



Dave Yost • Auditor of State

**BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
BUTLER COUNTY**

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TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

FEDERAL GRANTOR	Federal	Pass Through	
<i>Pass through Grantor</i>	CDFA	Entity Identifying	Total Federal
Program/Cluster Title	Number	Number	Expenditures
U.S DEPARTMENT OF TRANSPORTATION			
<i>Passed Through the Ohio Department of Transportation</i>			
Highway Planning & Construction Cluster:			
Highway, Planning & Construction	20.205	PID 81174	\$ 4,472,672
Highway, Planning & Construction	20.205	PID 98852	<u>1,079,530</u>
Total Highway Planning & Construction Cluster:			<u>5,552,202</u>
Total U.S Department of Transportation			<u>5,552,202</u>
Total Expenditures of Federal Awards			<u><u>\$ 5,552,202</u></u>

The accompanying notes are an intergral part of this schedule.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

2 CFR 200-510(B)(6)

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Transportation Improvement District of Butler County, Ohio (the District) under programs of the federal government for the year ended December 31, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C - MATCHING REQUIREMENTS

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

NOTE D – ERROR IN THE 2016 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For fiscal year 2016, the District reported \$2,010,216 on the schedule of federal expenditures which was understated by \$183,412. The District has evaluated all expenditures during the current fiscal year that will be requested for reimbursement in future periods.



Dave Yost • Auditor of State

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

Butler County Transportation Improvement District
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 Butler County Transportation Improvement District (the District) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 12, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Dave Yost
Auditor of State

Columbus, Ohio

June 12, 2018



Dave Yost • Auditor of State

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

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

To the Board of Trustees:

Report on Compliance for Major Federal Program

We have audited the Butler County Transportation Improvement District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the District's major federal program for the year ended December 31, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Major Federal Program

In our opinion, the Butler County Transportation Improvement District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2017.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on the major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Butler County Transportation Improvement District (District), Butler County, Ohio as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated June 12, 2018. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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 schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Butler County Transportation Improvement District
Butler County
Independent Auditor's Report on Compliance With Requirements
Applicable to the Major Federal Program and on Internal Control Over
Compliance Required by the Uniform Guidance
Page 3

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

Dave Yost
Auditor of State

Columbus, Ohio

June 12, 2018

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**BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
BUTLER COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2017**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 2 CFR 200.511(b)
 DECEMBER 31, 2017**

Finding Number	Finding Summary	Status	Additional Information
2016-001	2 CFR §200.510(b): 2015 expenditures included on 2016 Schedule of Federal Awards Expenditures	Partially Corrected	The District has implemented procedures to track each vendor and project which federal funds are included. For 2017, one payment to a vendor was missed in the calculation of federal expenditures.

Butler County, Ohio Transportation Improvement District

Comprehensive Annual Financial Report

Chairman Jim Blount served on the TID Board from the beginning of 1995 until he passed away in August 2017. Chairman Blount was critical to the successful completion of over \$321 million infrastructure improvements during his time on the Board and providing critical leadership after the first round of projects were finished.



← Union Centre Boulevard Road Opening



← Dedication of the Bill Foster Bridge, part of the State Route 129 Project

State Route 747 Grand Opening after Phase 4 (747/Princeton ==> Intersection) was completed



Liberty Interchange Opening with Chairman Blount receiving a ==> rendering drawing of the project.



Ground breaking on the South Hamilton Crossing Project.
← Chairman Blount was instrumental in pushing this project initial talked about in 1911.



Just before Chairman Blount passed away, the City of Hamilton ← honored him by renaming the South Hamilton Bridge, the **Jim Blount South Hamilton Crossing**

For the Fiscal Year Ended
December 31, 2017

**Butler County, Ohio
Transportation Improvement District**

**Comprehensive Annual
Financial Report**

**For the Fiscal Year Ended
December 31, 2017**

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

INTRODUCTORY
SECTION



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Transportation Improvement District of Butler County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017

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June 12, 2018

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, 2017. 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 2017.

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

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

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

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

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

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

MAJOR INITIATIVES

South Hamilton Crossing

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

The TID and City of Hamilton entered into an intergovernmental agreement during 2012 working through the engineering and environmental work. The TID received grant funding through the Ohio-Kentucky-Indiana Council of Governments (OKI) Congestion Mitigation and Air Quality Improvement (CMAQ) program for right of way acquisition of \$2.45 million (increased in 2016 to \$3.45 million) with the remaining right of way costs being provided from the City of Hamilton including the local match to the CMAQ grant. The TID was successful in getting right of way cleared through ODOT on January 29, 2016. All the appropriation cases were settled during 2017. There are a couple minor issues still pending for the right of way portion to be completely finalized.

The TID received \$10 million through the Ohio Department of Transportation - Transportation Review Advisory Council (TRAC) for the construction phase which requires no local match monies. The City of Hamilton also received a \$1,118,000 629 Roadwork Development Grant through the Ohio Development Services Agency for a share of the construction project that required a fifty percent local match. The TID received an additional \$3.75 million through OKI from the Federal Surface Transportation Program (STP) for construction that requires a fifty percent match. The City of Hamilton, along with any funds received from the CSX Railroad and TID, will provide the match monies and any additional construction funds necessary. The TID bid the project in the second quarter of 2016 with John R. Jurgensen being the successful bidder. As of December 31, 2017, the contract was approximately sixty-three percent complete (up from twenty-four percent at December 31, 2016.) The construction is expected to be completed during the third quarter of 2018.

Salzman Road Relocation

During 2013, the TID started working with the Cities of Monroe and Middletown to extend Salzman Road from north of State Route 63 to Todhunter Road. The TID received ODOT Jobs and Commerce funding in 2014 for engineering design. Late in 2014, the TID received OKI notification that the project was awarded \$1,682,000 in STP funding with a twenty percent local match starting on July 1, 2016. In early 2017, the TID selected Kelchner, Inc. with construction starting in the second quarter of 2017 and was open to the public in fourth quarter of 2017. There are minor construction close out items to finalize during the second quarter of 2018

Salzman Road Bridge Project

The City of Monroe contracted with the District to assist in a bridge project on Salzman Road south of State Route 63. The bridge load capacity requirements were modified limiting access to several large distributions centers. The District received a \$67,500 grant from Ohio Jobs and Commerce along with the City of Monroe Ohio Public Works \$199,928 grant to complete the upgrade. The project started and finished during 2017. The final grant draw was received in 2018.

Interstate 75/Cox Road/Liberty Way

During 2015, the TID along with the Ohio Department of Transportation, Butler County Engineer, Liberty Township and West Chester Township made the determination to evaluate the current configuration of Interstate 75, State Route 129, and Liberty Way interchange. With the additional retail development, Liberty Town Center, and the new Christ Hospital Facility and other development in the area, the interchange will be under tremendous pressure. The TID entered into an agreement with EMHT for an interchange modification study. The TID disbursed the remaining funds held from the property sale to the Steiner Group to the Butler County Engineer in February 2016 to cover the second phase of this project. The District received an additional Ohio Jobs and Commerce grant of \$250,000 to assist with the financing of the project currently managed through the Butler County Engineer's Office.

ECONOMIC CONDITION AND OUTLOOK

The TID has seen state and federal government financing for projects on the decline. With State of Ohio budget cuts, the local governments have limited resources to allocate for major infrastructure projects, but our partners have continued to step up, locally funding a large portion of the South Hamilton Crossing, a substantial part of the overall Bypass 4 widening project for the past several years and the earlier Liberty Interchange project, for which the bond payments are 100% locally funded. Eligible TIDs throughout the state may apply for ODOT Jobs and Commerce grants 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, three for the Salzman Road extension, one for the Salzman Bridge project and one for the Liberty Interchange modification study.

The TID was able to sell one of the remaining TID owned properties during March 2018. The sale of the TID property and the administrative fees on the above projects will provide the TID with operating capital to fund operations and develop projects over the next several years. The TID's success in grant awards can help projects move forward in a more efficient manner, especially when multiple jurisdictions are involved.

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

TID INTERNAL CONTROLS

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

SIGNIFICANT FINANCIAL POLICIES

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

FACTORS AFFECTING FINANCIAL CONDITION

The TID operates from three typical financial sources: investment interest revenue, local government contributions and an administration charge on project management services. The 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 Board and staff continue to evaluate future projects that will provide the TID with the additional administrative revenue necessary to fund operations. The TID'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 TID and also for the local governments throughout Butler County.

AUDIT

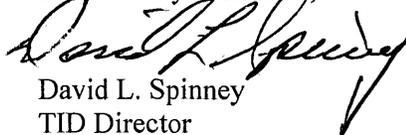
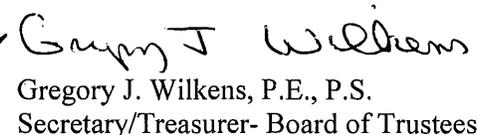
An audit team from State of Ohio Auditor's Office performed this year's audit. The results of the audit are presented in the Independent Auditors Report.

AWARDS AND ACKNOWLEDGMENTS

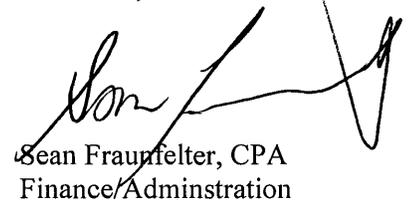
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the TID for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2016. This is the twenty-second consecutive year that the TID has received 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 \$332 million with seventeen 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, 2017.

