BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
BUTLER COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

PLATTENBURG
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

We have reviewed the *Independent Auditor's Report* of the Butler County Transportation Improvement District, Butler County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

May 08, 2024

This page intentionally left blank.

BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
BUTLER COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE OF CONTENTS

This page intentionally left blank.

PLATTENBURG
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Butler County Transportation Improvement District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Butler County Transportation Improvement District (the District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

8230 MONTGOMERY ROAD, SUITE 150 / CINCINNATI, OH 45236 • (513) 891-2722 • FAX (513) 891-2760
TWO PRESTIGE PLACE, SUITE 240 / DAYTON, OH 45342 • (937) 433-0400 • FAX (937) 433-0429
www.plattenburg.com

__Auditor's Responsibilities for the Audit of the Financial Statements__

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

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

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

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

__Required Supplementary Information__

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
April 25, 2024

This discussion and analysis of the Butler County Transportation Improvement District's (the District's) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

- The District's net position decreased by $349,718 to a year-end total of $4,033,177.
- During the period, the District generated $1,564,362 of revenues and incurred expenses of $1,914,080.

USING THIS ANNUAL REPORT

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

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

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

Government-Wide Statements

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

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

Over time, increases or decreases in the District's net position can be used as an indicator of whether its financial health is improving or deteriorating, respectively. However, since the District is essentially a conduit for infrastructure projects the District expects that its net position will fluctuate over time. As such, while many political subdivisions can be analyzed, in part, by looking at whether net position is increasing or decreasing, this is not necessarily true for the District.

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

> Governmental Activities – The District's programs and services are reported as governmental activities and include general government and highways and streets.

Fund Financial Statements

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

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

DISTRICT SUMMARY

The District as a Whole

The following table provides a summary of the District's Net Position at December 31:

	Governmental Activities	
	2023	2022
Current Assets	$ 8,587,778	$ 9,230,617
Noncurrent Assets	18,798,000	21,395,298
Total Assets	27,385,778	30,625,915
Deferred Outflows of Resources	927,219	1,005,607
Current Liabilities	2,650,053	2,786,887
Noncurrent Liabilities	21,565,107	24,297,645
Total Liabilities	24,215,160	27,084,532
Deferred Inflows of Resources	64,660	164,095
Net Position:		
Restricted For Capital Improvements	1,701,989	2,193,303
Unrestricted	2,331,188	2,189,592
Total Net Position	$ 4,033,177	$ 4,382,895

Current assets decreased in 2023 as the District continued to use cash resources to advance projects of the District, primarily the I-75 Interchange at Millikin Road and the North Hamilton Crossing Project. Current liabilities decreased from 2022 to 2023 as the District did not have any contacts payable open at December 31, 2023, while there were $214,472 of contracts payable open at December 31, 2022.

Noncurrent assets and noncurrent liabilities decreased as the District collected on its intergovernmental receivables from funding partners and used the collections to make debt service payments.

The following table provides a summary of the District's changes in net position for the years ended December 31:

	Governmental Activities	
	2023	2022
Revenues		
General Revenues:		
Interest	$ 322,482	$ 7,626
Miscellaneous	4,000	-
Program Revenues:		
Charges for Services	-	55,805
Capital Grants and Contributions	1,237,880	3,501,007
Total Revenues	1,564,362	3,564,438
Program Expenses		
General Government	282,598	286,028
Highways and Streets	910,612	807,411
Interest and Fiscal Charges	720,870	821,100
Total Expenses	1,914,080	1,914,539
Change in Net Position	(349,718)	1,649,899
Beginning Net Position	4,382,895	2,732,996
Ending Net Position	$ 4,033,177	$ 4,382,895

Governmental Activities

During 2023, Net Position of the District's governmental activities decreased by $349,718. Capital grants and contributions of $1,237,880 were the result of contracts and intergovernmental agreements with funding partners. Interest income in 2023 was up notably compared to 2022 as the general rise in interest rates in 2023 resulted in the District's investment portfolio generating larger amounts of interest income. Total expenses for the period of $1,914,080 were related to the administrative cost of operating the District ($282,598) as well as transportation project engineering, design and construction costs ($910,612) that has been classified as a *Highways and Streets*-type of program expense and interest and fiscal charges related to the two outstanding debt issuances ($720,870).

