

**TRANSPORTATION IMPROVEMENT DISTRICT
BUTLER COUNTY**

Audit Report

Year Ended December 31, 2014





Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Transportation Improvement District of Butler County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2014 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

August 11, 2015

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**TRANSPORTATION IMPROVEMENT DISTRICT
BUTLER COUNTY, OHIO
AUDIT REPORT
For the Year Ended December 31, 2014**

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

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

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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Transportation Improvement District of Butler County, Ohio, (the District) as of and for the year ended December 31, 2014, and the related notes to the financial statements which collectively comprise the District's basic financial statements and have issued our report thereon dated May 21, 2015.

Internal Control Over Financial Reporting

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

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

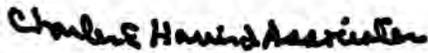
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies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

Compliance and Other Matters

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

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
May 21, 2015

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, for the years ending December 31, 2013, reported no material citations or recommendations.

Butler County, Ohio
Transportation Improvement District
Comprehensive Annual Financial Report

Started 20 years ago from a
dream to connect
Hamilton to I-75



To our first project of
widening Tylersville at
State Route 747 in 1995



TID has spent over \$308 Million on infrastructure projects
through 2014 topping \$1 billion in economic impact in 2015.

What's next for the TID?

For the Fiscal Year Ended
December 31, 2014

**Butler County, Ohio
Transportation Improvement District**

**Comprehensive Annual
Financial Report**

**For the Fiscal Year Ended
December 31, 2014**

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

Transportation Improvement District of Butler County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2014

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INTRODUCTORY SECTION

The TID has completed these projects in the West
Chester/Liberty Townships area





June 15, 2015

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

We are pleased to present the Butler County Transportation Improvement District (TID) Comprehensive Annual Finance Report (CAFR) for the year ended December 31, 2014. This report contains basic financial statements and other financial and statistical information – providing complete and full disclosure of all financial aspects of the TID for 2014.

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

FORM OF GOVERNMENT AND REPORTING ENTITY

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

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

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

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

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

MAJOR INITIATIVES

South Hamilton Crossing

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

The TID and City of Hamilton entered into an intergovernmental agreement during 2011 for the TID to oversee the engineering design phase of the project. The District received funding through the State of Ohio House Bill 51 initiative that permitted TIDs to request funding for local projects of \$250,000 annually and not to exceed ten percent of the total project cost. The District was successful in receiving this grant funding for two consecutive years to help fund the engineering/environmental work on the project. The majority of the engineering and environmental work has been completed. The TID received federal clearance on the project on January 29, 2014.

The TID has received grant funding through the Ohio-Kentucky-Indiana Council of Governments CMAQ program for right of way acquisition of \$2.45 million. The estimated right of way costs are higher than the grant requiring a local match from the City of Hamilton. The TID entered into contracts with Heritage Land Services and O.R. Colan for the acquisition phase of the project. Right of way acquisitions started in January 2015.

The TID applied through the Ohio Department of Transportation - Transportation Review Advisory Council (TRAC) for funding of the construction phase. On December 18, 2014, TRAC released their 2015-2018 fiscal year funding plan that included \$10 million for the construction of this project.

The TID is also working with the railroads and local partners to cover the remaining costs of the construction. The TID is evaluating sources such as the State Infrastructure Bank to leverage other funding and move the project along at the new schedule.

Salzman Road Relocation

During 2013, the TID started working with the Cities of Monroe and Middletown to extend Salzman Road from the current terminus north of State Route 63 to Todhunter Road. The TID received House Bill 51 funding in 2014 for engineering design. The estimated construction date is early 2017, with the cities and Butler County Engineer's office contributing a local match or in-kind services to the construction grant funding.

ECONOMIC CONDITION AND OUTLOOK

The TID has seen state and federal government financing for projects on the decline. With recent State of Ohio budget cuts, the local governments have limited resources to allocate for major infrastructure projects, but our partners have continued to step up, locally funding a majority of the South Hamilton Crossing, a substantial part of the overall Bypass 4 widening project for the past several years and the completed Liberty Interchange project, for which the bond payments are 100% locally funded. Funds previously allocated to TIDs through ODOT's operating budget were changed to a competitive process after fiscal year 2011 for the District. Eligible TIDs throughout the state may apply for up to \$250,000 annually per project subject to other limits per request. The TID was successful in its two applications for the South Hamilton Crossing project and one for the Salzman Road extension. The TID had used this funding in prior years to help offset operating costs. This is no longer an eligible expense. The TID is also holding significant land along Liberty Way that will help fund operations for the next decade as development started construction during the first quarter of 2014. Both of those parcels are under contract for sale in fiscal year 2015.

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

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

One of those areas is along the Liberty Way/Interstate 75 interchange. This area has seen the development of the Steiner project on the west side and significant commercial activity on the east side of the interchange. The TID is evaluating how improvements can be made to the interchange and respective infrastructure to allow the development to flourish while providing quality traffic management that Butler County is known for. The TID is holding approximately \$1.8 million from the sale of property to the Steiner Group that will be used to partially fund this work.

TID INTERNAL CONTROLS

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

SIGNIFICANT FINANCIAL POLICIES

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

FACTORS AFFECTING FINANCIAL CONDITION

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

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

AUDIT

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

AWARDS AND ACKNOWLEDGMENTS

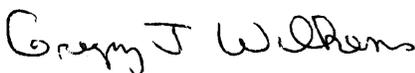
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the TID for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2013. This is the nineteenth consecutive year that the TID has received this award for excellence. In order to be awarded a Certificate of Achievement, the TID must publish a clear and effective CAFR.

The TID staff works to develop a level of professionalism and sound financial reporting. The preparation and publication of this CAFR serves a cornerstone for the TID's efforts. A special note of acknowledgment is presented to our Board of Trustees for their knowledge and dedication, serving as volunteers to the TID. The TID also acknowledges our local governments that are critical to the success of the TID. Without their support to the projects of the TID, it would not be possible to have successfully completed almost \$308 million in construction projects throughout Butler County. The report demonstrates the level of accountability that we strive to maintain each year. We hope this report increases public confidence in the operation and management of the TID. The report also provides a fair presentation of the financial condition of the TID as of and for the year ended December 31, 2014.

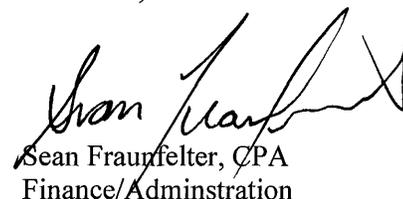
Respectfully submitted,



David L. Spinney
TID Director



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



Sean Fraunfelder, CPA
Finance/Administration



Government Finance Officers Association

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

Presented to

**Butler County Transportation
Improvement District, Ohio**

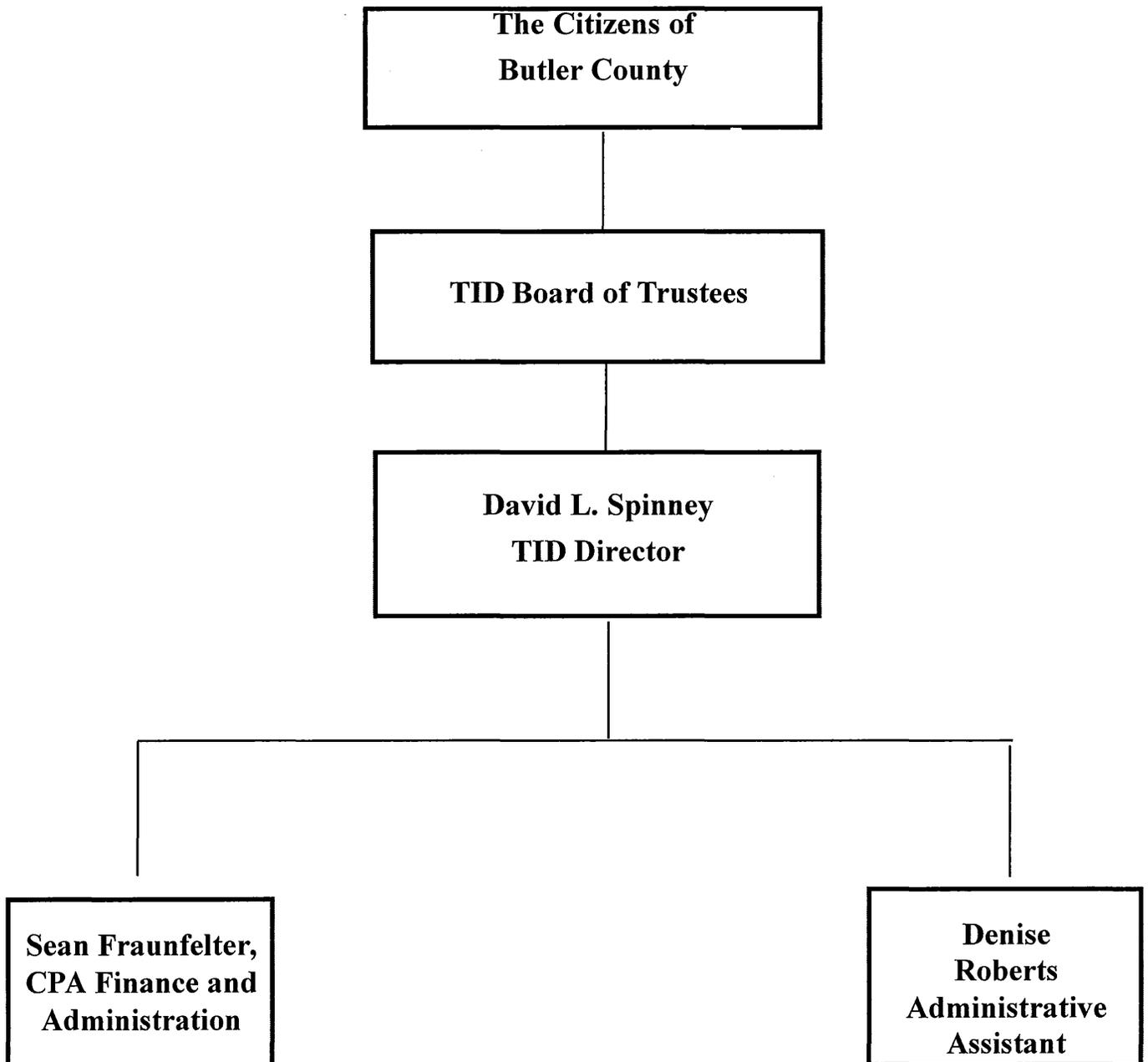
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