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

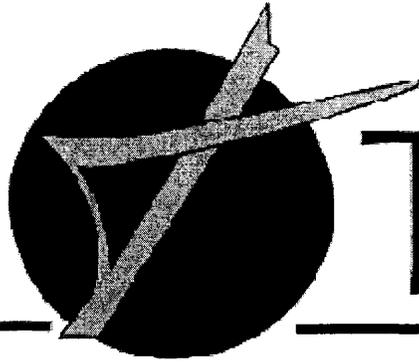
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

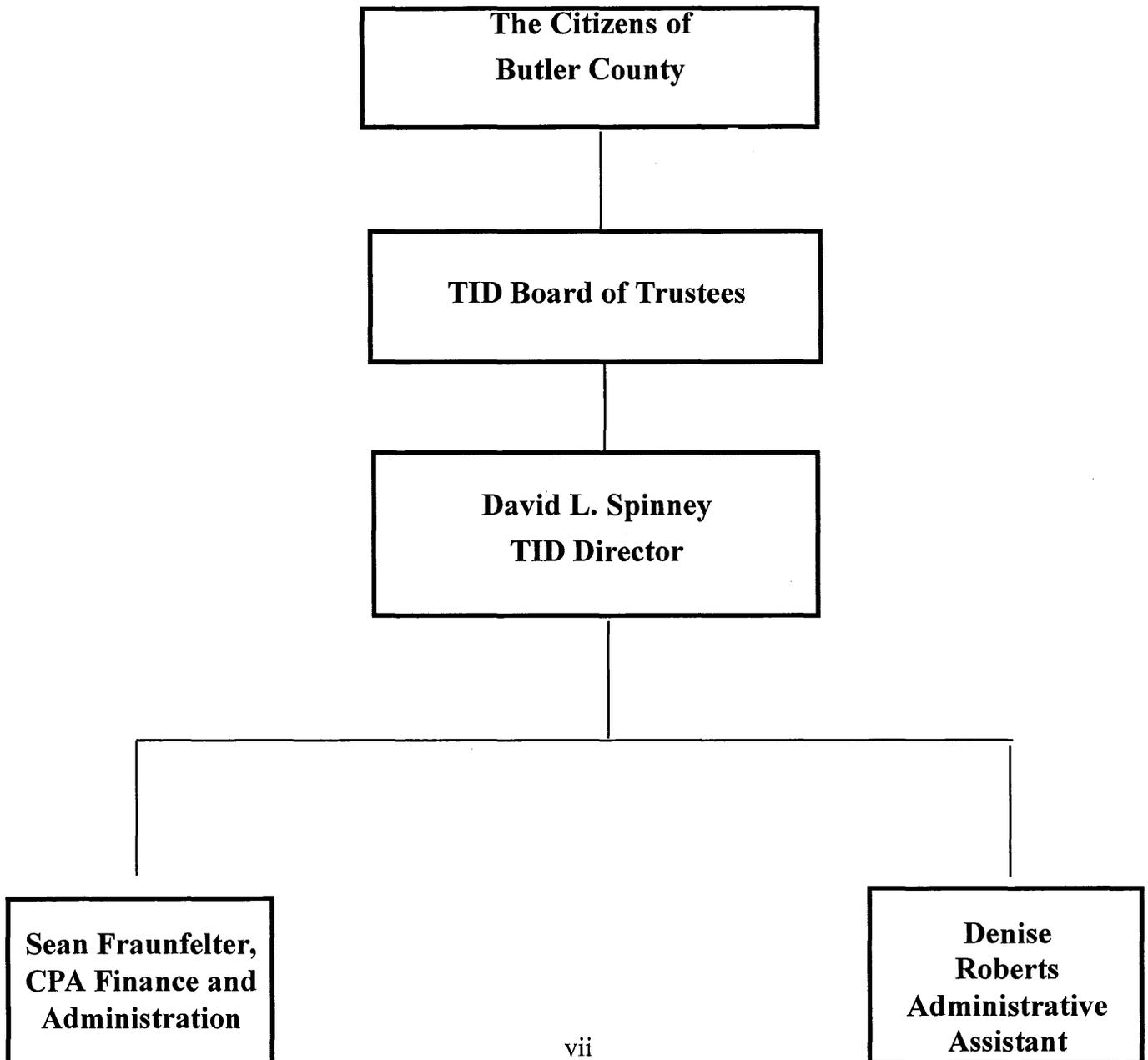
**BUTLER
COUNTY**



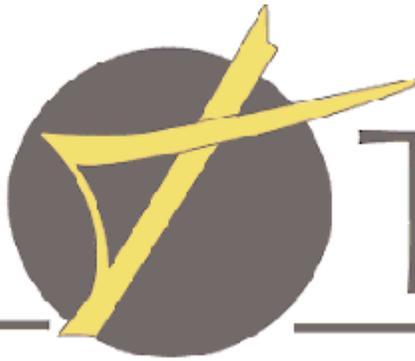
TID

TRANSPORTATION IMPROVEMENT DISTRICT

2017 Staff Organizational Chart



BUTLER
COUNTY

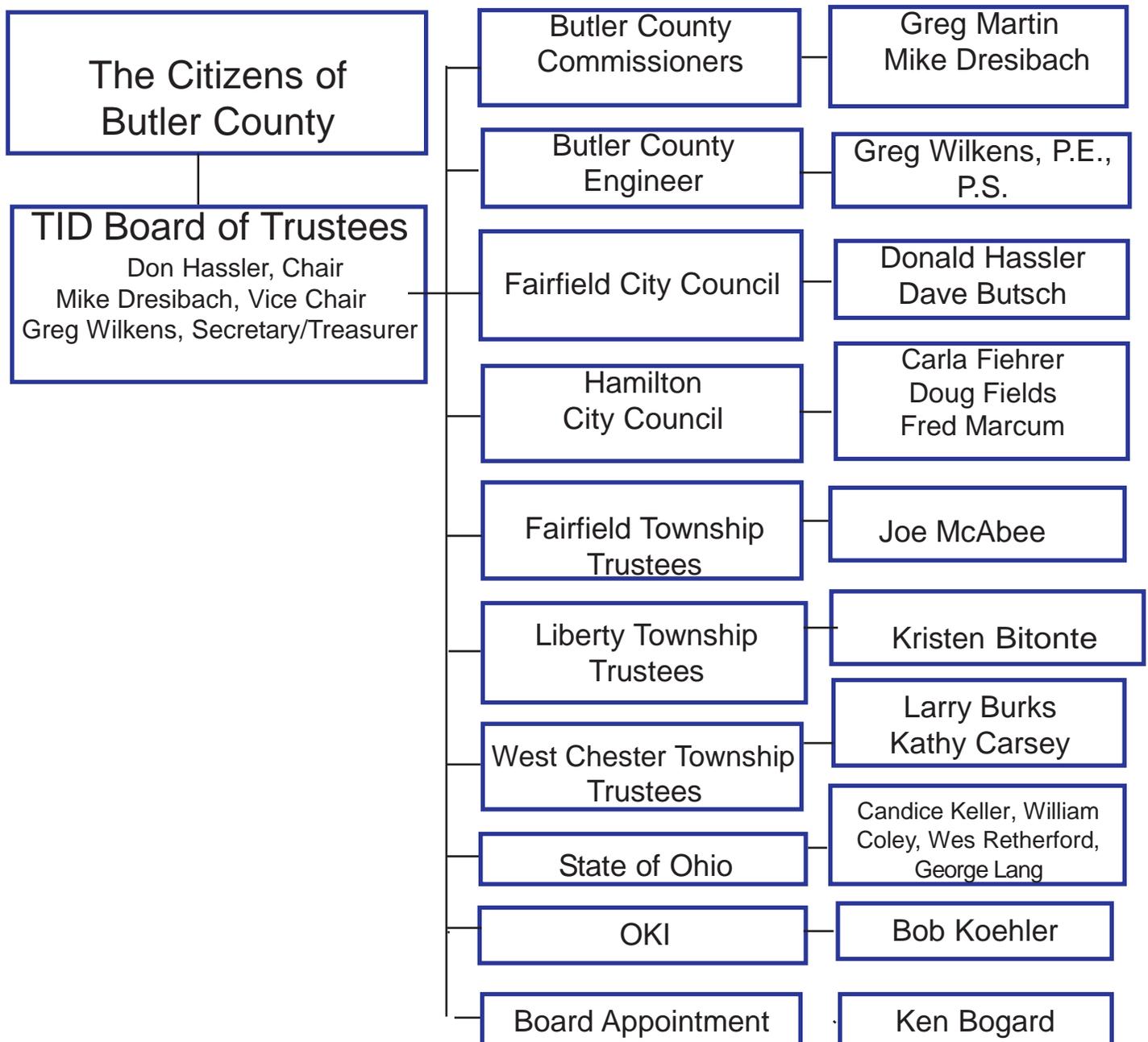


TID

TRANSPORTATION IMPROVEMENT DISTRICT

2017 Board of Trustees

Organizational Chart



FINANCIAL SECTION



First picture is Grand Boulevard looking west on the new South Hamilton Crossing James Blount bridge. Second picture is Grand Boulevard looking east.

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Butler County Transportation Improvement District
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 Butler County Transportation Improvement District, Butler County, Ohio (the District), as of and for the year ended December 31, 2017, 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 Districts 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 such 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 Butler County Transportation Improvement District, Butler County, Ohio, as of December 31, 2017, 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, required budgetary comparison schedule* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information 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 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 June 12, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State

Columbus, Ohio

June 12, 2018

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017. Please review it in conjunction with the transmittal letter and the District's basic financial statements, which begin on page 14.

FINANCIAL HIGHLIGHTS

- Total net position increased \$15 million mainly due capital grants used to fund the construction in progress on the South Hamilton Crossing and Salzman road projects.
- General revenues accounted for \$0.58 million in revenues or 3 percent of all revenues. Program specific revenues in the form of charges for services and capital grants accounted for \$19.7 million or 97 percent of all revenues.
- The District added \$11 million in capital assets during the current year as the South Hamilton Crossing construction project saw significant expenditures for the right of way acquisition process.
- Among the major funds, the Liberty Interchange fund saw local government contributions of \$7.8 million to cover the 2016 bond obligation. Per the financing agreement, \$3.4 million was refunded back to Liberty Township and Butler County. The South Hamilton Crossing fund saw almost \$9 million spent including the bridge deck put in place over the operating railroad within the project during September 2017.
- Although not reported as a major fund for fiscal year 2017, the District used grant revenue and local funds to construct the new Salzman road for just under \$1.7 million.
- Since inception, the District has spent approximately \$331 million on construction projects in Butler County proving the District is a vital governmental tool to be used by the local governments to help increase the movement of the Butler County residents and open up valuable acreage for development that will keep Butler County as one of the growing communities in Ohio.

USING THIS ANNUAL REPORT

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

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

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

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

THE DISTRICT AS A WHOLE

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

Table 1
Net Position (in millions)

	2016	2017		2016	2017
Current and other assets	\$ 8.9	\$ 11.1	Deferred Inflows	\$ -	\$ -
Noncurrent assets	0.1	0.1			
Capital assets	13.3	24.2	Net position:		
Total Assets	22.3	35.4	Investment in capital assets	13.3	24.2
			Restricted	1.8	3.0
Deferred Outflows	1.5	1.4	Unrestricted	(34.0)	(31.1)
			Total net position	\$ (18.9)	\$ (3.9)
Long-term obligations	(39.6)	(37.5)			
Other liabilities	(3.1)	(3.2)			
Total Liabilities	(42.7)	(40.7)			

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

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

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

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

Other than pensions, net position of the District’s activities increased significantly. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased from 2016 as the District generated additional administrative fees. The District also saw the net investment in capital assets increase \$10.9 million with construction in progress on three projects for the District in 2017.

