, and other related construction.

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: intergovernmental agreements.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue.

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

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

E. Cash and Cash Equivalents

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

F. Accrued Liabilities and Long-term Obligations

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

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

G. Interfund Transactions

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

H. Net Assets

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

I. Estimates

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

3. EQUITY IN POOLED CASH AND INVESTMENTS

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

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

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

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

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

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

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

Deposits

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

municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year-end, the carrying amount of the District’s deposits was \$2,785,635 and the bank balance was \$2,785,635. Federal depository insurance covered \$250,363 of the bank balance. The remaining \$2,535,272 was collateralized in the manner described above.

Investments

As of December 31, 2009, the District had the following investment:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
STAR Ohio	\$ 5,159,650	0.17

Credit Risk: STAR Ohio carries a rating of AAAM by Standard and Poor’s. The District has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Interest Rate Risk – State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and that an investment must be purchased with the expectation that it will be held until maturity. The District has no investment policy beyond the requirements of the Ohio Revised Code relating to interest rate risk.

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 the 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 District or qualified trustee.

4. INTERGOVERNMENTAL AGREEMENTS

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

The initial intergovernmental agreements executed with the Clermont County Commissioners and Clermont County Engineers Office each initially provided for \$10,000,000 of funding commitments from available revenue sources in the amount of \$1,000,000 per year for a period of 10 years beginning in 2007. During March 2009, amendments to those agreements have increased the pledged revenue commitments of over an extended period ending 2028.

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

The remaining amended intergovernmental agreement balances covering pledged revenues are as follows:

	<u>Remaining Agreement</u>
Clermont County Commissioners	\$25,650,000
Clermont County Engineers Office	19,000,000
Miami Township	10,200,000
Union Township	<u>700,000</u>
Total	<u>\$55,550,000</u>

5. LONG-TERM DEBT

Changes in the long-term debt of the District during 2009 were as follows:

	Maturity/ Interest Rate	Balance January 1, <u>2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2009</u>	Amount Due Within <u>One Year</u>
Series 2007 Roadway Improvement Bonds – \$5,000,000	2012 3.875- 4.250%	\$4,525,000	\$ -	(\$495,000)	\$4,030,000	\$510,000
Premium on Bonds		<u>85,760</u>	<u>-</u>	<u>(18,046)</u>	<u>67,714</u>	<u>16,131</u>
Total		<u>\$4,610,760</u>	<u>\$ -</u>	<u>(\$513,046)</u>	<u>\$4,097,714</u>	<u>\$526,131</u>

The District issued Clermont County Transportation Improvement District Roadway Improvement Revenue Bonds, Series 2007, dated December 5, 2007, to provide initial partial funding for Phase 1 of the District's Regional Transportation Improvement Program. The remaining balance of the Series 2007 bonds will mature on December 1 in various amounts ranging from \$510,000 in 2010 to \$650,000 in 2016. Interest, at rates varying from 3.875 percent to 4.250 percent per annum, is payable semi-annually on June 1 and December 1.

The District has pledged receipts which consist of 1) Project Funding of \$1 million per year from both the Clermont County Engineer and Clermont County Commissioners for 10 years, 2) Future Project Funding 3) Net RID revenues and 4) any other revenues, such as gifts or grants, to the extent they are not prohibited by their terms, to repay the principal and interest on the bonds. The bonds are payable from pledged revenues through 2016. Annual principal and interest payments on the bonds are expected to require approximately 22% of annual pledged revenues.

The annual requirements to retire governmental activities debt are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 510,000	\$163,875	\$ 673,875
2011	530,000	144,112	674,112
2012	550,000	123,575	673,575
2013	575,000	102,262	677,262
2014	595,000	79,262	674,262
2015-2016	<u>1,270,000</u>	<u>81,600</u>	<u>1,351,600</u>
Total	<u>\$4,030,000</u>	<u>\$694,686</u>	<u>\$4,724,686</u>

6. CONTRACTUAL COMMITMENTS

As of December 31, 2009, the District had open unpaid contractual commitments related to various projects as follows:

<u>Contract Amounts</u>	<u>Paid to Date</u>	<u>Remaining Commitments</u>
<u>\$6,658,828</u>	<u>\$3,211,798</u>	<u>\$3,447,030</u>

7. TRANSFERS

During the year, the District transferred a total of \$2,474,010 out of the General Fund to the following funds:

<u>Transfer-In Fund</u>	<u>Amount</u>
Debt Service	\$ 678,056
Wolfpen Pleasant Hill Improvement Project	309,219
Business 28 Phase I Improvement Project Fund	306,725
Other Governmental Funds	<u>1,180,010</u>
Total	<u>\$2,474,010</u>

Transfers are made to provide funding as project expenditures or debt payment retirements are incurred.

8. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- General liability
- Public Officials Liability
- Crime

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

9. SUBSEQUENT EVENTS

During March 2010, the District authorized the issuance of \$5,927,000 Roadway Improvement Revenue Bonds to finance a portion of the costs of the District's projects. The bonds will mature in various amounts over 15 years and are secured from the pledged revenues of the County.