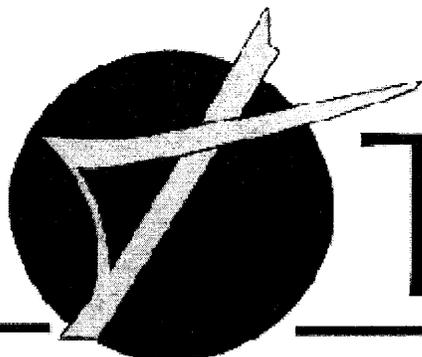
Executive Director/CEO



2014 Staff Organizational Chart



BUTLER
COUNTY

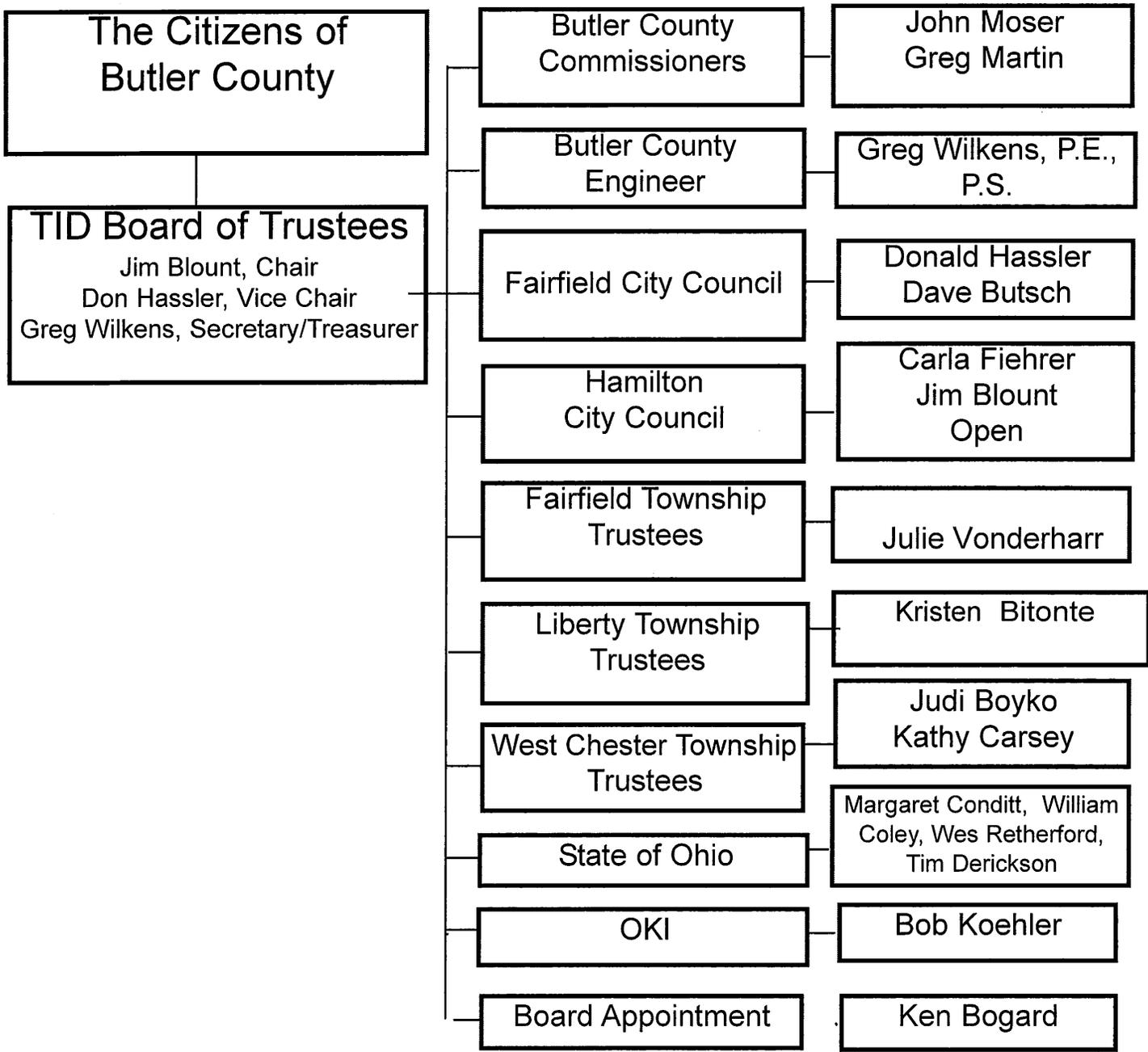


TID

TRANSPORTATION IMPROVEMENT DISTRICT

2014 Board of Trustees

Organizational Chart





FINANCIAL SECTION

The TID has also worked on these state routes in
Butler County



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Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Transportation Improvement District of Butler County, Ohio (the District), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Transportation Improvement District, Butler County, Ohio, as of December 31, 2014, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplemental and Other Information

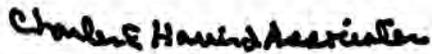
Our audit was conducted to opine on the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2015 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
May 21, 2015

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

Our discussion and analysis of the Transportation Improvement District of Butler County, Ohio's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2014. Please review it in conjunction with the transmittal letter and the District's basic financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- Total net position increased \$7.4 million mainly the contributions in relation to the Liberty Interchange project of which a portion was returned in the first quarter of 2015. The local governments contribute fully their net assigned revenues during the year then a calculation is done to return the excess funds.
- General revenues accounted for \$2.2 million in revenues or 18.4 percent of all revenues. Program specific revenues in the form of charges for services and capital grants accounted for \$9.6 million or 81.6 percent of all revenues.
- The District added \$0.6 million in capital assets during the current year as the construction projects that added large amounts in prior years were completed. The District is in the early stages of two projects that produces lower capitalized expenses.
- Among the major funds, the South Hamilton Crossing fund had expenditures of \$0.5 million as the District spent funds on right of way acquisition, engineering and environmental work. The Liberty Interchange fund saw a \$1.7 million in intergovernmental expenses from the local governments compared to \$2.1 million in 2013.
- Since inception, the District has spent approximately \$309 million on construction projects in Butler County proving the District is a vital governmental tool to be used by the local governments to help increase the movement of the Butler County residents and open up valuable acreage for development that will keep Butler County as one of the growing communities in Ohio.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 12-13) provide information about the activities of the District as a whole and present a longer term view of the District's finances. Fund financial statements start on page 14. These statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most financially significant funds.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds begins on page 8. The fund financial statements begin on page 14 and provide detailed information about the most significant funds, not the District as a whole. Some funds are required to be established by State law. However, the Board of Trustees establishes many other funds to help control and manage money for particular purposes (ex. various capital projects funds). The District only has governmental funds.