The District also saw the current assets increase by \$2.2 million as the District had additional restricted cash reserves held for the City of Hamilton’s contribution to the South Hamilton Crossing project or retainage balances.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

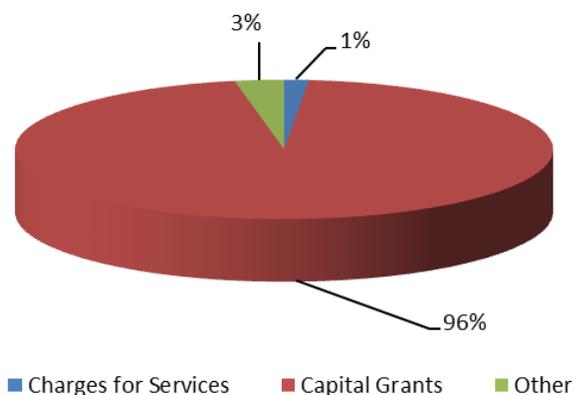
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

Table 2 compares the 2016 change in net position to the 2017 change in net position.

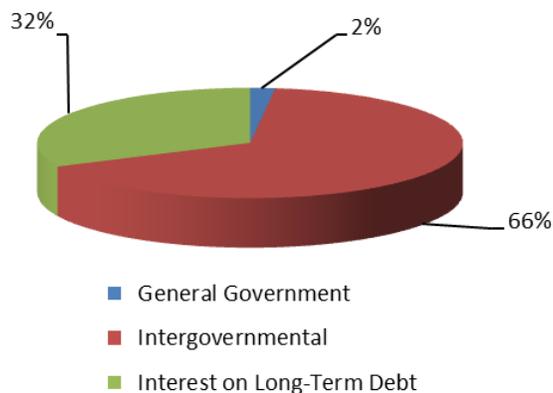
Table 2
Changes in Net Position for 2017
Compared with 2016 activity
(in millions)

	2016	2017	Change
Program Revenues:			
Charges for Services	\$ 0.4	\$ 0.3	\$ (0.1)
Capital Grants	14.9	19.4	4.5
General Revenues:			
Other	0.5	0.6	0.1
Total Revenues	15.8	20.3	4.5
Program Expenses			
General Government	0.3	0.1	(0.2)
Intergovernmental	10.1	3.5	(6.6)
Interest of Long-Term Debt	1.8	1.7	(0.1)
Fiscal Charges	0.7	-	(0.7)
Total Expenses	12.9	5.3	(7.6)
Excess before Special Items	2.9	15.0	12.1
Special Item	2.9	-	(2.9)
Change in Net Position	5.8	15.0	9.2
Beginning Net Position	(24.7)	(18.9)	5.8
Ending Net Position	\$ (18.9)	\$ (3.9)	\$ 15.0

2017 Governmental Activities Revenues



2017 Governmental Activities Expenses



TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

The District saw expenses decrease from 2016 to 2017 mainly from a larger return of excess monies on the Liberty Interchange debt service deposits to Butler County and Liberty Township last year. The increase in revenues is attributed to state, federal and local contributions/reimbursements for the two construction project: South Hamilton Crossing and Salzman Road.

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	
	2016	2017	2016	2017
General Government	\$ 0.3	\$ 0.1	\$ 7.9	\$ 11.4
Intergovernmental	10.0	3.5	(5.5)	(0.1)
Interest on Long-Term Debt	1.8	1.7	0.7	3.1
Fiscal Charges	0.7	-	(0.7)	-
Total Expenses	\$ 12.8	\$ 5.3	\$ 2.4	\$ 14.4

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 which 2015 and 2016 were both paid in 2016. The funds received are accounted for a capital grant against both the interest and intergovernmental expenses. The net cost of services for general government is significantly higher in 2016 and 2017 as the District received revenue for the South Hamilton Crossing and Salzman project expenses that are capitalized onto the statement of net position under construction in progress.

THE DISTRICT'S FUNDS

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

Table 4
Year End Fund Balances in (Millions)

	2016	2017	% Change
General	\$ 7.4	\$ 7.0	-5.4%
Liberty Interchange	(1.4)	0.3	78.6%
State Route 4 Bypass Widening	(0.4)	-	100.0%
South Hamilton Crossing	1.8	2.3	27.8%
Nonmajor Funds	-	0.3	100.0%
Total Governmental Balances	\$ 7.4	\$ 9.9	33.8%

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

The **General Fund** realized a decrease of \$0.50 million as the District closed out several long term project fund deficits that had been outstanding for multiple years with no available remaining funding source. The District received \$250,000 as an administration fee on the South Hamilton Crossing project during 2017.

The increase for the **Liberty Interchange Fund** is attributed to holding the required 2018 debt service payments from the contributions Butler County, Liberty Township and West Chester Township paid during 2017 under funding agreement.

The **State Route Bypass 4 Widening Fund** increased from the prior year as the District eliminated the negative fund balance reported for expenditures in prior years for engineering on the project that does not appear to be constructed under the current improvement plan.

The **South Hamilton Crossing Fund** increased by 28% as the City of Hamilton deposited construction local match contributions during 2017 along with the respective amount each utility owes on the construction draw requests.

The **Other Nonmajor Funds** accounts for the prior project funds the District still maintains that have little to no balance in them. The Salzman Road relocation project was initiated in the fourth quarter of 2014. During fiscal year 2017, the project was constructed and the majority of the grant funding received. This project was open to traffic in the fall of 2017 with final project closeout coming by June 2018.

Table 5 presents a summary of governmental fund revenues for the 2017 fiscal year and the amounts and percentages of increases and decreases in relation to the prior year.

Table 5
Total Governmental Fund Revenues

			Increase (Decrease)	Percent Increase (Decrease)
Revenue Source	2017 Amount	Percent of Total	Over 2016	
Intergovernmental	\$ 19,754,467	96.9%	\$ 5,153,766	35.3%
Charges for Services	312,590	1.5%	(74,728)	-19.3%
Investment Earnings	21,967	0.1%	(55,090)	-71.5%
Other	302,001	1.5%	12,287	4.2%
Total	\$ 20,391,025	100.0%	\$ 5,036,235	32.8%

The 35% increase in **intergovernmental revenues** is related to the state, federal and local contributions for the construction component of the South Hamilton Crossing and Salzman Road projects.

Investments Earnings dropped in 2017 as District invested certain Liberty Interchange Fund restricted balances last year that weren't available in 2017. The District's increase in **other revenues** relates to expense reimbursements on the South Hamilton Crossing Project.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

The District also saw **Charges for Services** decrease significantly as the District reported the CSX contributions to the project in 2016 as charges for services. The District did see governmental administration fees increase with the fees generated on two projects this year.

Table 6 presents the General Fund budget and the difference between the original budget and final budget for fiscal year 2017. Table 7 discusses the variance between the final budget and the actual results for the fiscal year.

Original versus Final Budget

Table 6
Original and Final Budget - General Fund

	Original	Final	Variance
Revenues:			
Charges for Services	\$ 270,000	\$ 313,000	\$ 43,000
Investment Earnings	25,000	20,000	(5,000)
Expenditures:			
Current:			
General Government	288,269	339,850	51,581

The District's charges for services were initially budgeted for the South Hamilton Crossing fund and shared services funds from the Montgomery County TID. The District added the Salzman Road project fees during the year. The investment earnings decreased as the District anticipated closing land sale and having more funds to invest. The budgeted expenditures were increased as District continued to have the assessment costs associated with the 14.8 acre parcel owned around the Liberty Interchange.

Final Budget versus Actual

Table 7
Final Budget versus Actual Results
General Fund

	Final Budget	Actual	Variance
Revenues:			
Charges for Services	\$ 313,000	\$ 312,715	\$ (285)
Investment Earnings	20,000	14,772	(5,228)
Other	-	8,468	8,468
Expenditures:			
Current:			
General Government	339,850	306,618	33,232

As discussed above, the District worked through 2017 with a very lean operating system. The District continues to focus on bringing expenditures in under budget so the additional hours anticipated for staff weren't needed and some project development expenditures were pushed into 2018.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At year-end, the District had \$24.2 million invested in construction in progress assets. This amount represents an increase of \$11 million, or 83%, over the last year. The District spent those funds on the South Hamilton Crossing and Salzman projects for construction, which accounts for the majority of the increase. For more information on capital assets, see Note 6 of the financial statements.

Debt Administration

At year end, the District had \$29.6 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. For more detailed information on this transaction, refer to Note 9 of the basic financial statements.

During 2009, the District saw the City of Hamilton, Butler County and Fairfield Township agree to support a \$7.3 million special obligation bond for the local share on the District's phases of the State Route 4 Bypass widening project. The bonds were issued under the economic recovery zone bond program so the participating governments received a 45% credit on the interest paid. This is critical for helping reduce the overall burden to these governments. The debt was reduced by \$315,000 during the year. For more detailed information on this transaction, refer to Note 9 of the basic financial statements.

ECONOMIC FACTORS

The District has operated in Southeastern Butler County since its 1994 formation. The District is focusing on three projects. First, the South Hamilton Crossing project that will open up significant developable acreage within the City of Hamilton. The District was successful in obtaining \$10 million for construction funding through TRAC that also required significant local contributions from the City. The District recently completed the Salzman Road project which should help the economic development in the Cities of Monroe and Middletown. The District was successful in securing over \$2.1 million in grant funding for the project. Lastly, the District is involved with the interchange modification study of the Interstate 75, State Route 129, and Liberty Way interchange. At this point the extent of the District's involvement beyond the initial engineering work is unknown. The District is exploring projects with the City of Fairfield and Hamilton to help with various economic initiatives those entities are working towards. The District has also been engaged by Fairfield Township during 2017 to evaluate two different projects for infrastructure and economic development.