The District's Funds

The District's governmental funds reported a combined fund balance of $6,005,156 at December 31, 2023, which was a decrease from December 31, 2022 of $513,090. This decrease was the result of the District's capital project funds receiving resources (as agreed to by its funding partners via intergovernmental agreements) at a slower pace than project-related expenses were incurred – primarily the I-75 Interchange at Millikin Road and the North Hamilton Crossing Project. Additionally, during 2023, the General Fund's balance decreased by $21,776, as operating expenses were outpaced by investment earnings and other revenue.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At year-end, the District reported no capital assets.

Debt

At December 31, 2023, the District had a total of $21,360,000 in bonds outstanding. This debt is backed and funded by intergovernmental agreements with Liberty Township, Fairfield Township, West Chester Township and Butler County. For more information on debt see Note 9 to the basic financial statements.

ECONOMIC FACTORS

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

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Secretary–Treasurer, Butler County Transportation Improvement District, 1921 Fairgrove Ave., Hamilton, Ohio 45011.

BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
BUTLER COUNTY, OHIO
Statement of Net Position
December 31, 2023

	Governmental Activities
Assets:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$ 6,025,778
Intergovernmental Receivables	2,562,000
Total Current Assets	8,587,778
Noncurrent Assets:	
Intergovernmental Receivables	18,798,000
Total Noncurrent Assets	18,798,000
Total Assets	27,385,778
Deferred Outflows of Resources:	
Deferred Charge on Bond Refunding	840,528
OPEB	10,963
Pension	75,728
Total Deferred Outflows of Resources	927,219
Liabilities:	
Current Liabilities:	
Accounts Payable	7,766
Accrued Waged and Benefits	11,006
Intergovernmental Payable	1,850
Accrued Interest Payable	67,431
Bonds Payable	2,562,000
Total Current Liabilities	2,650,053
Noncurrent Liabilities:	
Net Pension Liability	177,571
Net OPEB Liability	3,530
Bonds Payable	21,384,006
Total Noncurrent Liabilities	21,565,107
Total Liabilities	24,215,160
Deferred Inflows of Resources:	
OPEB	1,629
Pension	63,031
Total Deferred Inflows of Resources	64,660
Net Position:	
Restricted for:	
Capital Improvements	1,701,989
Unrestricted	2,331,188
Total Net Position	$ 4,033,177

See accompanying notes to the basic financial statements.

BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
BUTLER COUNTY, OHIO
Statement of Activities
For the Year Ended December 31, 2023

		Program Revenues		Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities
Governmental Activities:				
General Government	$ 282,598	$ -	$ -	$ (282,598)
Highways and Streets	910,612	-	1,237,880	327,268
Interest and Fiscal Charges	720,870	-	-	(720,870)
Total Governmental Activities	$ 1,914,080	$ -	$ 1,237,880	(676,200)
General Revenues:				
Investment Earnings				322,482
Miscellaneous				4,000
Total General Revenues				326,482
Changes in Net Position				(349,718)
Net Position at Beginning of Year				4,382,895
Net Position at End of Year				$ 4,033,177

See accompanying notes to the basic financial statements.

BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
BUTLER COUNTY, OHIO
Balance Sheet
Governmental Funds
December 31, 2023

	Major Governmental Funds					
	General	Liberty Interchange	State Route 4 Bypass Widening	Millikin Interchange	Other Governmental Funds	Total Governmental Funds
Assets:						
Equity in Pooled Cash and Cash Equivalents	$ 4,323,789	$ -	$ -	$ 1,493,142	$ 208,847	$ 6,025,778
Receivables:						
Intergovernmental	-	19,780,000	1,580,000	-	-	21,360,000
Total Assets	$ 4,323,789	$ 19,780,000	$ 1,580,000	$ 1,493,142	$ 208,847	$ 27,385,778
Liabilities:						
Payables:						
Accounts	$ 7,766	$ -	$ -	$ -	$ -	$ 7,766
Accrued Wages and Benefits	11,006	-	-	-	-	11,006
Intergovernmental	1,850	-	-	-	-	1,850
Total Liabilities	20,622	-	-	-	-	20,622
Deferred Inflows of Resources:						
Unavailable Revenue - Intergovernmental	-	19,780,000	1,580,000	-	-	21,360,000
Total Deferred Inflows of Resources	-	19,780,000	1,580,000	-	-	21,360,000
Fund Balance:						
Restricted:						
Capital Improvements	-	-	-	1,493,142	208,847	1,701,989
Assigned:						
Following Year's Budget	59,400	-	-	-	-	59,400
Unassigned	4,243,767	-	-	-	-	4,243,767
Total Fund Balance	4,303,167	-	-	1,493,142	208,847	6,005,156
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 4,323,789	$ 19,780,000	$ 1,580,000	$ 1,493,142	$ 208,847	$ 27,385,778

See accompanying notes to the basic financial statements.

BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
BUTLER COUNTY, OHIO
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2023

Total Governmental Fund Balances	$ 6,005,156
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds:	
Intergovernmental Revenues	21,360,000
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds Payable	(21,360,000)
Premium on Bonds	(2,586,006)
Accrued Interest on Bonds	(67,431)
Deferred Charge on Refunding	840,528
The net pension/OPEB liabilities/(assets) are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in the governmental funds:	
Deferred Outflows - Pension	75,728
Deferred Outflows - OPEB	10,963
Deferred Inflows - Pension	(63,031)
Deferred Inflows - OPEB	(1,629)
Net OPEB Liability	(3,530)
Net Pension Liability	(177,571)
Net Position of Governmental Activities	$ 4,033,177

See accompanying notes to the basic financial statements.

BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
BUTLER COUNTY, OHIO
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	Major Governmental Funds					
	General	Liberty Interchange	State Route 4 Bypass Widening	Millikin Interchange	Other Governmental Funds	Total Governmental Funds
Revenues:						
Intergovernmental	$ -	$ 2,580,491	$ 712,091	$ 390,334	$ 28,964	$ 3,711,880
Investment Earnings	246,873	75,609	-	-	-	322,482
Other	4,000	-	-	-	-	4,000
Total Revenues	250,873	2,656,100	712,091	390,334	28,964	4,038,362
Expenditures:						
General Government	272,649	-	-	-	-	272,649
Highways and Streets	-	-	-	610,668	299,944	910,612
Debt Service:						
Principal	-	1,805,000	669,000	-	-	2,474,000
Interest and Fiscal Charges	-	851,100	43,091	-	-	894,191
Total Expenditures	272,649	2,656,100	712,091	610,668	299,944	4,551,452
Net Change in Fund Balance	(21,776)	-	-	(220,334)	(270,980)	(513,090)
Fund Balance at Beginning of Period	4,324,943	-	-	1,713,476	479,827	6,518,246
Fund Balance at End of Period	$ 4,303,167	$ -	$ -	$ 1,493,142	$ 208,847	$ 6,005,156

See accompanying notes to the basic financial statements.

BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
BUTLER COUNTY, OHIO
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, 2023

Net Change in Fund Balance - Total Governmental Funds	$ (513,090)
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Governmental funds report premiums as other financing sources, whereas these amounts are deferred and amortized on the statement of activities.	246,286
Revenues in the statement of activities that do not provide current financial resources are not reported as such in the funds.	(2,474,000)
In the statement of activities, interest and charges are accrued on outstanding bonds, whereas, in governmental funds, they are reported when due.	7,085
The issuance of long term debt provides current financial resources to governmental funds, while the repayment of principal reduces long-term liabilities in the statement of Net Position.	
Bond Principal Payments	2,474,000
Amortization of Deferred Charge	(80,050)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.	
Pension	15,320
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB assets and liabilities are reported as pension/OPEB expense in the statement of activities.	
Pension	(13,758)
OPEB	(11,511)
Change in Net Position of Governmental Activities	$ (349,718)

See accompanying notes to the basic financial statements.