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

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements can be found on pages 18-33 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents supplementary information, combining and individual fund statements and schedules and statistical information which can be found on pages 34-63 of this report.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

THE DISTRICT AS A WHOLE

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

Table 1
Net Position (in millions)

	2013	2014		2013	2014
Current and other assets	\$ 7.6	\$ 13.7	Net position:		
Capital assets	2.7	3.6	Investment in capital assets	\$ 2.7	\$ 3.3
Total Assets	10.3	17.3	Restricted	7.1	8.8
			Unrestricted	(48.7)	(43.6)
Long-term obligations	(48.4)	(47.6)	Total net position	\$ (38.9)	\$ (31.5)
Other liabilities	(0.8)	(1.2)			
Total Liabilities	(49.2)	(48.8)			

Net Position of the District's activities increased significantly. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased from 2013 as the District received the revenue contributions for the Liberty Interchange and did not pay the excess funds back until February 2015. The District saw the current and other assets (and restricted net position) increase by \$7 million as the restricted cash in the trust accounts increased for the same reason above

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

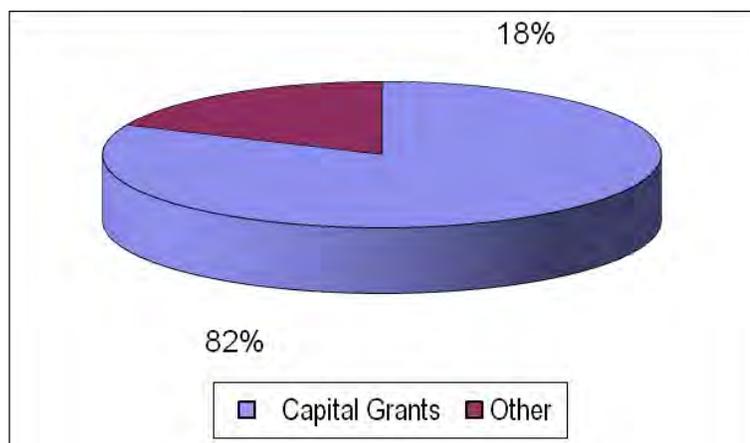
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

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

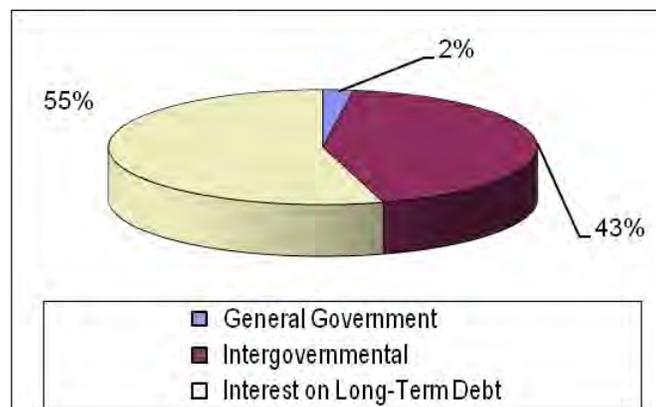
Table 2
Changes in Net Position for 2014
Compared with 2013 activity
(in millions)

	2013	2014	Change
Program Revenues:			
Capital Grants	\$ 4.0	\$ 9.6	\$ 5.6
General Revenues:			
Other	0.1	2.2	2.1
Total Revenues	4.1	11.8	7.7
Program Expenses			
General Government	0.5	0.1	(0.4)
Intergovernmental	2.0	1.9	(0.1)
Interest of Long-Term Debt	2.4	2.4	-
Total Expenses	4.9	4.4	(0.5)
Excess (Deficiency) before Special Items	(0.8)	7.4	8.2
Special Item	(32.3)	-	32.3
Change in Net Position	(33.1)	7.4	40.5
Beginning Net Position	(5.8)	(38.9)	(33.1)
Ending Net Position	\$ (38.9)	\$ (31.5)	\$ 7.4

2014 Governmental Activities Revenues



2014 Governmental Activities Expenses



TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

The District saw expenses decrease from 2013 to 2014 mainly resulting from the District's paying past due taxes in fiscal year 2013 as a way to clean up property issues from several years in arrears reported as general government expenses.

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

Table 3
Governmental Activities
(in millions)

	Total Cost of Services		Net Cost of Services	
	2013	2014	2013	2014
General Government	\$ 0.5	\$ 0.1	\$ (0.3)	\$ 1.0
Intergovernmental	2.0	1.9	(2.0)	2.8
Interest on Long-Term Debt	2.4	2.4	1.4	1.4
Total Expenses	\$ 4.9	\$ 4.4	\$ (0.9)	\$ 5.2

As the table above shows, the District works hard to cover the expenses/services the District provides. The interest on long-term debt is specifically covered by intergovernmental agreements. The District repays Liberty Township and Butler County any excess funds on their revenue contributions for the Liberty Interchange debt service. The funds received are account for a capital grant against both the interest and intergovernmental expenses.

THE DISTRICT'S FUNDS

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

Table 4
Year End Fund Balances in (Millions)

	2013	2014	% Change
General	\$ 2.6	\$ 2.4	-7.7%
Liberty Interchange	4.3	10.4	141.9%
State Route 4 Bypass Widening	0.5	0.1	-80.0%
South Hamilton Crossing	(0.1)	0.6	600.0%
Nonmajor Funds	-	-	0.0%
Total Governmental Balances	\$ 7.3	\$ 13.5	84.9%

The **General Fund** realized a decrease of \$0.2 million. The fund received the last operating funding from the roadwork development grant in 2011. The fund will only receive project revenues when the District is successful at financing a project. The District does it best to keep operating expenditures low and only spent about 10% of the fund balance during 2014 down from 15% in 2013.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

The 142% increase for the **Liberty Interchange Fund** is attributed to the \$8.2 million contributions from Butler County, Liberty Township and West Chester Township under funding agreement. The local government partners contributed one hundred percent of their net incremental revenue in the project area until certain funding requirements are met.

The **State Route Bypass 4 Widening Fund** decreased by 80% from the prior year as the District only has funds used to pay down the principal on the outstanding bonds.

The **South Hamilton Crossing Fund** increased by 600% as the City of Hamilton deposited their first right of way contribution during fiscal year 2014. The City will contribute additional funds in 2015 to allow the District to match the federal grant in relationship to the right of way acquisition.

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

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

Table 5
Total Governmental Fund Revenues

Revenue Source	2014 Amount	Percent of Total	Increase (Decrease) Over 2013	Percent Increase (Decrease)
Intergovernmental	\$ 9,640,220	98.0%	\$ 6,329,194	191.2%
Charges for Services	19,750	0.2%	(1,125)	-5.4%
Investment Earnings	16,256	0.2%	18,401	757.9%
Other	161,884	1.6%	(597,152)	-78.7%
Total	\$ 9,838,110	100.0%	\$ 5,749,318	140.6%

The 191% increase in **intergovernmental revenues** is related to the increase in revenue contributions from Butler County regarding the Liberty Interchange project as their second payment for fiscal year 2013 was not paid until January 2014.

Investments Earnings increased during 2014 as a certificate of deposit matured during the year compared to less revenue in 2013 and a negative change in fair value. The District's decrease in **other revenues** relates to the Bypass 4 escrow refunds on the three phases that were completed during the 2013 year. The District also accounts for the IRS interest rebates on the State Route 4 Bypass bonds in other revenues.

The main differences to help explain the \$409,589 governmental fund expenditures change from 2013 to 2014 was the payment of delinquent taxes in 2013 and also returning almost \$200,000 in revenue contributions during 2013 to the local governments.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

Table 6 presents the General Fund budget and the difference between the original budget and final budget for fiscal year 2014. Table 7 discusses the variance between the final budget and the actual results for the fiscal year.

Table 6
Original and Final Budget - General Fund

	Original	Final	Variance
Revenues:			
Charges for Services	\$ 28,500	\$ 19,000	\$ (9,500)
Investment Earnings	1,000	500	(500)
Other	15,589	15,589	-
Expenditures:			
Current:			
General Government	271,500	274,300	(2,800)

Original versus Final Budget

The District had one significant change from original to final budget for 2014. The District's revenue budget decreased in charges for services and the District only had the shared accounting services agreement during the year. The District's total personnel costs were reduced as the actual expense was less than original anticipated.

Table 7
Final Budget versus Actual Results
General Fund

	Final Budget	Actual	Variance
Revenues:			
Charges for Services	\$ 19,000	\$ 17,625	\$ (1,375)
Investment Earnings	500	462	(38)
Other	15,589	29,135	13,546
Expenditures:			
Current:			
General Government	274,300	258,505	15,795

As discussed above, the District worked through 2014 with a very lean operating system. There are two main projects for the District in the development or engineering phases. As the District is able to take these projects through the process, there will be project revenue associated with each. The District did decrease the actual expenditures slightly again related to contractual services were 10% under the budget as certain services were not used during 2014 as anticipated. Charges for services revenue were under as not as many hours were used under the shared accounting agreement.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At year-end, the District had \$3.3 million invested in land held for resale and construction in progress assets. This amount represents an increase of \$0.6 million, or 23%, over the last year. The District spent that funds on the South Hamilton Crossing project and increased the carrying value on the land held for resale. For more information on capital assets, see Note 6 of the financial statements.