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

The District sold approximately fifteen acres of developable land in the Liberty Interchange area along the northeast corner of the Cox Road/Liberty Way intersection during March 2018 for \$4.4 million. The District is looking at the revenue from this property to fund the administrative function and possibly initiate future project development as determined by our Director and Board of Trustees.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

REQUEST FOR INFORMATION

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

Sean Fraunfelter, CPA
Finance and Administration

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**STATEMENT OF NET POSITION
DECEMBER 31, 2017**

Assets:	
Cash and Cash Equivalents	\$ 870,264
Cash in Segregated Accounts	719,333
Restricted Cash with Fiscal Agent	2,072,879
Restricted Cash and Cash Equivalents	2,246,113
Accounts Receivable	2,625
Interest Receivable	3,555
Intergovernmental Receivables	809,909
Land held for Resale	4,420,000
<i>Total Current Assets</i>	<u>11,144,678</u>
Noncurrent Assets:	
Prepaid Insurance	95,625
Nondepreciable Capital Assets	24,237,484
Total Assets	<u>35,477,787</u>
 Deferred Outflows of Resources:	
Deferred Charge on Bond Refunding	1,320,828
Pensions	61,683
Deferred Outflows of Resources:	<u>1,382,511</u>
 Liabilities:	
Current Liabilities:	
Accounts Payable	13,837
Contracts Payable	436,330
Retainage Payable	790,987
Accrued Wages and Benefits	4,851
Intergovernmental Payable	53,219
Accrued Interest Payable	125,387
Special Obligation Bonds Payable - Current	1,810,000
<i>Total Current Liabilities</i>	<u>3,234,611</u>
Noncurrent Liabilities:	
Net Pension Liability	145,787
Special Obligation Bonds Payable	37,394,598
<i>Total Noncurrent Liabilities</i>	<u>37,540,385</u>
Total Liabilities	<u>40,774,996</u>
 Deferred Inflows of Resources:	
Pensions	869
 Net Position:	
Net investment in capital assets	24,237,484
Restricted for:	
Capital Improvements	2,546,371
Debt Service	369,414
Unrestricted	(31,068,836)
Total Net Position	<u>\$ (3,915,567)</u>

See accompanying notes to the financial statements

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net Revenue (Expense) and Change in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 191,835	\$ 312,590	\$ 11,266,802	\$ 11,387,557
Intergovernmental	3,527,798	-	3,441,524	(86,274)
Interest on Long-Term Debt	1,650,698	-	4,719,942	3,069,244
Total Primary Government	<u>\$ 5,370,331</u>	<u>\$ 312,590</u>	<u>\$ 19,428,268</u>	<u>14,370,527</u>
General Revenues:				
Unrestricted Investment Earnings				21,967
Miscellaneous				553,777
Total General Revenues and Special Item				<u>575,744</u>
Change in Net Position				14,946,271
Net Position - Beginning (Deficit)				(18,861,838)
Net Position - Ending (Deficit)				<u>\$ (3,915,567)</u>

See accompanying notes to the financial statements

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**BALANCE SHEET -
GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	<u>General</u>	<u>Liberty Interchange</u>	<u>State Route 4 Bypass Widening</u>	<u>South Hamilton Crossing</u>
Assets:				
Cash and Cash Equivalents	\$ 866,440	\$ -	\$ -	\$ -
Cash in Segregated Accounts	-	-	-	719,333
Receivables:				
Accounts, net	2,625	-	-	-
Intergovernmental	-	-	-	737,620
Interest	3,555	-	-	-
Interfund Loan	1,705,691	-	-	-
Land held for Resale	4,420,000	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	2,332	-	1,951,041
Cash with Fiscal Agent	-	2,072,773	106	-
Total Assets	\$ 6,998,311	\$ 2,075,105	\$ 106	\$ 3,407,994
Liabilities and Fund Balance				
Liabilities:				
Payable:				
Accounts	\$ 10,678	\$ -	\$ -	\$ 3,159
Contracts	-	-	-	362,542
Accrued Wages and Benefits	4,851	-	-	-
Intergovernmental	53,219	-	-	-
Retainage Payable	-	-	-	718,296
Interfund Loan	-	1,705,691	-	-
Total Liabilities	68,748	1,705,691	-	1,083,997
Fund Balances:				
Nonspendable - Land held for Resale	4,420,000	-	-	-
Restricted:				
Debt Service	-	369,414	106	-
Capital Improvements	-	-	-	2,323,997
Unassigned:				
General	2,509,563	-	-	-
Total Fund Balances	<u>6,929,563</u>	<u>369,414</u>	<u>106</u>	<u>2,323,997</u>
Total Liabilities and Fund Balances	\$ 6,998,311	\$ 2,075,105	\$ 106	\$ 3,407,994

See accompanying notes to the financial statements

**Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2017**

Other Governmental Funds	Total Governmental Funds		
		Total Governmental Fund Balances	\$ 9,845,454
		Amounts reported in governmental activities in	
		the statement of Net Position are different because:	
\$ 3,824	\$ 870,264	Capital assets used in the governmental activities are	
-	719,333	not financial resources and therefore are not reported	
-	2,625	in the funds.	24,237,484
72,289	809,909	Prepaid insurance premiums reported as an expenditures	
-	3,555	period expenditures and therefore are deferred	
-	1,705,691	in governmental funds are allocated as an expense	95,625
-	4,420,000		
292,740	2,246,113	Long-term liabilities are not due and payable	
-	2,072,879	in the current period and therefore are not	
		reported in the funds.	(38,009,157)
<u>\$ 368,853</u>	<u>\$ 12,850,369</u>	The net pension liability is not due and payable in the	
		current period; therefore, the liability and related deferred	
		inflows/outflows are not reported in the governmental funds:	
		Deferred Outflows - Pensions	61,683
\$ -	\$ 13,837	Deferred Inflows - Pensions	(869)
73,788	436,330	Net Pension Liability	<u>(145,787)</u>
-	4,851		
-	53,219	Net Position of Governmental Activities	<u>\$ (3,915,567)</u>
72,691	790,987		
-	1,705,691		
<u>146,479</u>	<u>3,004,915</u>		
-	4,420,000		
-	369,520		
222,374	2,546,371		
-	2,509,563		
<u>222,374</u>	<u>9,845,454</u>		
<u>\$ 368,853</u>	<u>\$ 12,850,369</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, 2017**

	<u>General</u>	<u>Liberty Interchange</u>	<u>State Route 4 Bypass Widening</u>	<u>South Hamilton Crossing</u>
Revenues:				
Intergovernmental	\$ -	\$ 7,826,019	\$ 661,646	\$ 9,262,153
Charges for Services	312,590	-	-	-
Investment Earnings	7,607	9,803	173	4,384
All Other	8,468	7,740	145,571	137,644
Total Revenues	328,665	7,843,562	807,390	9,404,181
Expenditures:				
Current:				
General Government	361,058	5,407	4,663	650
Intergovernmental	-	3,382,148	145,571	-
Capital Outlay	-	66,167	-	8,901,884
Debt Service:				
Principal Retirement	-	1,440,000	315,000	-
Interest and Fiscal Charges	-	1,218,900	349,931	-
Total Expenditures	361,058	6,112,622	815,165	8,902,534
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,393)	1,730,940	(7,775)	501,647
Other Financing Sources (Uses):				
Transfers In	-	-	407,302	-
Transfers Out	(445,069)	-	-	-
Total Other Financing Sources (Uses)	(445,069)	-	407,302	-
Net Change in Fund Balances	(477,462)	1,730,940	399,527	501,647
Fund Balances (Deficit) - beginning	7,407,025	(1,361,526)	(399,421)	1,822,350
Fund Balances - ending	<u>\$ 6,929,563</u>	<u>\$ 369,414</u>	<u>\$ 106</u>	<u>\$ 2,323,997</u>

See accompanying notes to the financial statements

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended December 31, 2017**

Other Governmental Funds	Total Governmental Funds		
		Net Change in Governmental Fund Balances	\$ 2,397,631
\$ 2,004,649	\$ 19,754,467	Amounts reported for the governmental activities in the statement of activities are different because:	
-	312,590		
-	21,967		
2,578	302,001		
2,007,227	20,391,025	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.	10,975,500
		Governmental funds report premiums as other financing sources, whereas these amounts are deferred and amortized on the statement of activities.	251,776
404	372,182		
-	3,527,719		
1,801,611	10,769,662	Revenues in the statement of activities that do not provide current financial resources are not reported as such in the funds.	(326,199)
-	1,755,000		
-	1,568,831	In the statement of activities, interest and charges are accrued on outstanding bonds, whereas, in governmental funds, they are reported when due.	4,847
1,802,015	17,993,394		
		Bonds payable are due and payable in the current period and therefore are not reported in the statement of activities	
205,212	2,397,631	Bond Payments	1,755,000
		The issuance of long term debt provides current financial resources to governmental funds, then the repayment reduces long-term liabilities in the statement of Net Position. In the current year, this amount relates to the following:	
37,767	445,069	Amortization of Deferred Charge	(80,050)
-	(445,069)	Net Premium issued/amortized	(6,664)
37,767	-		
242,979	2,397,631	Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.	(10,245)
(20,605)	7,447,823		
\$ 222,374	\$ 9,845,454	Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities	(15,325)
		Change in Net Position of Governmental Activities	\$ 14,946,271

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 whom 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 (OKI) 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, 2017

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, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

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

Governmental Funds

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

The District reports the following major governmental funds:

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

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

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

South Hamilton Crossing Fund – This project accounts for the study, engineering, right of way acquisition and construction of a railroad overpass along Grand Avenue in the southern portion of the City of Hamilton. The TID has entered into as agreements with the City for overseeing the engineering and environmental process and right-of-way acquisition. The District was successful in receiving a \$10 million allocation through the Ohio Department of Transportation’s TRAC project and \$2.75 million OKI STP grant to fund a large portion of the construction cost.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues - Exchange and Non-Exchange Transactions

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position represents a composition of net position that applies to future periods and so will not be recognized as an outflow of resources until then. The District reports deferred outflows of resources on the government-wide statement of net position for pension items and deferred charge on 2016 refunding bond issue. The deferred outflows of resources related to pension are explained in Note 7.

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

Expenses/Expenditures

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Cash Equivalents

Cash received by the District is pooled for investment purposes. Equity interest in the pool is presented as “Cash and Cash Equivalents” on the statement of net position and governmental fund balance sheet by activity or fund. The District utilizes a financial institution for the management of two trust accounts for the Liberty Interchange project and State Route 4 Bypass widening project. The balances in these accounts are presented on the financial statements as “Restricted Cash with Fiscal Agent.” The District maintains “Cash in Segregated Accounts” for the retainage balance that John R. Jurgensen has earned but not received in respect to the South Hamilton Crossing project. The District reports “Restricted Cash and Cash Equivalents” for City of Hamilton deposits held for the construction of the South Hamilton Crossing project and balances held for the local share and retainage payment on the Salzman Road Relocation project.

During fiscal year 2017, investments were limited to money market mutual funds.

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 have a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

Following Ohio statutes, the Board of Trustees has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2017 amounts to \$7,607, 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 \$9,803 and \$173 respectively. The District maintains the South Hamilton Crossing fund monies from the City of Hamilton in a separate bank deposit account that generated \$4,384 for the fiscal year.

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

E. Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements. Restricted cash with fiscal agent represent amounts required by debt covenant to be segregated for construction expenses and future debt service on the outstanding bonds. Restricted cash and cash equivalents are related to City of Hamilton deposits on the South Hamilton Crossing as local match requirements for construction and retainage payable and local share amounts on the Salzman Road Relocation project.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Land held for Resale

The District is holding 14.8 acres at the northeast corner of Liberty Way and Cox Road purchased with operating reserves in fiscal year 2005. A purchase option is currently in place to sale the property to a developer in August 2016 that was extended under terms of the agreement. The funds will be used for operating purposes when sold. Per GASB 72, “Fair Value Measurement and Application”, the value reported is \$4,420,000 as outlined in the purchase agreement. The transaction closed in the first quarter of fiscal year 2018.