1. 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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2A. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government.

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

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

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

2B. Fund Accounting

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

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

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

Liberty Interchange Capital Projects Fund – Accounts for resources to be used for infrastructure projects in the vicinity of Interstate 75 and Liberty Way.

State Route 4 Bypass Widening Capital Projects Fund – Accounts for resources to be used for infrastructure projects along and/or in the vicinity of State Route 4.

Millikin Interchange Fund – Accounts for resources to be used for infrastructure projects along and/or in the vicinity of I75 and Millikin Road.

2C. Measurement Focus

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

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

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

<u>Classification of Fund Balance</u>

In accordance with GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions,” the District’s fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. <u>Nonspendable</u>

   The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. At December 31, 2023, the District did not report any fund balance classified as nonspendable.

2. <u>Restricted</u>

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

3. <u>Committed</u>

   The District’s Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the District’s Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements. At December 31, 2023, the District did not report any fund balance classified as committed.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent resources set aside for purchase commitments by the Secretary-Treasurer.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

2D. Basis of Accounting

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

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

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

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in the pension and OPEB footnotes.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include pension and OPEB. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the District unavailable revenue includes intergovernmental and other amounts. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position

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

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

2E. Cash and Cash Equivalents

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

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

For presentation on the fund balance sheet and statement of net position, investments with original maturities of three months or less and funds with the cash management pool are considered to be cash equivalents. In accordance with GASB Statement No. 72, Fair Value Measurement and Application, the District categorizes its fair value measurements of its investments within the fair value hierarchy. 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.

The District also invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2023. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24-hours advance notice for deposits and withdrawals of $100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to $250 million per day.

2F. Receivables

Receivables consist of intergovernmental receivables arising from voluntary non-exchange transactions.

2G. Capital Assets

The District reported no capital assets at December 31, 2023. Title to assets maintained by the District as part of project related expenditures will transfer to another local government or State upon project completion.

2H. Accrued Liabilities and Long-term Obligations

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

2I. Pensions/Other Postemployment Benefits (OPEB)

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

2J. Interfund Transactions

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

2K. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provision, enabling legislation, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

2L. Estimates

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

3. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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

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

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

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

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

- Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for payment of principal and interest thereon but does not include stripped principal or interest obligations of such obligations;

- Bonds, notes, debentures, or any other obligations or securities directly issued by a Federal government agency or instrumentality;

- Interim deposits in Board-approved depositories;

- Bonds and other obligations of the State;

- No-load money market mutual funds consisting exclusively of obligations described in the first two bullet points above and repurchase agreements secured by such obligations, provided such investments are made only through banks and savings and loan institutions authorized by R.C. 135.03;

- The State Treasury Asset Reserve (STAR Ohio).

- Commercial paper notes (for a period not to exceed two hundred seventy days).

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. Although all statutory requirements for the deposit of money have been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the Federal Deposit Insurance Corporation.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

- Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or

- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At year-end, the carrying amount of the District's deposits was $1,084,118 and the bank balance was $1,088,438. Federal depository insurance covered $250,000 of the bank balance. The remaining $838,438 was collateralized in a manner described above.

Investments

As of December 31, 2023 the District had the following investments:

Investment Type	Fair Value	Concentration	Weighted Average Maturity (Years)	Credit Rating
Certificates of Deposit	$ 1,893,360	38.31%	1.17	N/A
U.S. Government Notes	389,623	7.88%	1.58	S&P - AA+
U.S. Treasury Notes	148,617	3.01%	0.20	S&P - AA+
STAR Ohio	1,916,764	38.79%	N/A	N/A
Corporate Notes	591,198	11.96%	0.42	S&P - A-1 to A-1+
Money Market Mutual Funds	2,098	0.04%	N/A	N/A
Total	$ 4,941,660	99.99%		

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

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does not have an investment policy dealing with credit risk beyond maintaining investments that are permitted by the Ohio Revised Code.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk - The District places no limit on the amount it may invest in any one issuer.