Debt Administration

During the year, the District had \$40.7 million in special obligation bonds for construction of the Liberty Interchange related projects outstanding. The debt is backed by intergovernmental agreements with Liberty Township, Butler County and West Chester Township. The project financing would not have occurred without the commitment of those governments. The bonds were issued at a \$1.6 million premium to cover the first seven months of interest expense. The District has made the first payment on the principal during 2013.

During 2009, the District saw the City of Hamilton, Butler County and Fairfield Township agree to support a \$7.3 million special obligation bond for the local share on the District's phases of the State Route 4 Bypass widening project. The bonds were issued under the economic recovery zone bond program so the participating governments received a 45% credit on the interest paid. This is critical for helping reduce the overall burden to these governments. The debt was reduced by \$280,000 during the year. For more detailed information on this transaction, refer to Note 8 of the basic financial statements.

ECONOMIC FACTORS

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

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

REQUEST FOR INFORMATION

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

Sean Fraunfelder, CPA
Finance and Administration

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**STATEMENT OF NET POSITION
DECEMBER 31, 2014**

Assets:	
Cash and Cash Equivalents	\$ 346,555
Cash in Segregated Accounts	2,443,982
Restricted Cash with Fiscal Agent	10,785,446
Accounts Receivable	2,375
Intergovernmental Receivables	114,660
Prepaid Insurance	268,792
Nondepreciable Capital Assets	3,303,882
Total Assets	<u>17,265,692</u>
 Liabilities:	
Current Liabilities:	
Accounts Payable	47,686
Contracts Payable	152,246
Accrued Wages and Benefits	972
Intergovernmental Payable	941
Accrued Interest Payable	194,629
Special Obligation Bonds Payable - Current	780,000
<i>Total Current Liabilities</i>	<u>1,176,474</u>
Noncurrent Liabilities:	
Special Obligation Bonds Payable	47,565,379
<i>Total Noncurrent Liabilities</i>	<u>47,565,379</u>
Total Liabilities	<u>48,741,853</u>
 Net Position:	
Net investment in capital assets	3,303,882
Restricted for:	
Capital Improvements	2,480,701
Debt Service	6,353,047
Unrestricted	(43,613,791)
Total Net Position	<u>\$ (31,476,161)</u>

See accompanying notes to the financial statements

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenue and</u>
		<u>Charges for</u>	<u>Capital</u>	<u>Change in Net Position</u>
		<u>Services</u>	<u>Grants and</u>	<u>Primary Government</u>
			<u>Contributions</u>	<u>Governmental</u>
				<u>Activities</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 149,716	\$ 19,750	\$ 1,138,047	\$ 1,008,081
Intergovernmental	1,880,598	-	4,682,347	2,801,749
Interest on Long-Term Debt	2,374,969	-	3,802,539	1,427,570
Total Primary Government	\$ 4,405,283	\$ 19,750	\$ 9,622,933	5,237,400
General Revenues:				
Unrestricted Investment Earnings				16,256
Miscellaneous				226,526
Special Item - Sale of Land purchase with Bond Proceeds				1,924,573
Total General Revenues and Special Item				2,167,355
Change in Net Position				7,404,755
Net Position - Beginning (Deficit)				(38,880,916)
Net Position - Ending (Deficit)				\$ (31,476,161)

See accompanying notes to the financial statements

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**BALANCE SHEET -
GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	<u>General</u>	<u>Liberty Interchange</u>	<u>State Route 4 Bypass Widening</u>	<u>South Hamilton Crossing</u>
Assets:				
Cash and Cash Equivalents	\$ 342,406	\$ -	\$ -	\$ -
Cash in Segregated Accounts	-	1,780,515	-	663,467
Receivables:				
Accounts, net	2,375	-	-	-
Intergovernmental	-	-	-	114,660
Interfund Loan	2,079,666	-	-	-
Restricted Assets:				
Cash with Fiscal Agent	-	10,278,162	507,284	-
Total Assets	<u>\$ 2,424,447</u>	<u>\$ 12,058,677</u>	<u>\$ 507,284</u>	<u>\$ 778,127</u>
Liabilities and Fund Balance				
Liabilities:				
Payable:				
Accounts	\$ 45,710	\$ -	\$ -	\$ 1,976
Contracts	-	-	-	148,200
Accrued Wages and Benefits	972	-	-	-
Intergovernmental	941	-	-	-
Interfund Loan	-	1,602,033	386,564	48,409
Total Liabilities	<u>47,623</u>	<u>1,602,033</u>	<u>386,564</u>	<u>198,585</u>
Fund Balances:				
Restricted:				
Debt Service	-	5,845,763	507,284	-
Capital Improvements	-	4,610,881	-	700,186
Unassigned:				
General	2,376,824	-	-	-
Capital Projects (Deficit)	-	-	(386,564)	(120,644)
Total Fund Balances (Deficit)	<u>2,376,824</u>	<u>10,456,644</u>	<u>120,720</u>	<u>579,542</u>
Total Liabilities and Fund Balances	<u>\$ 2,424,447</u>	<u>\$ 12,058,677</u>	<u>\$ 507,284</u>	<u>\$ 778,127</u>

See accompanying notes to the financial statements

**Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2014**

Other Governmental Funds	Total Governmental Funds		
		Total Governmental Fund Balances	\$ 13,491,173
		<i>Amounts reported in governmental activities in the statement of Net Position are different because:</i>	
\$ 4,149	\$ 346,555	Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.	3,303,882
-	2,443,982		
-	2,375		
-	114,660	Prepaid insurance premiums reported as an expenditures in governmental funds are allocated as an expense over the life of the debt on a full accrual basis.	268,792
-	2,079,666		
-	10,785,446		
<u>\$ 4,149</u>	<u>\$ 15,772,684</u>	Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(48,540,008)</u>
		Net Position of Governmental Activities	<u>\$ (31,476,161)</u>
\$ -	\$ 47,686		
4,046	152,246		
-	972		
-	941		
42,660	2,079,666		
<u>46,706</u>	<u>2,281,511</u>		
-	6,353,047		
4,149	5,315,216		
-	2,376,824		
(46,706)	(553,914)		
<u>(42,557)</u>	<u>13,491,173</u>		
<u>\$ 4,149</u>	<u>\$ 15,772,684</u>		

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>General</u>	<u>Liberty Interchange</u>	<u>State Route 4 Bypass Widening</u>	<u>South Hamilton Crossing</u>
Revenues:				
Intergovernmental	\$ -	\$ 8,213,549	\$ 288,624	\$ 1,138,047
Charges for Services	19,750	-	-	-
Investment Earnings	462	15,709	85	-
All Other	541	-	161,343	-
Total Revenues	20,753	8,229,258	450,052	1,138,047
Expenditures:				
Current:				
General Government	250,814	19,504	-	-
Intergovernmental	-	1,714,570	158,967	-
Capital Outlay	-	-	-	497,391
Debt Service:				
Principal Retirement	-	285,000	280,000	-
Interest and Fiscal Charges	-	1,978,875	383,625	-
Total Expenditures	250,814	3,997,949	822,592	497,391
Excess (Deficiency) of Revenues Over (Under) Expenditures	(230,061)	4,231,309	(372,540)	640,656
Special Item	-	1,924,573	-	-
Net Change in Fund Balances	(230,061)	6,155,882	(372,540)	640,656
Fund Balances (Deficit) - beginning	2,606,885	4,300,762	493,260	(61,114)
Fund Balances (Deficit) - ending	\$ 2,376,824	\$ 10,456,644	\$ 120,720	\$ 579,542

See accompanying notes to the financial statements

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended December 31, 2014**

Other Governmental Funds	Total Governmental Funds		
		Net Change in Governmental Fund Balances	\$ 6,186,876
\$ -	\$ 9,640,220	Amounts reported for the governmental activities in the statement of activities are different because:	
-	19,750	Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated to the projects as construction in progress.	617,993
-	16,256		
-	161,884		
-	9,838,110	Governmental funds report premiums as other financing sources, whereas these amounts are deferred and amortized on the statement of activities.	64,642
7,061	277,379	Revenues in the statement of activities that do not provide current financial resources are not reported as such in the funds.	(17,287)
-	1,873,537		
-	497,391	In the statement of activities, interest and charges are accrued on outstanding bonds, whereas, in governmental funds, they are reported when due.	1,767
-	565,000		
-	2,362,500	Bonds payable are due and payable in the current period and therefore are not reported in the statement of activities	565,000
7,061	5,575,807	The issuance of long term debt provides current financial resources to governmental funds, then the repayment reduces long-term liabilities in the statement of Net Position. In the current year, this amount relates only to the amortization of prepaid insurance:	(14,236)
(7,061)	4,262,303		
-	1,924,573		
(7,061)	6,186,876		
(35,496)	7,304,297		
<u>\$ (42,557)</u>	<u>\$ 13,491,173</u>	Change in Net Position of Governmental Activities	<u>\$ 7,404,755</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and fund financial statements

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

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

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

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

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

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only uses governmental funds.