H. Capital Assets

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

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

I. Prepaid Insurance

The District issued the 2016 Refunding Special Obligation Bonds in relation to the 2017 Liberty Interchange project with bond insurance to produce a lower effective interest rate on the bonds. The District also issued the 2009 Bypass 4 Recovery Zone Bonds with bond insurance. Under GASB 65, that initial payment is amortized over the remaining life of the bonds.

J. Compensated Absences

The District does not accrue compensatory time on exempt employees. Sick leave is allowed to be carried over to the next fiscal year but cannot be paid out in any case. Vacation time is earned by the District’s administrative assistant and can be carried over into the next year with permission of the Director. The accrued balance of \$3,334 is accounted for in accrued wages and benefits.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Intergovernmental Revenues

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

L. Pensions

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

M. Fund Balance

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

- Nonspendable fund balance relates to land held for resale of the 14.8 acres.
- Restricted fund balances related to bond proceeds maintained in segregated accounts for construction projects. \$2,323,997 restricted for capital improvements relates to the remaining City of Hamilton allocation for funds for local match on construction grants and \$281,404 restricted for capital improvements related to local funds on the Salzman Road relocation project.
- 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, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Net Position

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

O. Estimates

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

P. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$38,009,157) difference are as follows:

Special Obligation Bonds Payable	(\$35,075,000)
Special Obligation Bonds – Premium	(4,129,598)
Accrued Interest Payable	(125,387)
Deferred Charge on Refunding Bonds Payable	1,320,828
Net Adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	(\$38,009,157)

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 2 – ACCOUNTABILITY

Compliance

The Liberty Interchange fund had appropriations in excess of available resources by \$1,722,207 as the District accounts for the costs to acquire the land held for resale in this fund on a budgetary basis. The initial purchase was done as part of the project and accounted for on a cash basis in this fund. The State Route 4 Bypass widening fund had expenditure in excess of appropriations of \$3,230 as the trustee fee wasn't factored into the appropriations. The South Hamilton Crossing fund had expenditures in excess of appropriations of \$213,008 as the final construction payment was 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, 2017

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 \$3,826,014 and the bank balance was \$3,980,790. \$953,727 of bank balances was covered by federal depository insurance coverage with \$3,020,274 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, 2017

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

During 2017, the District limited investments to money market mutual funds. Below are the credit ratings of the District's investments outstanding at year end:

Security	Rating Agency		Fair Value Measurement
	Moody's	Standard & Poor's	
Dreyfus Government Prime Cash Management Fund	Aaa-mf	AAAm	Level 1
First American Treasury Obligations	Aaa-mf	AAAm	Level 1
Fidelity Government Fund	Aaa-mf	AAAm	Level 1

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

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, 2017 are summarized below:

Investment	Average Maturity	Amount	Concentration Risk
Dreyfus Government Prime Cash Management Fund	<60 days	\$2,072,773	99.67%
First American Treasury Obligations	<60 days	6,789	0.33%
Fidelity Government Fund	<60 days	106	0.01%
Total		\$2,079,668	

NOTE 4 – INTERFUND BALANCES AND TRANSFERS

Interfund balances at December 31, 2017, consist of the following individual receivables and payables in the governmental fund balance sheet (such amounts are removed in the statement of net position). The District also transferred monies between funds during fiscal year 2017:

Fund	Interfund Loan Receivable	Interfund Loan Payable	Transfers In	Transfers Out
General Fund	\$1,705,691	\$0	\$0	\$445,069
Capital Projects Funds:				
Liberty Interchange	0	1,705,691	0	0
State Route 4 Bypass Widening	0	0	407,302	0
Non-Major Funds	0	0	37,767	0

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 – INTERFUND BALANCES (Continued)

The interfund payable in the Liberty Interchange fund relates to the District’s purchase of 14.8 acres of land on the eastside of the Liberty interchange. The General Fund will be repaid within one year after the land sale is completed. The District had two funds with an interfund payable in prior years for expenditures incurred but not reimbursement. The projects associated with those amounts are completed so the General fund transferred monies to eliminate the interfund payable and close the projects out during fiscal year 2017.

NOTE 5 – INTERGOVERNMENTAL REVENUES AND CHARGES FOR SERVICES

The following entities, which are a part of the District, have contributed the following funds during 2017:

Member Name	Contribution
Ohio Department of Transportation	\$7,008,177
Butler County	5,319,484
City of Hamilton	4,441,392
Liberty Township	2,532,764
Fairfield Township	253,784
City of Monroe	213,213
West Chester Township	160,935
City of Middletown	119,717
Totals	\$20,049,467

Charges for services recorded in the General Fund, represents the District’s contract with the Montgomery County TID for providing monthly financial services and part of the project administration fee on the South Hamilton Crossing and Salzman Road projects.

NOTE 6 – CAPITAL ASSETS

Summary by category of changes in capital assets:

Category	December 31, 2016	Additions	Deletions	December 31, 2017
Construction in Progress	\$13,261,984	\$10,975,500	\$0	\$24,237,484

For 2017, the construction on the South Hamilton Crossing project contributed to the increase in capital assets. The District also capitalized construction in progress expenses for the State Route 129/Liberty Way/Interchange 75 modification study and work on the Salzman Road extension project.

The District transferred several projects to other local governments including the related Liberty Way Interchange projects in 2012 although the District still has the special obligation bonds recorded the Statement of Position which results in the unrestricted net position being reported as large deficit.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 7 – PENSION PLANS

A. Net Pension Liability

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

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

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

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

The proportionate share of the plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on the accrual basis of accounting.

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 7 – PENSION PLANS (Continued)

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

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

	Group A Eligible to retire on or before January 7, 2013*	Group B Eligible to retire on or before January 7, 2013	Group C Eligible to retire after January 7, 2013
Full Benefits	Any age with 30 years or service credit; or Age 65 with 5 years of service credit	Any age with 32 years or service credit; or Age 60 with 5 years of service credit; or Age 52 with 31 years of service credit.	Age 55 with 32 years or service credit; or Age 67 with 5 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 5 years of service credit; or Age 57 with 25 years of service credit

* Members with 25 years of service credit as of January 2013 will be included in this plan.

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

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

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 7 – PENSION PLANS (Continued)

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

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0
Total Employer	14.0 %
Employee	10.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$10,245 for the year ending December 31, 2017. Of this amount, \$233 is reported as a liability within the general fund.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 7 – PENSION PLANS (Continued)

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

The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportion of the Net Pension Liability - prior measurement date	0.000621%
Proportion of the Net Pension Liability - current measurement date	0.000642%
Change in proportionate share	0.000021%
Proportionate Share of the Net Pension Liability	\$145,787
Net Pension Expense	\$ 25,569

At December 31, 2017 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following source:

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$21,711
Changes in proportion and differences Difference between School District contributions and proportionate share of contributions	198
Changes in proportionate share	6,407
Changes in assumptions	23,122
District contributions subsequent to the measurement date	10,245
Total Deferred Outflows of Resources	\$61,683
Deferred Inflows of Resources	
Differences between expected and actual experience	\$869

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 7 – PENSION PLANS (Continued)

\$10,245 reported as deferred outflows of resources related to pension resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>OPERS</u>
2018	\$23,136
2019	20,292
2020	7,780
2021	<u>(639)</u>
Total	<u><u>\$50,569</u></u>

Actuarial Methods and Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board’s actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0% down to 7.5%, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 7 – PENSION PLANS (Continued)

Wage Inflation	3.25 percent
Projected Salary Increases	3.25 percent to 10.75 percent (Includes wage inflation %)
COLA or Ad Hoc COLA	Pre 1/7/2013 Retirees: 3 percent Simple Post 1/7/13 Retirees: 3% simple through 2018, then 2.15% simple
Investment Rate of Return	7.50 percent
Actuarial Cost Method	Individual Entry Age

The most recent experience study was completed for the five-year period ended December 31, 2015.

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 7 – PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

Asset Class	Target		Weighted Average	
	Allocation		Long-Term Expected Real Rate of Return	
Fixed Income	23.00	%	2.75	%
Domestic Equities	20.70		6.34	
Real Estate	10.00		4.75	
Private Equity	10.00		8.97	
International Equities	18.30		7.95	
Other Investments	18.00		4.92	
Total	100.00	%	5.66%	

Discount Rate

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the District’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 7 – PENSION PLANS (Continued)

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$222,723	\$145,787	\$81,675

NOTE 8 – POSTEMPLOYMENT BENEFITS PLANS

A. Plan Description

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients 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. Please see the Plan Statement in the OPERS 2016 CAFR for details.

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377

B. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 8 – POSTEMPLOYMENT BENEFITS PLANS (Continued)

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, State and Local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0% for both plans. The OPERS Board 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 employer contribution as a percentage of covered payroll deposited for Member-Directed Plan participants for 2017 was 4.0%.

The District’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017, 2016 and 2015 were \$788, \$1,656, and \$1,493 respectively; 100 percent has been contributed for fiscal year 2017, 2016 and 2015.

NOTE 9 – LONG-TERM OBLIGATIONS

	Balance December 31, 2016	Issued	Retired	Balance December 31, 2017	Due Within One Year
Governmental Activities:					
Special Obligation Bonds					
1.875%-6.50% 2009	\$5,765,000	\$0	\$315,000	\$5,450,000	\$325,000
Premium	71,366	0	5,490	65,876	0
Refunding Bonds					
2%-4% 2016	31,065,000	0	1,440,000	29,625,000	1,485,000
Premium	4,310,008	0	246,286	4,063,722	0
Deferred Charge	(1,400,878)	0	(80,050)	(1,320,828)	
Net Pension Liability					
OPERS	107,565	38,222	0	145,787	0
Governmental Activity					
Long-Term Liabilities	\$39,918,061	\$38,222	\$1,926,726	\$38,029,557	\$1,810,000

Refunding Bonds: On August 17, 2016 the District advance refunded the 2007 Special Obligation Bonds with the issuance of \$32,365,000 bonds. The District had enough cash reserves along with the bond proceeds and premium to deposit \$42,799,784 in an irremovable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds when called on December 1, 2017. The reacquisition price exceeded the net carrying amount of the old debt by \$1,440,903. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 9 – LONG-TERM OBLIGATIONS (Continued)

The District has pledged all future revenues from the intergovernmental agreements to repay the \$32,365,000 in refunded 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 \$42,500,800 payable through December 2034. For the current year, principal of \$1,440,000 and interest of \$1,215,900 was while total tax increment financing revenue was \$7,826,019.

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.