Fair Value Measurement – The District’s recurring fair value measurement of its investment in U.S. Government, Treasury and Corporate Notes were valued using pricing sources as provided by investment managers (Level 2 inputs). The District’s investment in money market mutual funds and STAR Ohio funds are excluded from fair value measurement requirements under GASB Statement No. 72, and instead are reported at amortized cost.

4. INTERGOVERNMENTAL AGREEMENTS

As of December 31, 2023, the District has entered into various intergovernmental agreements with the Butler County Commissioners, the City of Hamilton, Fairfield Township, Liberty Township, West Chester Township and various other local governments with nexus to Butler County to provide funding to the District to facilitate the development and implementation of the District's projects.

5. DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

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

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

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

The proportionate share of each 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 on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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. Effective January 1, 2022, the combined plan is no longer available for member selection. While members (e.g. District employees) may elect the member-directed plan, and previously could elect the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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

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

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

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

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

	State and Local
2023 Statutory Maximum Contribution Rates	
Employer	14.0%
Employee	10.0%
2023 Actual Contribution Rates	
Employer:	
Pension	14.0%
Post-employment Health Care Benefits	0.0%
Total Employer	14.0%
Employee	10.0%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was $15,320 for 2023. Of this amount, $1,541 is reported as an intergovernmental payable at December 31, 2023.

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

The net pension liability for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportionate Share of the Net Pension Liability	$ 177,571
Proportion of the Net Pension Liability	
Current Measurement Date	0.000601%
Prior Measurement Date	0.001211%
Change in Proportionate Share	-0.000610%
Pension Expense	$ (1,562)

At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		OPERS
Deferred Outflows of Resources		
Net difference between projected and actual earnings on pension plan investments	$	50,613
Changes in employer proportion and differences between contributions and proportionate share of contributions		2,021
Differences between expected and actual experience		5,898
Change in Assumptions		1,876
Contributions subsequent to the measurement date		15,320
Total Deferred Outflows of Resources	$	75,728

		OPERS
Deferred Inflows of Resources		
Changes in employer proportion and differences between contributions and proportionate share of contributions	$	63,031
Total Deferred Inflows of Resources	$	63,031

The District reported $15,320 as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

		OPERS
Year Ending December 31:		
2024	$	(33,785)
2025		(8,529)
2026		14,898
2027		24,793
Total	$	(2,623)

Actuarial 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, 2022, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67:

	Current Measurement Period	Prior Measurement Period
Measurement and Valuation Date	December 31, 2022	December 31, 2021
Experience Study	5-Year Period Ended December 31, 2020	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	6.90%	6.90%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75% to 10.75% (includes wage inflation at 2.75%)	2.75% to 10.75% (includes wage inflation at 2.75%)
Cost-of-Living Adjustments	Pre-1/7/2013 Retirees: 3.00% simple Post-1/7/2013 Retirees: 3.00% simple through 2023, then 2.05% simple	Pre-1/7/2013 Retirees: 3.00% simple Post-1/7/2013 Retirees: 3.00% simple through 2022, then 2.05% simple

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The discount rate used to measure the total pension liability was 6.9% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00%	2.62%
Domestic Equities	22.00%	4.60%
Real Estate	13.00%	3.27%
Private Equity	15.00%	7.53%
International Equities	21.00%	5.51%
Risk Parity	2.00%	4.37%
Other Investments	5.00%	3.27%
Total	100.00%	

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. 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. 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 was a loss of 12.1% for 2022.

The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 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 (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Entity's proportionate share of the net pension liability	$ 265,943	$ 177,571	$ 103,997

6. DEFINED BENEFIT OPEB PLAN

Net OPEB Liability/(Asset)

The net OPEB liability/(asset) reported on the statement of net position represents a liability to/assets for employees for OPEB. OPEB is a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability/(asset) represents the District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability/(asset) 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 these estimates annually.