Governmental Funds

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

The District reports the following major governmental funds:

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

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

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

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues - Exchange and Non-Exchange Transactions

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

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

Expenses/Expenditures

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

D. Cash and Cash Equivalents

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

During fiscal year 2014, investments were limited to money market mutual funds and U.S. Agency securities.

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Following Ohio statutes, the Board of Trustees has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2014 amounts to \$462, with no interest assigned to other funds as they operate on a reimbursement basis and do not receive interest. The Liberty Interchange and State Route 4 Bypass Widening capital projects funds also received interest on trust accounts of \$15,709 and \$85 respectively.

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

E. Restricted Assets

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

F. Interfund Transactions

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

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

G. Capital Assets

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

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Compensated Absences

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

I. Intergovernmental Revenues

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

J. Fund Balance

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

- Nonspendable fund balance relates to the value of consumable inventories and prepaids. The District has no balance to report in this category.

- Restricted fund balances related to bond proceeds maintained in segregated accounts for construction projects. Of the \$4,610,811 restricted for capital improvements in the Liberty Interchange fund, \$1,780,515 relates to proceeds from sale of land bought with bond proceeds. The \$700,186 restricted for capital improvements relates to the City of Hamilton allocation for funds for right of way purchases. The \$6,353,047 restricted for debt service is subject to the bond covenants. None of the restricted funds in the Liberty Interchange, State Route 4 Bypass Widening or South Hamilton Crossings funds are available to offset the unrestricted fund deficits.

- Committed fund balances are balances the District Board has formally allocated. The District has no balance to report in this category.

- Assigned fund balances are balances the District administration have specified the future use. The District has no balance to report in this category.

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

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted amounts are available.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Net Position

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

L. Estimates

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

M. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$48,540,008) difference are as follows:

Special Obligation Bonds Payable	(\$47,080,000)
Special Obligation Bonds – Premium	(1,265,379)
Accrued Interest Payable	(194,629)
Net Adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	(\$48,540,008)
	(\$48,540,008)

NOTE 2 – ACCOUNTABILITY

Fund Deficits

As of December 31, 2014, State Route 129 Extension and Salzman Road Capital Projects Funds had deficit fund balances of \$39,645 and \$7,061 respectively. The deficits were created through the reimbursement process of the District’s intergovernmental agreements with the participating local governments. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 2 – ACCOUNTABILITY (Continued)

Compliance

The State Route 4 Bypass Widening fund had expenditures in excess of appropriations by \$374 as the District trustee fees were higher than anticipated.

NOTE 3 – DEPOSITS AND INVESTMENTS

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

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation it will be held to maturity. Investments may be made only upon delivery of the securities representing the investments to the Finance Director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits

Custodial Credit Risk

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

At year-end the carrying amount of the District's deposits was \$2,701,932 and the bank balance was \$2,702,497. \$250,000 of bank balances were covered by federal depository insurance coverage with \$2,451,932 being uninsured under federal depository coverage but collateralized by pooled funds by each bank.

B. Investments

Custodial Credit Risk

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

Interest Rate Risk

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

Credit Risk

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

During 2014, the District limited investments to securities in money market mutual funds. Below are the credit ratings of the District's investments:

Security	Rating Agency	
	Moody's	Standard & Poor's
Dreyfus Government Prime Cash Management Fund	Aaa	AAAm
Fidelity Government Fund	Aaa	AAAm

Concentration of Credit Risk

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

The District's investments at December 31, 2014 are summarized below:

Investment	Average Maturity	<1 Year Before Maturity	Concentration Risk
Dreyfus Government Prime Cash Management Fund	<60 days	\$10,366,767	95.33%
Fidelity Government Fund	<60 days	507,284	4.67%
Total		<u>\$10,874,051</u>	

NOTE 4 – INTERFUND BALANCES

Interfund balances at December 31, 2014, consist of the following individual receivables and payables in the governmental fund balance sheet (such amounts are removed in the statement of net position):

Fund	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$2,079,666	\$0
Capital Projects Funds:		
Liberty Interchange	0	1,602,033
State Route 4 Bypass Widening	0	386,564
South Hamilton Crossing	0	48,409
Nonmajor Funds	0	42,660
Total Capital Projects Funds	<u>0</u>	<u>2,079,666</u>
Totals	<u>\$2,079,666</u>	<u>\$2,079,666</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 4 – INTERFUND BALANCES (Continued)

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

NOTE 5 – INTERGOVERNMENTAL REVENUES AND CHARGES FOR SERVICES

The following entities, which are a part of the District, have contributed the following funds during 2014:

Member Name	Contribution
Ohio Department of Transportation	\$163,412
Butler County	4,877,029
Liberty Township	3,247,971
Fairfield Township	111,286
City of Hamilton	1,071,016
West Chester Township	169,506
Totals	\$9,640,220

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

NOTE 6 – CAPITAL ASSETS

Summary by category of changes in capital assets:

Category	December 31, 2013	Additions	Deletions	December 31, 2014
Land held for Resale	\$1,775,789	\$126,615	\$0	\$1,902,404
Construction in Progress	910,100	491,378	0	1,401,478
Totals	\$2,685,889	\$617,993	\$0	\$3,303,882

For 2014, the engineering project and right of way acquisition continued on the South Hamilton Crossing project contributing to the increase in capital assets. The District transferred several projects to other local governments including the related Liberty Way Interchange projects in 2012 although the District still has the special obligation bonds recorded the Statement of Position which results in the unrestricted net position being reported as large deficit.

The District reports land held for resale in relationship to two parcels located at the intersection of Cox Road and Liberty Way. The District incurs annual costs related to the properties that are capitalized and included in the carrying value.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 7 – DEFINED BENEFIT PENSION AND POSTEMPLOYMENT BENEFITS PLANS

The District contributes to the Public Employees Retirement System of Ohio (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 1-800-222- PERS (7377).

OPERS administers three separate pension plans as described below:

- The Traditional Pension Plan (TP) – a cost-sharing, multiple-employer defined benefit pension plan.
- The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
- The Combined Plan (CO) – a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. Contributions are authorized by State statute. The employer pension contribution rate for the District is 14% of covered payroll. The contribution rates are determined actuarially. The District's contributions to the OPERS of Ohio for the years ending December 31, 2014, 2013, and 2012 were \$8,972, \$8,836, and \$6,575 respectively, 90 percent has been contributed for fiscal year 2014 and 100 percent has been contributed for fiscal years 2013 and 2012.

OPERS maintains a cost-sharing multiple employer defined benefit cost benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement health care coverage, age-and-service retirees under the Tradition Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefits is available. The health care coverage provided by OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 7 – DEFINED BENEFIT PENSION AND POSTEMPLOYMENT BENEFITS PLANS
(Continued)

The Ohio Revised Code permits, but does not require, OPERS to provide OPEB benefits to its eligible benefit recipients. Authority to establish and amend health care coverage is provided in Chapter 145 of the Ohio Revised Code.

The Ohio Revised Code provides the statutory authority requiring public employees to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed at a rate of 14% of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB plan.

OPERS' Post-Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2014, the employer contribution allocated to the members in the Traditional Plan and the Combined Plan was 2% of covered payroll. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The District's actual contributions that were used to fund post employment benefits in 2014, 2013, and 2012 were \$728, \$403, and \$2,630, respectively, 90 percent has been contributed for fiscal year 2014 and 100 percent has been contributed for fiscal years 2013 and 2012.

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 8 – LONG-TERM OBLIGATIONS

	Balance December 31, 2013	Issued	Retired	Balance December 31, 2014	Due Within One Year
Governmental Activities:					
Special Obligation Bonds:					
4.00%-5.00% 2007	\$41,015,000	\$0	\$285,000	\$40,730,000	\$495,000
Premium	1,242,185	0	59,152	1,183,033	0
Special Obligation Bonds					
1.875%-6.50% 2009	6,630,000	0	280,000	6,350,000	285,000
Premium	87,836	0	5,490	82,346	0
Governmental Activity					
Long-Term Liabilities	\$48,975,021	\$0	\$629,642	\$48,345,379	\$780,000

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

The District has pledged all future revenues from the intergovernmental agreements to repay the \$41,130,000 in special obligation bonds to finance the Liberty Interchange project. The bonds are paid from tax increment financing revenue received from Liberty Township, Butler County and West Chester Township's applicable properties located around the project. Total principal and interest remaining on the bonds is \$64,704,766 payable through December 2034. For the current year, principal of \$285,000 and interest of \$1,975,875 was while total tax increment financing revenue was \$8,213,549.