The principal and interest requirements for outstanding bonds as of December 31, 2017 are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total	Rate
2018	\$1,810,000	\$1,504,644	\$3,314,644	4.00-5.00%
2019	1,890,000	1,428,994	3,318,994	4.00-5.125%
2020	1,965,000	1,349,513	3,314,513	4.00-5.875%
2021	2,055,000	1,264,163	3,319,163	4.00-5.875%
2022	2,140,000	1,174,744	3,314,744	4.00-5.875%
2023-2027	12,210,000	4,379,513	16,589,513	4.00-6.50%
2028-2032	11,335,000	1,501,525	12,836,525	4.00-6.50%
2033-2034	1,670,000	88,200	1,758,200	3.50-6.50%
Totals	<u>\$35,075,000</u>	<u>\$12,691,294</u>	<u>\$47,766,294</u>	

NOTE 10 – CONSTRUCTION COMMITMENTS

The District has several major outstanding contracts for services. The following amounts remain on these contracts as of December 31, 2017.

Project and Contractor	Outstanding Balance
South Hamilton Crossing – John R. Jurgensen	\$6,100,647
South Hamilton Crossing – Omnipro Services	586,420
Salzman Road Relocation - Kelchner	240,591

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees and natural disaster. During 2017, 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 is 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

The District has had no significant reduction in insurance coverage from prior years. The District has had no settlements exceed insurance coverage for the past three years. Workers' compensation coverage is maintained by paying premiums to the State Bureau of Workers' Compensation. The premium is calculated based upon accident history and administrative costs.

NOTE 12 – CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2017, the District implemented the following Governmental Accounting Standards Board (GASB) Statements that no impact on the beginning net position:

GASB Statement No. 81 "Irrevocable Split-Interest Agreements". The Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the District.

GASB Statement No. 82 "Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73". The statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the District.

NOTE 13 – SUBSEQUENT EVENTS

On March 6, 2018, the District executed the purchase and sale agreement on the property held along Liberty Way and Cox Road. The District received the \$4,420,000 purchase price at closing.

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, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 270,000	\$ 313,000	\$ 312,715	\$ (285)
Investment Earnings	25,000	20,000	14,772	(5,228)
All Other	-	-	8,468	8,468
Total Revenues	<u>295,000</u>	<u>333,000</u>	<u>335,955</u>	<u>2,955</u>
Expenditures:				
Current:				
General Government				
Personal Services	92,469	104,450	90,326	14,124
Contractual Services	127,600	141,700	133,729	7,971
Materials and Supplies	12,000	10,500	16,630	(6,130)
Capital Outlay	2,000	8,500	8,387	113
Other	54,200	74,700	57,546	17,154
Total General Government	<u>288,269</u>	<u>339,850</u>	<u>306,618</u>	<u>33,232</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	6,731	(6,850)	29,337	36,187
Other Financing Sources (Uses):				
Advances In	-	-	55,000	55,000
Transfers Out	-	(445,069)	(445,069)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(445,069)</u>	<u>(390,069)</u>	<u>55,000</u>
Net Change in Fund Balance	6,731	(451,919)	(360,732)	91,187
Fund Balance Beginning of Year	<u>3,193,075</u>	<u>3,193,075</u>	<u>3,193,075</u>	-
Fund Balance End of Year	<u>\$ 3,199,806</u>	<u>\$ 2,741,156</u>	<u>\$ 2,832,343</u>	<u>\$ 91,187</u>
		Budget Basis	\$ (360,732)	
		Revenue Accruals	(7,290)	
		Expenditure Accruals	(54,440)	
		Advances	(55,000)	
		GAAP Basis	<u>\$ (477,462)</u>	

See accompanying notes to the required supplementary information

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgetary Process

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

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

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

1. **Estimated Resources**

As part of the District's budgetary process, the Board approves the budgetary document. The budgetary document states the projected revenue of each fund. Prior to December 31, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the budgetary document. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the budgetary document is amended to include any unencumbered balances from the preceding year. The budgetary document may be further amended during the year if the Board determines that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the first and final budgetary document issued during 2017.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Appropriations

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

3. Lapsing of Appropriations

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

4. Budgetary Basis of Accounting

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



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

	2016	2015	2014	2013
The District's Proportion of the Net Pension Liability	0.000642%	0.000621%	0.000511%	0.000511%
The District's Proportion Share of the Net Pension Liability	\$ 145,787	\$ 107,565	\$ 60,221	\$ 61,613
The District's Covered-Employee Payroll	82,817	74,669	69,015	67,969
The District's Proportion Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	176.04%	144.06%	87.26%	90.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

(1) Information prior to 2013 is not available

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

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

	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contributions	\$ 10,245	\$ 9,938	\$ 8,960	\$ 8,972
Contributions in Relation to the Contractually Required Contribution	<u>(10,245)</u>	<u>(9,938)</u>	<u>(8,960)</u>	<u>(8,972)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The District Covered-Employee Payroll	\$ 78,808	\$ 82,817	\$ 74,669	\$ 69,015
Contributions as a Percentage of Covered- Employee Payroll	13.00%	12.00%	12.00%	13.00%

2013	2012	2011	2010	2009	2008
\$ 8,836	\$ 6,575	\$ 6,589	\$ 5,357	\$ 12,105	\$ 9,033
<u>(8,836)</u>	<u>(6,575)</u>	<u>(6,589)</u>	<u>(5,357)</u>	<u>(12,105)</u>	<u>(9,033)</u>
<u>\$ -</u>	<u>\$ -</u>				
\$ 67,969	\$ 65,750	\$ 73,211	\$ 63,024	\$ 172,929	\$ 129,043
13.00%	10.00%	9.00%	8.50%	7.00%	7.00%

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUND

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

Union Centre Extension Fund

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

State Route 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.

UST Response Fund – The fund accounts for the insurance deductible on the storage tanks in respect to the South Hamilton Crossing project. The District acquired a gas station and under the terms of the State of Ohio is required to hold certain funds in a separate account until the tanks are removed.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	CAPITAL PROJECTS		Total Nonmajor Governmental Funds
	Muhlhauser Road	Salzman Road Relocation	
Assets:			
Assets:			
Cash and Cash Equivalents	\$ 3,824	\$ -	\$ 3,824
Receivables:			
Intergovernmental	-	72,289	72,289
Restricted Assets:			
Cash and Cash Equivalents	-	292,740	292,740
Total Assets	<u>3,824</u>	<u>365,029</u>	<u>368,853</u>
Liabilities and Fund Balance			
Liabilities:			
Contracts Payable	-	73,788	73,788
Retainage Payable	-	72,691	72,691
Total Liabilities	<u>-</u>	<u>146,479</u>	<u>146,479</u>
Fund Balances:			
Restricted for Capital Purposes	<u>3,824</u>	<u>218,550</u>	<u>222,374</u>
Total Fund Balances	<u>3,824</u>	<u>218,550</u>	<u>222,374</u>
Total Liabilities and Fund Balances	<u>\$ 3,824</u>	<u>\$ 365,029</u>	<u>\$ 368,853</u>

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, 2017**

	CAPITAL PROJECTS				Total Nonmajor Governmental Funds
	Union Centre Extension	State Route 129 Extension	Muhlhauser Road	Salzman Road Relocation	
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ 2,004,649	\$ 2,004,649
All Other	-	1,878	-	700	2,578
Total Revenues	-	1,878	-	2,005,349	2,007,227
Expenditures:					
Current:					
General Government	325	-	-	79	404
Capital Outlay	-	-	-	1,801,611	1,801,611
Total Expenditures	325	-	-	1,801,690	1,802,015
Excess of Revenues Over Expenditures	(325)	1,878	-	203,659	205,212
Other Financing Sources					
Transfers In	-	37,767	-	-	37,767
Deficiency of Revenues and Other					
Change in Fund Balance	(325)	39,645	-	203,659	242,979
Fund Balance (Deficit) - Beginning of Year	325	(39,645)	3,824	14,891	(20,605)
Fund Balance - End of Year	\$ -	\$ -	\$ 3,824	\$ 218,550	\$ 222,374

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, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 6,300,000	\$ 6,300,000	\$ 7,826,019	\$ 1,526,019
Investment Earnings	100	6,000	9,803	3,803
All Other Revenue	-	7,740	7,740	-
Total Revenues	<u>6,300,100</u>	<u>6,313,740</u>	<u>7,843,562</u>	<u>1,529,822</u>
Expenditures:				
Current:				
General Government	-	5,500	5,486	14
Capital Outlay	72,678	72,678	66,167	6,511
Intergovernmental	3,910,122	3,919,036	3,382,148	536,888
Debt Service:				
Principal	1,440,000	1,440,000	1,440,000	-
Interest and Fiscal Charges	1,222,200	1,218,900	1,218,900	-
Total Expenditures	<u>6,645,000</u>	<u>6,656,114</u>	<u>6,112,701</u>	<u>543,413</u>
Net Change in Fund Balance	(344,900)	(342,374)	1,730,861	2,073,235
Fund Balance (Deficit) Beginning of Year	<u>(1,379,833)</u>	<u>(1,379,833)</u>	<u>(1,379,833)</u>	-
Fund Balance (Deficit) End of Year	<u>\$ (1,724,733)</u>	<u>\$ (1,722,207)</u>	<u>\$ 351,028</u>	<u>\$ 2,073,235</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, 2017**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental Revenue	\$ 661,906	\$ 661,906	\$ 661,646	\$ (260)
Investment Earnings	100	100	173	73
All Other Revenue	177,440	145,336	145,571	235
Total Revenues	<u>839,446</u>	<u>807,342</u>	<u>807,390</u>	<u>48</u>
Expenditures:				
Intergovernmental	177,440	145,366	145,571	(205)
Debt Service:				
Principal Retirement	315,000	315,000	315,000	-
Interest and Fiscal Charges	346,906	346,906	349,931	(3,025)
Total Expenditures	<u>839,346</u>	<u>807,272</u>	<u>810,502</u>	<u>(3,230)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	100	70	(3,112)	(3,182)
Other Financing Sources:				
Transfers In	-	407,302	407,302	-
Total Other Financing Sources	<u>-</u>	<u>407,302</u>	<u>407,302</u>	<u>-</u>
Excess of Revenues and Other Net Change in Fund Balance	100	407,372	404,190	(3,182)
Fund Balance (Deficit) Beginning of Year	(399,421)	(399,421)	(399,421)	-
Fund Balance (Deficit) End of Year	<u>\$ (399,321)</u>	<u>\$ 7,951</u>	<u>\$ 4,769</u>	<u>\$ (3,182)</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SOUTH HAMILTON CROSSING
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 17,967,087	\$ 13,252,589	\$ 9,175,187	\$ (4,077,402)
Investment Earnings	200	2,000	4,384	2,384
All Other Revenue	725	725	137,644	136,919
Total Revenues	<u>17,968,012</u>	<u>13,255,314</u>	<u>9,317,215</u>	<u>(3,938,099)</u>
Expenditures:				
Current:				
General Government	15,000	5,000	650	4,350
Capital Outlay	17,027,678	9,087,720	9,305,078	(217,358)
Total Expenditures	<u>17,042,678</u>	<u>9,092,720</u>	<u>9,305,728</u>	<u>(213,008)</u>
Excess of Revenues Over Expenditures	925,334	4,162,594	11,487	(4,151,107)
Other Financing Sources:				
Advances In	-	55,000	-	(55,000)
Total Other Financing Sources	<u>-</u>	<u>55,000</u>	<u>-</u>	<u>(55,000)</u>
Net Change in Fund Balance	925,334	4,217,594	11,487	(4,206,107)
Fund Balance Beginning of Year	2,100,631	2,100,631	2,100,631	-
Fund Balance End of Year	<u>\$ 3,025,965</u>	<u>\$ 6,318,225</u>	<u>\$ 2,112,118</u>	<u>\$ (4,206,107)</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, 2017**