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/(asset). Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB asset or net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Pension Plan, a cost-sharing, multiple-employer defined benefit plan; the Member-Directed Plan, a defined contribution plan; and the Combined Plan, a cost-sharing, multiple-employer defined benefit 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 Combined plans. This trust is also used to fund health care for Member-Directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via a Health Reimbursement Arrangement allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have twenty 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 No. 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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 Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care 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. For 2022, no portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan. Effective July 1, 2022, OPERS increased the portion of the 14% employer contribution rate allocated to health care funding from 0.0% to 2.0% for the Combined Plan. The employer contribution as a percent of covered payroll deposited for Member-Directed Plan health care accounts for 2022 was 4.0%.

The District's contractually required contribution was $0 for 2023.

OPEB Assets and Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The District's proportion of the net OPEB liability/(asset) was based on the District's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportionate Share of the Net OPEB Liability/(Asset):	$ 3,530
Proportion of the Net OPEB Liability/(Asset):	
Current Measurement Date	0.000560%
Prior Measurement Date	0.001127%
Change in Proportionate Share	-0.000567%
OPEB Expense	$ 11,511

At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	$ 7,011
Changes in employer proportion and differences between contributions and proportionate share of contributions	504
Change in Assumptions	3,448
Total Deferred Outflows of Resources	$ 10,963

	OPERS
Deferred Inflows of Resources	
Differences between expected and actual experience	$ 881
Change in Assumptions	284
Changes in employer proportion and differences between contributions and proportionate share of contributions	464
Total Deferred Inflows of Resources	$ 1,629

$0 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (or an increase in the net OPEB asset) in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS
Year Ending December 31:	
2024	$ 1,372
2025	2,389
2026	2,186
2027	3,387
Total	$ 9,334

Actuarial 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 health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022.

The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

	Current Measurement Period	Prior Measurement Period
Actuarial Valuation Date	December 31, 2021	December 31, 2020
Rolled-Forward Measurement Date	December 31, 2022	December 31, 2021
Experience Study	5-Year Period Ended December 31, 2020	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Single Discount Rate	5.22%	6.00%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	4.05%	1.84%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75% to 10.75% (Includes Wage Inflation at 2.75%)	2.75% to 10.75% (Includes Wage Inflation at 2.75%)
Health Care Cost Trend Rate	5.50% Initial, 3.50% Ultimate in 2036	5.50% Initial, 3.50% Ultimate in 2034

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System’s primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

Best estimates of geometric real rates of return were provided by the Board’s investment consultant. For each major asset class that is included in the Health Care portfolio’s target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	2.56%
Domestic Equities	26.00%	4.60%
Real Estate Investment Trusts	7.00%	4.70%
International Equities	25.00%	5.51%
Risk Parity	2.00%	4.37%
Other investments	6.00%	1.84%
Total	100.00%	

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. 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 Health Care portfolio was a loss of 15.6% for 2022.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate The following table presents the District's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.22 percent, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
Entity's proportionate share of the net OPEB asset	$ 12,018	$ 3,530	$ (3,472)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates, and the expected net OPEB liability (asset) if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Proportionate share of the net OPEB asset	$ 3,310	$ 3,530	$ 3,780

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

7. CONTRACTUAL COMMITMENTS

As of December 31, 2023, the District had open, unpaid contractual commitments related to engineering and design work of $5,873,928, of which $3,400,000 was related to North Hamilton Crossing, $2,462,195 was related to the Millikin and I-75 Interchange, and $11,733 was related to South Hamilton Crossing.

8. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- General Liability
- Public Officials Liability
- Crime

There have been no claims resulting from these risks since the inception of the District. Additionally, there have been no significant changes in coverage during the year.