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 8 – LONG-TERM OBLIGATIONS (Continued)

The principal and interest requirements for outstanding bonds as of December 31, 2014 are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total	Rate
2015	\$780,000	\$2,335,551	\$3,115,551	3.875-4.00
2016	1,005,000	2,304,705	3,309,705	4.375-5.00
2017	1,200,000	2,256,331	3,456,331	4.00-4.750
2018	1,340,000	2,205,969	3,545,969	5.00
2019	1,520,000	2,138,969	3,658,969	4.25-5.125
2020-2024	10,845,000	9,354,696	20,199,696	4.25-5.875
2025-2029	19,235,000	5,816,226	25,051,226	4.75-6.50
2030-2034	11,155,000	1,111,725	12,266,725	4.50-6.50
Totals	<u>\$47,080,000</u>	<u>\$27,524,172</u>	<u>\$74,604,172</u>	

NOTE 9 – CONSTRUCTION COMMITMENTS

The District has several major outstanding contracts for services. The following amounts remain on these contracts as of December 31, 2014.

Project and Contractor	Outstanding Balance
South Hamilton Crossing – Burgess and Niple (engineering)	\$12,978
South Hamilton Crossing – Heritage Land Service (right of way)	911,705
South Hamilton Crossing – O.R Colan (right of way)	221,050

NOTE 10 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees and natural disaster. During 2014, the District contracted with Cincinnati Financial Insurance Co. for liability, property, and crime damage and RSUI Indemnity Company for public officials insurance. Coverage provided by the companies are as follows:

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 10 – RISK MANAGEMENT (Continued)

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

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

NOTE 11 – SPECIAL ITEM

The District reports a special item on the statement of activities for land sold purchased with bond proceeds. As part of the Liberty Interchange construction project, the District was able to acquire excess property. During fiscal year 2014, the District sold the property to a developer. The requirements of the trust indenture require those proceeds to be spent within the project area or used to pay down the principal balance on the bonds.

**REQUIRED SUPPLEMENTARY
INFORMATION SECTION**

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for Services	\$ 28,500	\$ 19,000	\$ 17,625	\$ (1,375)
Investment Earnings	1,000	500	462	(38)
All Other	15,589	15,589	29,135	13,546
Total Revenues	<u>45,089</u>	<u>35,089</u>	<u>47,222</u>	<u>12,133</u>
Expenditures:				
Current:				
General Government				
Personal Services	81,600	74,600	75,776	(1,176)
Contractual Services	131,200	138,000	123,798	14,202
Materials and Supplies	11,500	12,500	9,962	2,538
Other	47,200	49,200	48,969	231
Total General Government	<u>271,500</u>	<u>274,300</u>	<u>258,505</u>	<u>15,795</u>
Net Change in Fund Balance	(226,411)	(239,211)	(211,283)	27,928
Fund Balance Beginning of Year	2,656,390	2,656,390	2,656,390	-
Fund Balance End of Year	<u>\$ 2,429,979</u>	<u>\$ 2,417,179</u>	<u>\$ 2,445,107</u>	<u>\$ 27,928</u>
			Budget Basis \$	(211,283)
			Revenue Accruals	(26,469)
			Expenditure Accruals	7,691
			GAAP Basis \$	<u>(230,061)</u>

See accompanying notes to the required supplementary information

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgetary Process

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

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

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

1. **Estimated Resources**

As part of the District's budgetary process, the Board approves the budgetary document. The budgetary document states the projected revenue of each fund. Prior to December 31, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the budgetary document. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the budgetary document is amended to include any unencumbered balances from the preceding year. The budgetary document may be further amended during the year if the Board determines that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the first and final budgetary document issued during 2014.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Appropriations

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

3. Lapsing of Appropriations

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

4. Budgetary Basis of Accounting

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

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUND

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

Union Centre Extension Fund

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

State Route 747 Capital Projects Fund

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

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

Muhlhauser Road Fund

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

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	CAPITAL PROJECTS					Total Nonmajor Governmental Funds
	Union Centre Extension	State Route 747	State Route 129 Extension	Muhlhauser Road	Salzman Road Relocation	
Assets:						
Assets:						
Cash and Cash Equivalents	\$ 325	\$ -	\$ -	\$ 3,824	\$ -	\$ 4,149
Total Assets	325	-	-	3,824	-	4,149
Liabilities and Fund Balance						
Liabilities:						
Contracts Payable	\$ -	\$ -	\$ -	\$ -	\$ 4,046	\$ 4,046
Interfund Loan Payable	-	-	39,645	-	3,015	42,660
Total Liabilities	-	-	39,645	-	7,061	46,706
Fund Balances:						
Restricted for Capital Purposes	325	-	-	3,824	-	4,149
Unassigned	-	-	(39,645)	-	(7,061)	(46,706)
Total Fund Balances	325	-	(39,645)	3,824	(7,061)	(42,557)
Total Liabilities and Fund Balances	\$ 325	\$ -	\$ -	\$ 3,824	\$ -	\$ 4,149

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	CAPITAL PROJECTS					Total Nonmajor Governmental Funds
	Union Centre Extension	State Route 747	State Route 129 Extension	Muhlhauser Road	Salzman Road Relocation	
Revenues:						
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:						
Current:						
General Government	-	-	-	-	7,061	7,061
Total Expenditures	-	-	-	-	7,061	7,061
Change in Fund Balance	-	-	-	-	(7,061)	(7,061)
Fund Balance (Deficit) - Beginning of Year	325	-	(39,645)	3,824	-	(35,496)
Fund Balance (Deficit) - End of Year	\$ 325	\$ -	\$ (39,645)	\$ 3,824	\$ (7,061)	\$ (42,557)

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIBERTY INTERCHANGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 4,000,000	\$ 7,000,000	\$ 8,213,549	\$ 1,213,549
Investment Earnings	1,000	17,000	16,899	(101)
Total Revenues	<u>4,001,000</u>	<u>7,017,000</u>	<u>8,230,448</u>	<u>1,213,448</u>
Expenditures:				
Current:				
General Government	15,200	16,200	23,455	(7,255)
Intergovernmental	2,230,332	4,945,332	1,714,570	3,230,762
Debt Service:				
Principal	285,000	285,000	285,000	-
Interest and Fiscal Charges	1,978,875	1,979,175	1,978,875	300
Total Expenditures	<u>4,509,407</u>	<u>7,225,707</u>	<u>4,001,900</u>	<u>3,223,807</u>
Excess of Revenues and Other Financing Sources Over Expenditures	(508,407)	(208,707)	4,228,548	4,437,255
Other Financing Sources:				
Proceeds from Sale of Land	2,031,500	1,925,000	1,924,573	(427)
Total Other Financing Sources	<u>2,031,500</u>	<u>1,925,000</u>	<u>1,924,573</u>	<u>(427)</u>
Net Change in Fund Balance	1,523,093	1,716,293	6,153,121	4,436,828
Fund Balance Beginning of Year	4,285,137	4,285,137	4,285,137	-
Fund Balance End of Year	<u>\$ 5,808,230</u>	<u>\$ 6,001,430</u>	<u>\$ 10,438,258</u>	<u>\$ 4,436,828</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE ROUTE 4 BYPASS WIDENING
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ -	\$ 235,000	\$ 288,624	\$ 53,624
Investment Earnings	-	100	85	(15)
All Other Revenue	209,481	161,343	161,343	-
Total Revenues	209,481	396,443	450,052	53,609
Expenditures:				
Current:				
Intergovernmental	209,481	161,343	158,967	2,376
Debt Service:				
Principal Retirement	280,000	280,000	280,000	-
Interest and Fiscal Charges	380,875	380,875	383,625	(2,750)
Total Expenditures	870,356	822,218	822,592	(374)
Net Change in Fund Balance	(660,875)	(425,775)	(372,540)	53,235
Fund Balance Beginning of Year	493,260	493,260	493,260	-
Fund Balance End of Year	\$ (167,615)	\$ 67,485	\$ 120,720	\$ 53,235

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SOUTH HAMILTON CROSSING
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 1,745,000	\$ 1,125,000	\$ 1,023,387	\$ (101,613)
Investment Earnings	0	-	225	225
Total Revenues	<u>1,745,000</u>	<u>1,125,000</u>	<u>1,023,612</u>	<u>(101,388)</u>
Expenditures:				
Capital Outlay	1,770,000	450,000	355,227	94,773
Total Expenditures	<u>1,770,000</u>	<u>450,000</u>	<u>355,227</u>	<u>94,773</u>
Net Change in Fund Balance	(25,000)	675,000	668,385	(6,615)
Fund Balance (Deficit) Beginning of Year	(53,102)	(53,102)	(53,102)	-
Fund Balance (Deficit) End of Year	<u>\$ (78,102)</u>	<u>\$ 621,898</u>	<u>\$ 615,283</u>	<u>\$ (6,615)</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