	UNION CENTRE EXTENSION FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay	-	325	325	-
Total Expenditures	-	325	325	-
Change in Fund Balance	-	(325)	(325)	-
Fund Balance Beginning of Year	325	325	325	-
Fund Balance End of Year	\$ 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, 2017**

STATE ROUTE 129 EXTENSION FUND

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
All Other	\$ -	\$ -	\$ 1,878	\$ 1,878
Total Revenues	-	-	1,878	1,878
Expenditures:				
Total Expenditures	-	-	-	-
Change in Fund Balance	-	-	1,878	1,878
Other Financing Sources:				
Transfers In	-	37,767	37,767	-
Total Other Financing Sources	-	37,767	37,767	-
Deficiency of Revenues Under Expenditures and Other Financing Uses	-	37,767	39,645	1,878
Fund Balance (Deficit) Beginning of Year	(39,645)	(39,645)	(39,645)	-
Fund Balance (Deficit) End of Year	\$ (39,645)	\$ (1,878)	\$ -	\$ 1,878

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, 2017**

	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, 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, 2017**

SALZMAN ROAD EXTENSION

	Budgeted Amounts		Actual	Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 3,139,600	\$ 1,945,002	\$ 1,932,360	\$ (12,642)
All Other Revenue	-	-	700	700
Total Revenues	<u>3,139,600</u>	<u>1,945,002</u>	<u>1,933,060</u>	<u>(11,942)</u>
Expenditures:				
Current:				
General Government	5,000	4,500	79	4,421
Capital Outlay	<u>2,785,360</u>	<u>1,902,960</u>	<u>1,655,897</u>	<u>247,063</u>
Total Expenditures	<u>2,790,360</u>	<u>1,907,460</u>	<u>1,655,976</u>	<u>251,484</u>
Net Change in Fund Balance	349,240	37,542	277,084	239,542
Fund Balance Beginning of Year	15,656	15,656	15,656	-
Fund Balance End of Year	<u>\$ 364,896</u>	<u>\$ 53,198</u>	<u>\$ 292,740</u>	<u>\$ 239,542</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, 2017**

	UST RESPONSE			Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Total Revenues	-	-	-	-
Expenditures:				
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	-	-
Other Financing Uses:				
Advances Out	(55,000)	(55,000)	(55,000)	-
Total Other Financing Uses	(55,000)	(55,000)	(55,000)	-
Net Change in Fund Balance	(55,000)	(55,000)	(55,000)	-
Fund Balance Beginning of Year	55,000	55,000	55,000	-
Fund Balance End of Year	\$ -	\$ -	\$ -	\$ -

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STATISTICAL SECTION

Salzman Road Extension (two years later)



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**Transportation Improvement District of
Butler County, Ohio
Statistical Section Descriptions
December 31, 2017**

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.

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and situation have changed over time.	63-69
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.	70-72
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.	73
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.	74-77



TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

NET POSITION BY COMPONENT

LAST TEN YEARS (accrual basis of accounting)

	2017	2016	2015	Restated 2014	2013
Governmental Activities:					
Net investment in capital assets	\$ 24,237,484	\$ 13,261,984	\$ 6,220,785	\$ 3,303,882	\$ 2,685,889
Restricted	2,915,785	1,837,241	13,819,499	8,833,748	7,134,278
Unrestricted	(31,068,836)	(33,961,063)	(44,702,048)	(43,322,590)	(48,701,083)
<i>Total Governmental Activities Net Position</i>	<u>\$ (3,915,567)</u>	<u>\$ (18,861,838)</u>	<u>\$ (24,661,764)</u>	<u>\$ (31,184,960)</u>	<u>\$ (38,880,916)</u>
	2012	2011	2010	2009	2008
Governmental Activities:					
Net investment in capital assets	\$ 27,234,348	\$ 38,210,364	\$ 30,424,084	\$ 20,005,940	\$ 18,504,670
Restricted	8,502,463	11,790,879	10,320,050	5,560,411	6,869,668
Unrestricted	(41,571,889)	1,857,888	1,919,013	1,871,650	646,935
<i>Total Governmental Activities Net Position</i>	<u>\$ (5,835,078)</u>	<u>\$ 51,859,131</u>	<u>\$ 42,663,147</u>	<u>\$ 27,438,001</u>	<u>\$ 26,021,273</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)

	2017	2016	2015	2014
Expenses:				
Governmental Activities				
General Government	\$ 191,835	\$ 309,911	\$ 233,088	\$ 149,716
Intergovernmental	3,527,798	10,046,409	4,677,279	1,880,598
Fiscal Charges	1,650,698	679,823	-	-
Interest on Long Term Debt	-	1,827,932	2,360,541	2,374,969
<i>Total Governmental Activities Expenses</i>	<u>5,370,331</u>	<u>12,864,075</u>	<u>7,270,908</u>	<u>4,405,283</u>
Program Revenues:				
Charges for Services				
General Government	312,590	387,318	17,521	19,750
Operating Grants and Contributions				
General Government	11,266,802	7,871,501	4,751,778	1,138,047
Intergovernmental	3,441,524	4,522,543	5,088,434	4,682,347
Interest on Long Term Debt	4,719,942	2,525,674	2,841,031	3,802,539
<i>Total Governmental Activities Program Revenues</i>	<u>19,740,858</u>	<u>15,307,036</u>	<u>12,698,764</u>	<u>9,642,683</u>
Net (Expense)/Revenue	<u>14,370,527</u>	<u>2,442,961</u>	<u>5,427,856</u>	<u>5,237,400</u>
General Revenues				
Unrestricted Investment Earnings	21,967	77,057	32,352	16,256
Change in Fair Value of Investments	-	-	-	-
Miscellaneous	553,777	418,347	219,909	226,526
Special Item - Change in Fair Value of Land	-	2,861,561	-	-
Special Item - Sale of Land	-	-	843,079	1,924,573
Special Item - Disposal of Assets	-	-	-	-
<i>Total Governmental Activities General Revenues</i>	<u>575,744</u>	<u>3,356,965</u>	<u>1,095,340</u>	<u>2,167,355</u>
Change in Net Position	<u>\$ 14,946,271</u>	<u>\$ 5,799,926</u>	<u>\$ 6,523,196</u>	<u>\$ 7,404,755</u>

Source: District financial records.

2013	2012	2011	2010	2009	2008
\$ 496,536	\$ 331,860	\$ 1,827,060	\$ 402,366	\$ 715,520	\$ 454,730
2,004,365	6,065,704	-	-	-	-
-	-	-	-	-	327,044
2,387,552	2,398,076	2,414,524	2,467,505	2,181,640	1,751,628
4,888,453	8,795,640	4,241,584	2,869,871	2,897,160	2,533,402
20,875	97,180	27,669	35,407	203,329	619,864
201,134	-	6,419,127	12,861,985	1,345,354	7,232,136
-	-	-	-	-	-
3,767,570	8,612,849	6,713,131	5,859,116	2,367,815	-
3,989,579	8,710,029	13,159,927	18,756,508	3,916,498	7,852,000
(898,874)	(85,611)	8,918,343	15,886,637	1,019,338	5,318,598
(2,145)	16,684	179,297	198,866	77,411	877,121
-	-	-	-	-	(164,276)
122,161	64,642	98,344	73,227	319,979	64,404
-	-	-	-	-	-
-	-	-	-	-	-
(32,266,980)	(56,901,877)	-	(933,584)	-	-
(32,146,964)	(56,820,551)	277,641	(661,491)	397,390	777,249
\$ (33,045,838)	\$ (56,906,162)	\$ 9,195,984	\$ 15,225,146	\$ 1,416,728	\$ 6,095,847



TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS (modified accrual basis of accounting)

	2017	2016	2015	2014	2013	2012	2011
General Fund							
Nonspendable	\$ 4,420,000	\$ 4,420,000	\$ 1,558,439	\$ -	\$ -	\$ -	\$ -
Unassigned	2,509,563	2,987,025	3,356,088	4,279,228	2,606,885	3,172,070	3,454,396
Total General Fund	6,929,563	7,407,025	4,914,527	4,279,228	2,606,885	3,172,070	3,454,396
All other governmental funds							
Restricted	2,915,891	1,841,390	12,125,910	11,668,263	7,138,427	9,343,008	13,642,716
Unassigned	-	(1,800,592)	(441,705)	(553,914)	(2,441,015)	(3,314,177)	(3,910,658)
Total All other governmental funds	2,915,891	40,798	11,684,205	11,114,349	4,697,412	6,028,831	9,732,058
Total Governmental Funds	<u>\$ 9,845,454</u>	<u>\$ 7,447,823</u>	<u>\$ 16,598,732</u>	<u>\$ 15,393,577</u>	<u>\$ 7,304,297</u>	<u>\$ 9,200,901</u>	<u>\$ 13,186,454</u>
	2010	2009	2008				
General Fund							
Reserved	-	-	154				
Unreserved	3,415,701	3,523,834	3,229,925				
Total General Fund	3,415,701	3,523,834	3,230,079				
All other governmental funds							
Reserved	11,009,788	13,526,176	15,319,008				
Unreserved, reported in:							
Debt Service	-	-	-				
Capital Projects	(2,450,556)	(3,421,084)	(4,172,730)				
Total All other governmental funds	8,559,232	10,105,092	11,146,278				
Total Governmental Funds	<u>\$ 11,974,933</u>	<u>\$ 13,628,926</u>	<u>\$ 14,376,203</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)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues				
Intergovernmental	\$ 19,754,467	\$ 14,600,701	\$ 12,674,061	\$ 9,640,220
Charges for Services	312,590	387,318	17,521	19,750
Investment Earnings	21,967	77,057	32,352	16,256
Change in Fair Value of Investments	-	-	-	-
All Other	302,001	289,714	155,267	161,884
Total Revenues	<u>20,391,025</u>	<u>15,354,790</u>	<u>12,879,201</u>	<u>9,838,110</u>
Expenditures				
Current				
General Government	372,182	310,261	284,803	277,379
Intergovernmental	3,527,719	10,042,901	4,676,215	1,873,537
Capital Outlay	10,769,662	7,035,177	4,817,412	497,391
Debt Service:				
Principal	1,755,000	1,600,000	780,000	565,000
Interest and Fiscal Charges	1,568,831	2,377,288	2,348,875	2,362,500
Total Expenditures	<u>17,993,394</u>	<u>21,365,627</u>	<u>12,907,305</u>	<u>5,575,807</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,397,631	(6,010,837)	(28,104)	4,262,303
Other Financing Sources (Uses)				
Change in Value of Land Held for Resale	-	2,861,561	-	-
Face Value of Debt	-	32,365,000	-	-
Premium from Sale of Bonds	-	4,433,151	-	-
Payment to Escrow Agent for Refunding	-	(42,799,784)	-	-
Proceeds from the Sale of Land	-	-	1,233,259	1,924,573
Transfers In	445,069	-	-	-
Transfers Out	(445,069)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(3,140,072)</u>	<u>1,233,259</u>	<u>1,924,573</u>
Net Change in Fund Balances	<u>\$ 2,397,631</u>	<u>\$ (9,150,909)</u>	<u>\$ 1,205,155</u>	<u>\$ 6,186,876</u>
Debt Service as a percentage of noncapital expenditures	47%	28%	37%	59%

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.