9. LONG TERM OBLIGATIONS

The changes in the District's long-term liabilities for the year ended December 31, 2023, were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds:					
2019 Refunding Bonds 1.916%	$ 2,249,000	$ -	$ (669,000)	$ 1,580,000	$ 682,000
2016 Refunding Bonds 2% to 4%	21,585,000	-	(1,805,000)	19,780,000	1,880,000
Premium	2,832,292	-	(246,286)	2,586,006	-
Total Governmental Activities	$26,666,292	$ -	$(2,720,286)	$23,946,006	$2,562,000

The District's 2019 refunding bonds were issued to refund debt previously issued related to the State Route 4 Bypass widening project. This obligation is fully serviced by intergovernmental agreements pledging certain revenues to the District from Butler County, the City of Hamilton, and Fairfield Township.

The District's 2016 refunding bonds were issued to refund debt previously issued related to the Liberty Interchange project. This obligation is fully serviced by intergovernmental agreements pledging certain revenues to the District from Butler County, Liberty Township and West Chester Township.

Principal and interest requirements to retire the District's General Obligation Bonds as of December 31, 2023, are as follows:

	Principal	Interest	Total
2024	$ 2,562,000	$ 809,172	$ 3,371,172
2025	2,119,000	720,906	2,839,906
2026	2,200,000	639,564	2,839,564
2027	2,297,000	555,106	2,852,106
2028	2,388,000	467,019	2,855,019
2029-2033	8,944,000	985,367	9,929,367
2034	850,000	29,750	879,750
Total	$ 21,360,000	$ 4,206,884	$ 25,566,884

10. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

For the year ended December 31, 2023, the District has implemented the following Governmental Accounting Standards Board (GASB) Statements:

- *GASB 94, Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA)*
- *GASB 96, Subscription-Based Information Technology Arrangements*
- *GASB 99, Omnibus 2022*

The implementation of these GASB Statements did not have an effect on the District's 2023 financial statements.

Required Supplementary Information

Butler County Transportation Improvement District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System
Last Ten Years

	2023	2022	2021	2020	2019
District's Proportion of the Net Pension Liability	0.000601%	0.001211%	0.001106%	0.000546%	0.000575%
District's Proportionate Share of the Net Pension Liability	$ 177,571	$ 105,353	$ 163,775	$ 107,921	$ 157,481
District's Covered Payroll	$ 102,909	$ 175,736	$ 142,821	$ 78,129	$ 77,357
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	172.55%	59.95%	114.67%	138.13%	203.58%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%

	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.000590%	0.000642%	0.000621%	0.000511%	0.000511%
District's Proportionate Share of the Net Pension Liability	$ 92,560	$ 145,787	$ 107,565	$ 60,221	$ 61,613
District's Covered Payroll	$ 78,808	$ 82,817	$ 74,669	$ 69,015	$ 67,969
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	117.45%	176.04%	144.06%	87.26%	90.65%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%

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

Notes to Schedule:

Change in Assumptions - In 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

In 2019, a reduction of the discount rate was made from 7.5% to 7.2%.

Change in Assumptions - In 2022, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction of the discount rate from 7.2% to 6.9%, a reduction in the wage inflation rate from 3.25% to 2.75%, and transition from the RP-2014 mortality tables to the MP-2020 mortality tables.

Butler County Transportation Improvement District
Required Supplementary Information
Schedule of District Contributions
Ohio Public Employees Retirement System
Last Ten Years

	2023	2022	2021	2020	2019
Contractually Required Contribution	$ 15,320	$ 14,407	$ 24,603	$ 19,995	$ 10,938
Contributions in Relation to the Contractually Required Contribution	(15,320)	(14,407)	(24,603)	(19,995)	(10,938)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
District Covered Payroll	$ 109,427	$ 102,909	$ 175,736	$ 142,821	$ 78,129
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%

	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 10,830	$ 10,245	$ 9,938	$ 8,960	$ 8,972
Contributions in Relation to the Contractually Required Contribution	(10,830)	(10,245)	(9,938)	(8,960)	(8,972)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
District Covered Payroll	$ 77,357	$ 78,808	$ 82,817	$ 74,669	$ 69,015
Contributions as a Percentage of Covered Payroll	14.00%	13.00%	12.00%	12.00%	13.00%