SUPPLEMENTAL INFORMATION

Clermont County Transportation Improvement District
Combining Balance Sheet
All Governmental Funds
December 31, 2009

	General Fund	Debt Service Fund	Wolfpen-Pleasant Hill Improvement Project Fund	Business 28 Phase I Improvements Project Fund	Castleberry Court to I-275 Project Fund	Aicholtz Road Connector Project Fund	IR 275 at SR 450 Interchange Modification Project Fund
Assets							
Equity in Pooled Cash and Investments	\$ 7,483,478	\$ -	\$ 23,214	\$ 47,445	\$ 64,882	\$ 55,572	\$ 58,491
Intergovernmental Receivable	-	-	-	22,069	-	-	-
Grant Receivable	500,000	-	-	-	-	-	-
Total Assets	\$ 7,983,478	\$ -	\$ 23,214	\$ 69,514	\$ 64,882	\$ 55,572	\$ 58,491
Liabilities							
Accounts Payable	\$ 14,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts Payable	-	-	23,214	47,445	64,882	55,572	58,491
Deferred Revenue	500,000	-	-	22,069	-	-	-
Total Liabilities	514,450	-	23,214	69,514	64,882	55,572	58,491
Fund Balances							
Unreserved, Undesignated in:							
General Fund	7,469,028	-	-	-	-	-	-
Restricted for Capital Projects	-	-	-	-	-	-	-
Total Fund Balances	7,469,028	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 7,983,478	\$ -	\$ 23,214	\$ 69,514	\$ 64,882	\$ 55,572	\$ 58,491

(continued)

Clermont County Transportation Improvement District
Combining Balance Sheet
All Governmental Funds
December 31, 2009
 (continued)

	TDM Enhancements Project Fund	SR 32 Corridor East Project Fund	Eastern Corridor Segment IVa Project Fund	Segment IVa Scope and Budget Project Fund	Traffic Modeling and Simulation Project Fund	Old SR 74 Widening Project Fund	SR 28 Improv (Branch Hill- Guinea Pike) Project Fund
Assets							
Equity in Pooled Cash and Investments	\$ 72,915	\$ 6,624	\$ -	\$ -	\$ 2,572	\$ 4,303	\$ 24,421
Intergovernmental Receivable	-	-	-	-	-	-	-
Grant Receivable	-	-	-	-	-	-	-
Total Assets	\$ 72,915	\$ 6,624	\$ -	\$ -	\$ 2,572	\$ 4,303	\$ 24,421
Liabilities							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts Payable	72,915	6,624	-	-	2,572	4,303	24,421
Deferred Revenue	-	-	-	-	-	-	-
Total Liabilities	72,915	6,624	-	-	2,572	4,303	24,421
Fund Balances							
Unreserved, Undesignated in: General Fund	-	-	-	-	-	-	-
Restricted for Capital Projects	-	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 72,915	\$ 6,624	\$ -	\$ -	\$ 2,572	\$ 4,303	\$ 24,421

(continued)

Clermont County Transportation Improvement District
Combining Balance Sheet
All Governmental Funds
December 31, 2009
(continued)

	Clough Pike Improvement Project Fund	Tina Drive Extension Project Fund	Eastgate North Frontage Road Project Fund	Stonick-Williams Corner Covered Bridge Project Fund	Environmental Mitigation & Streamlining Strategy Project Fund	US 50 & SR 131 Improvements Modification	Total
Assets							
Equity in Pooled Cash and Investments	\$ 5,420	\$ 15,477	\$ -	\$ 28,286	\$ 19,822	\$ 32,363	\$ 7,945,285
Intergovernmental Receivable	-	-	-	-	-	-	22,069
Grant Receivable	-	-	-	-	-	-	500,000
Total Assets	\$ 5,420	\$ 15,477	\$ -	\$ 28,286	\$ 19,822	\$ 32,363	\$ 8,467,354
Liabilities							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,450
Contracts Payable	5,420	15,477	-	8,556	19,822	32,363	442,077
Deferred Revenue	-	-	-	-	-	-	522,069
Total Liabilities	5,420	15,477	-	8,556	19,822	32,363	978,596
Fund Balances							
Unreserved, Undesignated in:							
General Fund	-	-	-	-	-	-	7,469,028
Restricted for Capital Projects	-	-	-	19,730	-	-	19,730
Total Fund Balances	-	-	-	19,730	-	-	7,488,758
Total Liabilities and Fund Balances	\$ 5,420	\$ 15,477	\$ -	\$ 28,286	\$ 19,822	\$ 32,363	\$ 8,467,354

Clermont County Transportation Improvement District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Funds
For the Year Ended December 31, 2009