2013	2012	2011	2010	2009	2008
\$ 3,311,026	\$ 8,771,638	\$ 12,685,358	\$ 18,610,388	\$ 4,182,486	\$ 7,232,136
20,875	23,625	27,375	35,407	203,329	619,525
(2,145)	16,684	1,045	198,866	77,411	877,121
-	-	-	-	-	(164,276)
759,036	250,540	262,248	241,144	433,769	3,761
<u>4,088,792</u>	<u>9,062,487</u>	<u>12,976,026</u>	<u>19,085,805</u>	<u>4,896,995</u>	<u>8,568,267</u>
485,735	358,578	1,747,494	395,934	471,659	457,808
2,004,365	6,065,704	-	-	-	-
765,996	4,019,483	7,451,767	17,700,816	11,376,352	20,159,154
355,000	220,000	185,000	-	-	-
2,374,300	2,384,275	2,380,244	2,388,362	2,187,543	2,074,387
<u>5,985,396</u>	<u>13,048,040</u>	<u>11,764,505</u>	<u>20,485,112</u>	<u>14,035,554</u>	<u>22,691,349</u>
(1,896,604)	(3,985,553)	1,211,521	(1,399,307)	(9,138,559)	(14,123,082)
-	-	-	-	-	-
-	-	-	-	7,275,000	-
-	-	-	-	109,796	-
-	-	-	-	-	-
-	-	-	-	-	-
97,598	-	-	-	-	79
(97,598)	-	-	-	-	(79)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,384,796</u>	<u>-</u>
<u>\$ (1,896,604)</u>	<u>\$ (3,985,553)</u>	<u>\$ 1,211,521</u>	<u>\$ (1,399,307)</u>	<u>\$ (1,753,763)</u>	<u>\$ (14,123,082)</u>
52%	29%	58%	84%	77%	82%

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**REVENUE BOND COVERAGE - LIBERTY INTERCHANGE
SPECIAL OBLIGATION BONDS 2007 SERIES AND 2016 REFUNDING
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Gross Revenue (1)</u>	<u>Debt Service Requirement (2)</u>	<u>Coverage(3)</u>
2008	\$ 3,766,336	\$ 1,983,575	189.88%
2009	2,308,664	1,983,475	116.39%
2010	5,859,116	1,983,475	295.40%
2011	6,131,365	1,983,475	309.12%
2012	3,815,871	1,983,475	192.38%
2013	2,139,307	2,098,475	101.95%
2014	8,213,549	2,263,875	362.81%
2015	7,551,210	2,459,475	307.03%
2016	6,291,896	4,108,346	153.15%
2017	7,826,019	2,655,900	294.67%
Total	<u>\$ 55,392,405</u>	<u>\$ 25,076,923</u>	<u>220.89%</u>

Source: District's records

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

(2) The 2007 debt service payment was funded through the \$1,656,249 premium on the sale. The 2007 series bonds were refunded in August 2016. Years 2007 to 2015 are solely related to the 2007 series but year 2016 was half series 2007 and half 2016 refunding.

(3) Full receipt of gross revenues from entities was required until 150% of next two years debt service is maintained in the trust account. That requirement was eliminated with the refunding bond issue in 2016.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**REVENUE BOND COVERAGE - STATE ROUTE 4 BYPASS
SPECIAL OBLIGATION BONDS
LAST NINE 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%
2015	371,073	656,076	56.56%
2016	437,305	660,032	66.26%
2017	661,646	664,931	99.51%
Total	<u>\$ 3,834,706</u>	<u>\$ 5,077,513</u>	<u>75.52%</u>

Source: District's records

(1) The District will receive intergovernmental revenue from Fairfield Township, Butler County and the City of Hamilton for payment of debt service.

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

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**RATIO OF SPECIAL OBLIGATION BONDS PER CAPITA
LAST TEN 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
	Series 2007 Liberty Interchange	2016 Refunding Liberty Interchange	State Route 4 Bypass				
2008	\$ 42,667,945	\$ -	\$ -	\$ 42,667,945	\$ 360,775	\$ 118.27	0.32%
2009	42,608,793	-	7,384,796	49,993,589	363,184	137.65	0.39%
2010	42,549,641	-	7,379,306	49,928,947	368,130	135.63	0.37%
2011	42,490,489	-	7,188,816	49,679,305	369,999	134.27	0.35%
2012	42,431,337	-	6,963,326	49,394,663	370,589	133.29	0.33%
2013	42,257,185	-	6,717,836	48,975,021	371,511	131.83	0.34%
2014	41,913,033	-	6,432,346	48,345,379	374,158	129.21	0.32%
2015	41,358,881	-	6,141,856	47,500,737	376,353	126.21	0.30%
2016	-	33,974,130	5,836,366	39,810,496	377,537	105.45	0.25%
2017	-	32,367,894	5,515,876	37,883,770	377,537	100.34	0.24%

Source: District records

(1) The county's population is estimated by the Bureau of Economic Analysis for the years 2007-2009. The 2010 population reflects data collected by the United States Census Bureau. 2011 - 2015 are based on estimates from the United States Census Bureau Butler County Quickfacts. The information for 2016 is not available so 2015 is used for the calculation.

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>
2017*	1
2016*	1
2015*	1
2014*	1
2013*	1
2012*	1
2011*	1
2010*	1
2009	2
2008	2.5

Note: District's financial records

* The District has two employees that work part time.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

PRINCIPAL EMPLOYERS

CURRENT AND NINE YEARS AGO

Name of Employer	2015			2007		
	Number of Employees	Rank	% of Total Employment	Number of Employees	Rank	% of Total Employment
Miami University	3,282	1	2.60%	4,250	1	2.13%
Cincinnati Financial Corp. (Cincinnati Insurance)	3,280	2	2.60%	2,600	4	1.30%
AK Steel	2,412	3	1.91%	3,100	2	1.55%
GE Aviation	2,000	4	1.59%			
Lakota School District	1,827	5	1.45%	1,600	8	0.80%
Butler County Government	1,700	6	1.35%	2,655	3	1.33%
Mercy Regional Hospital	1,210	7	0.96%	1,601	7	0.80%
Ohio Casualty Insurance	1,209	8	0.96%	1,340	9	0.67%
Hamilton City School District	1,150	9	0.91%	1,150	10	0.58%
Fort Hamilton Hospital	1,017	10	0.81%	2,000	5	1.00%
Middletown Regional Hospital				1,800	6	0.90%
Total	19,087		15.14%	22,096		11.05%
 Total Employed within the County	 126,095			 200,000		

Source: 2016 Butler County Comprehensive Annual Financial Report and presented as they have presented.

Note: The employment information was not available for 2016 or 2017 according to the Auditor's office.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**TOP TEN TAX PAYERS
REAL PROPERTY**

CURRENT AND NINE YEARS AGO

Name of Taxpayer	2016			2008		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Realty Ohio	\$ 13,515,000	1	0.19%	\$ 11,133,980	7	0.15%
Boymel Sam TR	12,007,420	2	0.17%			
Meijer Stores LTD PRT	11,701,020	3	0.17%	12,403,830	6	0.17%
MillerCoors LLC	11,652,070	4	0.17%	20,271,590	1	0.28%
AK Steel Corporation	10,444,310	5	0.15%	15,574,390	4	0.21%
First Industrial L P	9,153,030	6	0.13%	18,726,820	2	0.26%
US Industrial REIT III Midwest	9,014,360	7	0.13%			
Lesaint Venture LLC	8,877,010	8	0.13%	10,727,500	9	0.15%
FFIII Ohio West Chester	8,050,000	9	0.12%			
Cincinnati Financial Corporation	7,944,520	10	0.11%	16,913,280	3	0.23%
Dugan Realty LLC				10,857,570	8	0.15%
Dugan Financing LLC				13,657,460	5	0.19%
Same Boymel Trust				9,720,740	10	0.13%
Total	<u>\$ 102,358,740</u>		<u>1.46%</u>	<u>\$ 139,987,160</u>		<u>1.93%</u>
Total Assessed Valuation	\$ 6,996,513,490			\$ 7,270,538,110		

Source: Butler County Auditor's Office
Fiscal year 2017 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>
2007	358,116	\$ 12,760,389,312	\$ 35,632	5.1%
2008	360,775	13,219,878,325	36,643	5.9%
2009	363,184	12,903,927,520	35,530	9.4%
2010	368,130	13,391,465,010	36,377	9.3%
2011	369,999	14,358,551,193	38,807	8.6%
2012	370,589	14,945,483,781	40,329	7.1%
2013	371,511	14,254,245,896	38,368	6.9%
2014	374,158	14,993,633,534	40,073	5.4%
2015	376,353	15,631,445,502	41,534	4.6%
2016	376,353	15,680,621,758	41,665	4.1%
2017	377,537	15,727,663,623	41,659	4.0%

Source: (1) The information is provided from the Butler County, Ohio annual report for years 2007 to 2016. The Bureau of Economic Analysis provides information on personal income for Ohio as a whole. The total personal income increased 5.2% in 2014, 4.3% in 2015 and 0.3% in 2016. The conservative percentages of 2016 is applied to fiscal year 2017.

(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. (Butler County Rates)

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MISCELLANEOUS STATISTICS

DECEMBER 31, 2017

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



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
JULY 10, 2018**