Butler County Transportation Improvement District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB Liability/(Asset)
Ohio Public Employees Retirement System
Last Seven Years *

	2023	2022	2021	2020	2019
District's Proportion of the Net OPEB Liability/(Asset)	0.000560%	0.001127%	0.001030%	0.000508%	0.000535%
District's Proportionate Share of the Net OPEB Liability/(Asset)	$ 3,530	$ (35,298)	$ (18,350)	$ 70,168	$ 69,751
District's Covered Payroll	$ 102,909	$ 175,736	$ 142,821	$ 78,129	$ 77,357
District's Proportionate Share of the Net OPEB Liability/ (Asset) as a Percentage of its Covered Payroll	3.43%	-20.09%	-12.85%	89.81%	90.17%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability/(Asset)	94.79%	128.23%	115.57%	47.80%	46.33%

	2018	2017
District's Proportion of the Net OPEB Liability/(Asset)	0.000496%	0.000642%
District's Proportionate Share of the Net OPEB Liability/(Asset)	$ 53,825	$ 64,844
District's Covered Payroll	$ 78,808	$ 82,817
District's Proportionate Share of the Net OPEB Liability/ (Asset) as a Percentage of its Covered Payroll	68.30%	78.30%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability/(Asset)	54.14%	54.04%

* Information prior to 2017 is not available.
Amounts presented as of the measurement date which is the prior fiscal year end.

Notes to Schedule:

Change in Assumptions - In 2018, the single discount rate changed from 4.23% to 3.85%.

In 2019, the single discount rate changed from 3.85% to 3.96%. The investment rate of return changed from 6.50% to 6.00%, and the heath care cost trend rate changed from 7.5% initial to 10.0% initial.

In 2020, the single discount rate changed from 3.96% to 3.16%. The municipal bond rate changed from 3.71% to 2.75%, and the heath care cost trend rate changed from 10.0% to 10.5%.

In 2021, the single discount rate changed from 3.16% to 6.00% and the heath care cost trend rate changed from 10.5% initial, 3.50% ultimate in 2030 to 8.5% initial, 3.50% ultimate in 2035.

In 2022, The municipal bond rate changed from 2.00% to 1.84%, and the heath care cost trend rate changed from 8.5% initial, 3.50% ultimate in 2035 to 5.5% initial, 3.50% ultimate in 2034.

In 2023, The municipal bond rate changed from 1.84% to 4.05%, and the heath care cost trend rate changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

Butler County Transportation Improvement District
Required Supplementary Information
Schedule of District Contributions - OPEB
Ohio Public Employees Retirement System
Last Eight Years *

	2023	2022	2021	2020	2019
Contractually Required Contribution	$ -	$ -	$ -	$ -	$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
District Covered Payroll	$ 109,427	$ 102,909	$ 175,736	$ 142,821	$ 78,129
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

	2018	2017	2016
Contractually Required Contribution	$ -	$ 788	$ 1,656
Contributions in Relation to the Contractually Required Contribution	-	(788)	(1,656)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District Covered Payroll	$ 77,357	$ 78,808	$ 82,817
Contributions as a Percentage of Covered Payroll	0.00%	1.00%	2.00%

* Information prior to 2016 is not available.

This page intentionally left blank.

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

Board of Trustees
Butler County Transportation Improvement District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Butler County Transportation Improvement District (the District), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 25, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

8230 MONTGOMERY ROAD, SUITE 150 / CINCINNATI, OH 45236 • (513) 891-2722 • FAX (513) 891-2760
TWO PRESTIGE PLACE, SUITE 240 / DAYTON, OH 45342 • (937) 433-0400 • FAX (937) 433-0429
www.plattenburg.com

Purpose of This Report

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
April 25, 2024

OHIO AUDITOR OF STATE
KEITH FABER

BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

BUTLER COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 5/21/2024

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