	General Fund	Debt Service Fund	Wolfpen-Pleasant Hill Improvement Project Fund	Business 28 Phase I Improvements Project Fund	Castleberry Court to I-275 Project Fund	Aicholtz Road Connector Project Fund	IR 275 at SR 450 Interchange Modification Project Fund
Revenues:							
Intergovernmental Revenue	\$ 3,426,754	\$ -	\$ -	\$ 70,441	\$ -	\$ -	\$ -
Total Revenues	3,426,754	-	-	70,441	-	-	-
Expenditures							
Current:							
General Government	127,294	-	-	-	-	-	-
Program Development	18,327	-	-	-	-	-	-
Program Implementation	105,704	-	-	-	-	-	-
Public Works	-	-	309,219	377,166	279,282	110,685	61,057
Total Expenditures	251,325	-	309,219	377,166	279,282	110,685	61,057
Excess (Deficiency) of Revenues Over Expenditures	3,175,429	-	(309,219)	(306,725)	(279,282)	(110,685)	(61,057)
Other Financing Sources (Uses):							
Interest Income	19,674	-	-	-	-	-	-
Redemption of Principal	-	(495,000)	-	-	-	-	-
Interest Expense	-	(183,056)	-	-	-	-	-
Transfers-In	-	678,056	309,219	306,725	279,282	110,685	61,057
Transfers-Out	(2,474,010)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(2,454,336)	-	309,219	306,725	279,282	110,685	61,057
Net Change in Fund Balances	721,093	-	-	-	-	-	-
Fund Balance at Beginning of Year	6,747,935	-	-	-	-	-	-
Fund Balance at End of Year	\$ 7,469,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

Clermont County Transportation Improvement District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Funds
For the Year Ended December 31, 2009
(continued)

	TDM Enhancements Project Fund	SR 32 Corridor East Project Fund	Eastern Corridor Segment IVa Project Fund	Segment Iva Scope and Budget Project Fund	Traffic Modeling and Simulation Project Fund	Old SR 74 Widening Project Fund	SR 28 Improv (Branch Hill- Guinea Pike) Project Fund
Revenues:							
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-	-	-
Expenditures							
Current:							
General Government	-	-	-	-	-	-	-
Program Development	-	-	-	-	-	-	-
Program Implementation	-	-	-	-	-	-	-
Public Works	72,915	29,351	1,360	11,310	36,886	4,303	80,230
Total Expenditures	72,915	29,351	1,360	11,310	36,886	4,303	80,230
Excess (Deficiency) of Revenues Over Expenditures	(72,915)	(29,351)	(1,360)	(11,310)	(36,886)	(4,303)	(80,230)
Other Financing Sources (Uses):							
Interest Income	-	-	-	-	-	-	-
Redemption of Principal	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-
Transfers-In	72,915	29,351	1,360	11,310	36,886	4,303	80,230
Transfers-Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	72,915	29,351	1,360	11,310	36,886	4,303	80,230
Net Change in Fund Balances	-	-	-	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

Clermont County Transportation Improvement District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Funds
For the Year Ended December 31, 2009
(continued)

	Clough Pike Improvement Project Fund	Tina Drive Extension Project Fund	Eastgate North Frontage Road Project Fund	Stonelick-Williams Corner Covered Bridge Project Fund	Environmental Mitigation & Streamlining Strategy Project Fund	US 50 & SR 131 Improvements Modification	Total
Revenues:							
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,497,195
Total Revenues	-	-	-	-	-	-	3,497,195
Expenditures							
Current:							
General Government	-	-	-	-	-	-	127,294
Program Development	-	-	-	-	-	-	18,327
Program Implementation	-	-	-	-	-	-	105,704
Public Works	149,453	22,516	255,301	64,298	32,998	32,363	1,930,693
Total Expenditures	149,453	22,516	255,301	64,298	32,998	32,363	2,182,018
Excess (Deficiency) of Revenues Over Expenditures	(149,453)	(22,516)	(255,301)	(64,298)	(32,998)	(32,363)	1,315,177
Other Financing Sources (Uses):							
Interest Income	-	-	-	-	-	-	19,674
Redemption of Principal	-	-	-	-	-	-	(495,000)
Interest Expense	-	-	-	-	-	-	(183,056)
Transfers-In	149,453	22,516	255,301	-	32,998	32,363	2,474,010
Transfers-Out	-	-	-	-	-	-	(2,474,010)
Total Other Financing Sources (Uses)	149,453	22,516	255,301	-	32,998	32,363	(658,382)
Net Change in Fund Balances	-	-	-	(64,298)	-	-	656,795
Fund Balance at Beginning of Year	-	-	-	84,028	-	-	6,831,963
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ 19,730	\$ -	\$ -	\$ 7,488,758



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

Members of the Board
Clermont County Transportation Improvement District
175 East Main Street, Suite 150
Batavia, Ohio 45103

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Clermont County Transportation Improvement District, Clermont County, (the District), a component unit of Clermont County, as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated March 31, 2010. 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 Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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, providing an opinion 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*.

We intend this report solely for the information and use of management and members of the Board. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.
March 31, 2010



Mary Taylor, CPA
Auditor of State

CLERMONT COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

CLERMONT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 25, 2010**