UNION CENTRE EXTENSION FUND

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

STATE ROUTE 129 EXTENSION FUND

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, (

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	SALZMAN ROAD EXTENSION			Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 106,000	\$ -	\$ -	\$ -
Total Revenues	<u>106,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
General Government	6,000	5,000	3,015	1,985
Capital Outlay	100,000	-	-	-
Total Expenditures	<u>106,000</u>	<u>5,000</u>	<u>3,015</u>	<u>1,985</u>
Net Change in Fund Balance	-	(5,000)	(3,015)	1,985
Fund Balance Beginning of Year	-	-	-	-
Fund Balance (Deficit) End of Year	<u>\$ -</u>	<u>\$ (5,000)</u>	<u>\$ (3,015)</u>	<u>\$ 1,985</u>

STATISTICAL SECTION

Current TID Projects

Salzman Road
Extension



South Hamilton
above grade
railroad crossing



**Transportation Improvement District of
Butler County, Ohio
Statistical Section Descriptions
December 31, 2014**

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

Contents

Pages

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and situation have changed over time. 49-55

Revenue Capacity (The District has no specific revenue source that generates year over year for the District; therefore, there are no tables presenting this information)

Debt Capacity

This schedule presents information to help the reader assess the affordability of the District's current levels of outstanding debt. The District has no ability to issue additional debt in the future without an agreement through the participating governments. 56-58

Operating Information

These schedules contain operational data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. 59

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. 60-63



TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

NET POSITION BY COMPONENT

LAST TEN YEARS (accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental Activities:					
Net investment in capital assets	\$ 3,303,882	\$ 2,685,889	\$ 27,234,348	\$ 38,210,364	\$ 30,424,084
Restricted	8,833,748	7,134,278	8,502,463	11,790,879	10,320,050
Unrestricted	<u>(43,613,791)</u>	<u>(48,701,083)</u>	<u>(41,571,889)</u>	<u>1,857,888</u>	<u>1,919,013</u>
<i>Total Governmental Activities Net Position</i>	<u>\$ (31,476,161)</u>	<u>\$ (38,880,916)</u>	<u>\$ (5,835,078)</u>	<u>\$ 51,859,131</u>	<u>\$ 42,663,147</u>
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental Activities:					
Net investment in capital assets	\$ 20,005,940	\$ 18,504,670	\$ 16,543,620	\$ 15,034,816	\$ 13,732,805
Restricted	5,560,411	6,869,668	1,650,174	374,477	15,195,076
Unrestricted	<u>1,871,650</u>	<u>646,935</u>	<u>1,731,632</u>	<u>1,148,080</u>	<u>(1,096,692)</u>
<i>Total Governmental Activities Net Position</i>	<u>\$ 27,438,001</u>	<u>\$ 26,021,273</u>	<u>\$ 19,925,426</u>	<u>\$ 16,557,373</u>	<u>\$ 27,831,189</u>

Source: District financial records

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

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

CHANGE IN NET POSITION

LAST TEN YEARS (accrual basis of accounting)

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

Source: District financial records.

2011	2010	2009	2008	2007	2006	2005
\$ 1,827,060	\$ 402,366	\$ 715,520	\$ 454,730	\$ 2,338,236	\$ 1,702,925	\$ 460,218
-	-	-	-	-	-	-
-	-	-	327,044	-	6,516,155	159,666
2,414,524	2,467,505	2,181,640	1,751,628	1,585,006	6,152,002	6,074,683
4,241,584	2,869,871	2,897,160	2,533,402	3,923,242	14,371,082	6,694,567
27,669	35,407	203,329	619,864	24,172	94,991	48,898
6,419,127	12,861,985	1,345,354	7,232,136	5,611,078	1,946,633	657,450
-	-	-	-	-	-	-
6,713,131	5,859,116	2,367,815	-	-	-	5,245,955
13,159,927	18,756,508	3,916,498	7,852,000	5,635,250	2,041,624	5,952,303
8,918,343	15,886,637	1,019,338	5,318,598	1,712,008	(12,329,458)	(742,264)
-	-	-	-	-	500,000	-
179,297	198,866	77,411	877,121	1,486,437	510,536	980,903
-	-	-	(164,276)	164,276	(1,375)	(4,111)
98,344	73,227	319,979	64,404	5,332	46,481	211,305
-	-	-	-	-	-	-
-	(933,584)	-	-	-	-	-
277,641	(661,491)	397,390	777,249	1,656,045	1,055,642	1,188,097
\$ 9,195,984	\$ 15,225,146	\$ 1,416,728	\$ 6,095,847	\$ 3,368,053	\$ (11,273,816)	\$ 445,833

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS (modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund					
Unassigned	\$ 2,376,824	\$ 2,606,885	\$ 3,172,070	\$ 3,454,396	NA
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	3,415,701
Total General Fund	<u>2,376,824</u>	<u>2,606,885</u>	<u>3,172,070</u>	<u>3,454,396</u>	<u>3,415,701</u>
All other governmental funds					
Restricted	11,668,263	7,138,427	9,343,008	13,642,716	NA
Unassigned	(553,914)	(2,441,015)	(3,314,177)	(3,910,658)	NA
Reserved	-	-	-	-	11,009,788
Unreserved, reported in:					
Debt Service	-	-	-	-	-
Capital Projects	-	-	-	-	(2,450,556)
Total All other governmental funds	<u>11,114,349</u>	<u>4,697,412</u>	<u>6,028,831</u>	<u>9,732,058</u>	<u>8,559,232</u>
Total Governmental Funds	<u>\$ 13,491,173</u>	<u>\$ 7,304,297</u>	<u>\$ 9,200,901</u>	<u>\$ 13,186,454</u>	<u>\$ 11,974,933</u>
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund					
Reserved	-	154	\$ -	\$ 6,652	\$ 11,034
Unreserved	3,523,834	3,229,925	2,815,145	3,302,479	2,705,563
Total General Fund	<u>3,309,131</u>	<u>3,309,131</u>	<u>3,309,131</u>	<u>3,309,131</u>	<u>2,716,597</u>
All other governmental funds					
Reserved	13,526,176	15,319,008	30,608,670	2,282,459	14,848,697
Unreserved, reported in:					
Debt Service	-	-	-	-	(39,645)
Capital Projects	(3,675,770)	(3,421,084)	(4,172,730)	(4,343,901)	(1,775,709)
Total All other governmental funds	<u>9,850,406</u>	<u>11,897,924</u>	<u>26,435,940</u>	<u>(2,061,442)</u>	<u>13,033,343</u>
Total Governmental Funds	<u>\$ 13,374,240</u>	<u>\$ 15,127,849</u>	<u>\$ 29,251,085</u>	<u>\$ 1,241,037</u>	<u>\$ 15,738,906</u>

Source: District financial records

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



TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS (modified accrual basis of accounting)

	2014	2013	2012	2011
Revenues				
Intergovernmental	\$ 9,640,220	\$ 3,311,026	\$ 8,771,638	\$ 12,685,358
Charges for Services	19,750	20,875	23,625	27,375
Investment Earnings	16,256	(2,145)	16,684	1,045
Change in Fair Value of Investments	-	-	-	-
All Other	161,884	759,036	250,540	262,248
Total Revenues	9,838,110	4,088,792	9,062,487	12,976,026
Expenditures				
Current				
General Government	277,379	485,735	358,578	1,747,494
Intergovernmental	1,873,537	2,004,365	6,065,704	-
Capital Outlay	497,391	765,996	4,019,483	7,451,767
Debt Service:				
Principal	565,000	355,000	220,000	185,000
Interest and Fiscal Charges	2,362,500	2,374,300	2,384,275	2,380,244
Total Expenditures	5,575,807	5,985,396	13,048,040	11,764,505
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,262,303	(1,896,604)	(3,985,553)	1,211,521
Other Financing Sources (Uses)				
Face Value of Debt	-	-	-	-
Premium from Sale of Bonds	-	-	-	-
Proceeds from the Sale of Land	1,924,573	-	-	-
Transfers In	-	97,598	-	-
Transfers Out	-	(97,598)	-	-
Total Other Financing Sources (Uses)	1,924,573	-	-	-
Net Change in Fund Balances	\$ 6,186,876	\$ (1,896,604)	\$ (3,985,553)	\$ 1,211,521
Debt Service as a percentage of noncapital expenditures	59%	52%	29%	58%

Notes:

For 2010-2007, the District is making interest only payments on two special obligation bonds.
 For 2006, the District had the highway improvement bond repaid through the ODOT lease agreement.
 For 2005-2003, the debt service obligation was paid through an operating lease with ODOT.

2010	2009	2008	2007	2006	2005
\$ 18,610,388	\$ 4,182,486	\$ 7,232,136	\$ 5,552,956	\$ 105,260,360	\$ 12,731,782
35,407	203,329	619,525	24,172	86,743	41,347
198,866	77,411	877,121	1,486,437	510,536	987,083
-	-	(164,276)	164,276	(1,375)	(4,111)
241,144	433,769	3,761	5,332	46,481	7,487
<u>19,085,805</u>	<u>4,896,995</u>	<u>8,568,267</u>	<u>7,233,173</u>	<u>105,902,745</u>	<u>13,763,588</u>
395,934	471,659	457,808	566,846	573,356	2,200,915
-	-	-	-	-	-
17,700,816	11,376,352	20,159,154	18,352,385	2,481,580	2,679,873
-	-	-	-	109,725,000	6,405,000
2,388,362	2,187,543	2,074,387	3,096,795	7,625,060	6,053,250
<u>20,485,112</u>	<u>14,035,554</u>	<u>22,691,349</u>	<u>22,016,026</u>	<u>120,404,996</u>	<u>17,339,038</u>
(1,399,307)	(9,138,559)	(14,123,082)	(14,782,853)	(14,502,251)	(3,575,450)
-	7,275,000	-	41,130,000	-	1,650,000
-	109,796	-	1,656,249	-	-
-	-	-	-	-	-
-	-	79	14,415,206	14,415,206	13,874,479
-	-	(79)	(14,415,206)	(14,415,206)	(13,874,479)
<u>-</u>	<u>7,384,796</u>	<u>-</u>	<u>42,786,249</u>	<u>-</u>	<u>1,650,000</u>
<u>\$ (1,399,307)</u>	<u>\$ (1,753,763)</u>	<u>\$ (14,123,082)</u>	<u>\$ 28,003,396</u>	<u>\$ (14,502,251)</u>	<u>\$ (1,925,450)</u>
84%	77%	82%	57%	99%	85%

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

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

<u>Year</u>	<u>Gross Revenue (1)</u>	<u>Debt Service Requirement (2)</u>	<u>Coverage(3)</u>
2007	\$ 1,489,072	\$ 1,573,377	94.64%
2008	3,766,336	1,983,575	189.88%
2009	2,308,664	1,983,475	116.39%
2010	5,859,116	1,983,475	295.40%
2011	6,131,365	1,983,475	309.12%
2012	3,815,871	1,983,475	192.38%
2013	2,139,307	2,098,475	101.95%
2014	8,213,549	2,263,875	362.81%
Total	\$ 33,723,280	\$ 15,853,202	212.72%

Source: District's records

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

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

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

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

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

<u>Year</u>	<u>Gross Revenue (1)</u>	<u>Debt Service Requirement (2)</u>	<u>Coverage</u>
2009	\$ 117,084	\$ 204,068	57.37%
2010	380,237	404,887	93.91%
2011	581,766	584,769	99.49%
2012	613,292	613,050	100.04%
2013	383,679	628,075	61.09%
2014	288,624	661,625	43.62%
Total	<u>\$ 2,364,682</u>	<u>\$ 3,096,474</u>	<u>76.37%</u>

Source: District's records

- (1) The District will receive intergovernmental revenue from Fairfield Township, Butler County and the City of Hamilton for payment of debt service.
- (2) The 2009 debt service payment was funded through the \$109,796 premium on the sale and Butler County's initial contribution of \$117,084. The 2010-2013 debt service was offset with an IRS tax credit which repaid in proportion to the respective debt service amounts under (1). Revenues for 2013 and 2014 are under the debt service requirement as the District used the escrow refunds to pay down the debt service. The remaining construction fund balance will be used to pay down principal only in future years.

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

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

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

Source: District records

(1) The county's population is estimated by the Bureau of Economic Analysis for the years 2007-2009. The 2010 population reflects date collected by the United States Census Bureau. 2011 - 2013 are based on estimates from the United States Census Bureau Butler County Quickfacts.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION

LAST TEN YEARS

<u>Year</u>	<u>General Government Employees</u>
2014*	1
2013*	1
2012*	1
2011*	1
2010*	1
2009	2
2008	2.5
2007	3
2006	3
2005	3

Note: District's financial records

* The District has two employees that work part time.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

PRINCIPAL EMPLOYERS

ONE YEAR AGO (MOST RECENT) AND TEN YEARS AGO

Name of Employer	2013			2003		
	Number of Employees	Rank	% of Total Employment	Number of Employees	Rank	% of Total Employment
Miami University	3,293	1	1.88%	4,200	1	3.08%
Cincinnati Financial Corp.	2,789	2	1.59%	2,861	3	2.10%
AK Steel	2,400	3	1.37%	3,900	2	2.86%
GE Aviation	2,000	4	1.14%			0.00%
Lakota School District	1,827	5	1.04%	1,600	7	1.17%
Butler County Government	1,717	6	0.98%	2,000	4	1.47%
Ohio Casualty Insurance	1,300	7	0.74%	1,356	10	0.99%
Mercy Regional Hospital	1,200	8	0.69%	1,407	9	1.03%
Hamilton City School District	1,095	9	0.63%			0.00%
Fort Hamilton Hospital	1,020	10	0.58%	1,600	6	1.17%
Fairfield City Schools			0.00%	1,740	5	1.28%
Middletown Regional Hospital	-		0.00%	1,470	8	1.08%
Total	18,641		10.66%	22,134		16.23%
Total Employed within the County	174,900			136,387		

Source: 2013 Butler County Comprehensive Annual Financial Report and presented as they have presented.

Note: The employment information was not available for 2014.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**TOP TEN TAX PAYERS
REAL PROPERTY**

CURRENT AND NINE YEARS AGO

Name of Taxpayer	2013			2005		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Realty Ohio	\$ 13,854,910	1	0.20%			0.00%
MillerCoors LLC	12,143,180	2	0.17%	20,271,590	1	0.32%
Meijer Stores LTD PRT	11,367,410	3	0.16%	12,398,530	4	0.19%
Boymel Sam TR	11,083,170	4	0.16%	11,085,190	5	0.17%
AK Steel Corporation	10,769,410	5	0.15%	15,519,300	3	0.24%
US Industrial REIT III Midwest	9,065,000	6	0.13%			
First Industrial L P	8,791,470	7	0.12%	10,121,650	6	0.16%
DCT Port Union LLC	8,640,870	8	0.12%			
Cincinnati Lesaint Industrial	8,050,000	9	0.11%			
Dugan Financial LLC	7,353,680	10	0.10%	8,577,030	7	0.13%
Cincinnati Financial Corporation				16,913,280	2	0.27%
Ohio Casualty Insurance				7,199,040	8	0.11%
Landings at Beckett Ridge				6,591,950	9	
Union Station of West Chester				5,950,010	10	0.09%
Total	\$ 101,119,100		1.44%	\$ 114,627,570		1.70%
Total Assessed Valuation	\$ 7,034,379,450			\$ 6,362,721,810		

Source: Butler County Auditor's Office
Fiscal year 2014 information is not available

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

DEMOGRAPHIC INFORMATION

LAST TEN YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Unemployment Rate (2)</u>
2005	348,425	\$ 11,491,404,925	\$ 32,981	5.3%
2006	353,888	12,034,315,328	34,006	5.6%
2007	358,116	12,561,634,932	35,077	5.1%
2008	360,775	12,811,481,025	35,511	5.9%
2009	363,184	12,585,778,336	34,654	9.3%
2010	368,130	12,975,478,110	35,247	9.6%
2011	369,999	12,585,955,000	34,016	7.6%
2012	370,589	13,559,851,510	34,016	6.0%
2013	371,511	13,584,842,480	34,016	6.0%
2014	374,158	13,584,842,480	NA	4.2%

Source: (1) The information is provided from the Butler County, Ohio annual report. NA means the information was not available for that particular fiscal year. The information for 2013 were available at the time the table was composed.

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MISCELLANEOUS STATISTICS

DECEMBER 31, 2014

Date of Creation:	1993
	The first Transportation Improvement District in Ohio.
County:	Butler
County Seat:	City of Hamilton, Ohio
Number of Political Subdivisions within the District:	6 Butler County City of Hamilton City of Fairfield Fairfield Township West Chester Township Liberty Township
Number of Interstate Highways inside the District:	2 (Interstate 75) (State Route 129)

Source: Transportation Improvement District

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Dave Yost • Auditor of State

BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 25, 2015**