

**BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
BUTLER COUNTY**



REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2021

PLATTENBURG
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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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, 2021 through December 31, 2021. 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.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

May 12, 2022

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**BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
BUTLER COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**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, 2021, 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 22, 2022.

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*.

Purpose of This Report

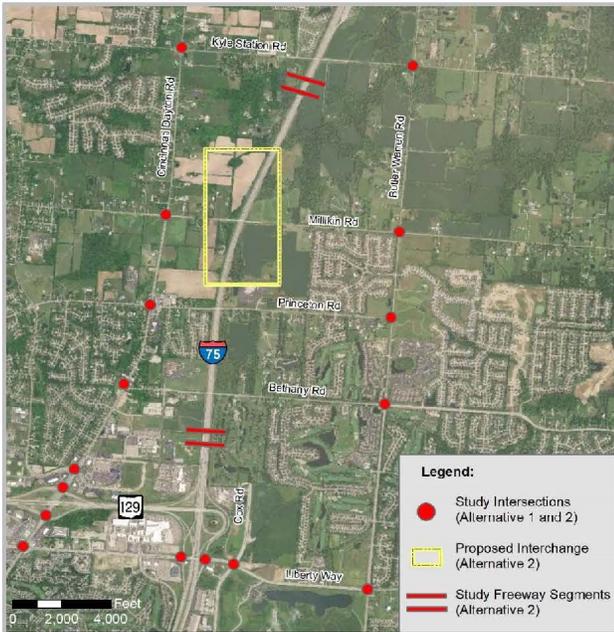
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in 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.

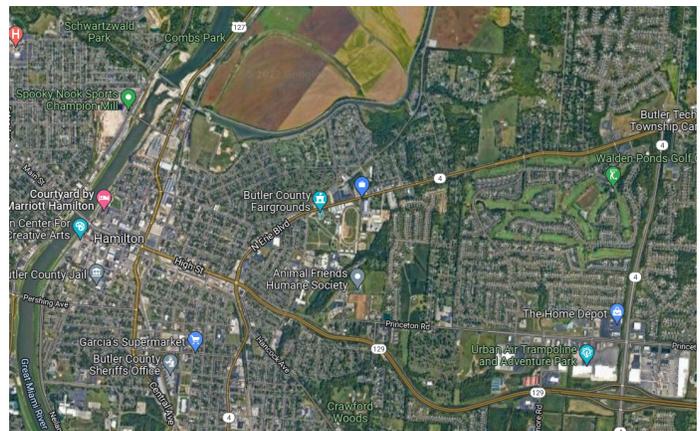
Plattenburg & Associates, Inc.
Cincinnati, Ohio
April 22, 2022

Butler County, Ohio Transportation Improvement District Annual Comprehensive Financial Report

FIGURE 2 – PROJECT AREA



This project involves evaluating the current Millikin Road I-75 overpass for possible future changes.



This project involves evaluating different options for creating a northern bypass in the City of Hamilton.

For the Fiscal Year Ended
December 31, 2021

**Butler County, Ohio
Transportation Improvement District**

**Annual Comprehensive
Financial Report**

**For the Fiscal Year Ended
December 31, 2021**

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

Transportation Improvement District of Butler County, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021

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INTRODUCTORY
SECTION





April 22, 2022

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

We are pleased to present the Butler County Transportation Improvement District (TID) Annual Comprehensive Finance Report for the year ended December 31, 2021. This report contains basic financial statements and other financial and statistical information – providing complete and full disclosure of all financial aspects of the TID for 2021.

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

FORM OF GOVERNMENT AND REPORTING ENTITY

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

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

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

This report presents the financial activity of the TID in conformity with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources and is consistent with the reporting model as promulgated by GASB Statements No. 14, 34, 61, 80, 84 and 85.

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

MAJOR INITIATIVES

South Hamilton Crossing

The South Hamilton Crossing project provides an overpass (circled section) over the CSX Railroad in the southern portion of the City replacing a dangerous angled at-grade crossing (letter A reference) and allowing for greater access into the City’s technology park and Miami University Hamilton. The project also made significant changes to the adjoining roads by raising them to intersect the new overpass.



The TID and City of Hamilton entered into an intergovernmental agreement in 2012 to undertake engineering and environmental work, which was subsequently amended to complete design, bid and manage construction of the project. The TID received grant funding through the Ohio-Kentucky-

Indiana Council of Governments (OKI) Congestion Mitigation and Air Quality Improvement (CMAQ) program for right of way acquisition of \$2.45 million (increased in 2016 to \$3.45 million) with the remaining right of way costs being provided from the City of Hamilton including the local match to the CMAQ grant. The TID was successful in getting right of way cleared through ODOT on January 29, 2016. All the appropriation cases were settled during 2017. All right of way parcels were cleared by the middle of 2021.



The TID received \$10 million through the Ohio Department of Transportation - Transportation Review Advisory Council (TRAC) for the construction phase which requires no local match monies. The City of Hamilton also received a 629 Roadwork Development Grant (\$1,118,000) through the Ohio Development Services Agency for a share of the construction project that required a fifty percent local match. The TID received an additional \$3.75 million through OKI from the

Federal Surface Transportation Program (STP) for construction that requires a fifty percent match. The City of Hamilton, along with any funds received from the CSX Railroad and TID, provided the match monies and any additional construction funds necessary. The TID bid the project in the second quarter of 2016 with John R. Jurgensen being the successful bidder. As of December 31, 2020, the contract was complete. The project was deemed substantially complete as of December 14, 2018. The TID closed out the project by transferring maintenance and ownership to the City of Hamilton during 2021. This explains why the TID shows a large reduction in the capital assets reported at December 31, 2021.

Gilmore Road Project

During 2018, the Butler TID, Hamilton County TID, OKI, ODOT and the City of Fairfield agreed to work together to design and construct the ramp improvement at South Gilmore Road and Interstate 275. The Local Public Agency (LPA) is the City of Fairfield. The TID was successful in receiving \$200,000 in HB26 funding to complete design. During 2019, the TID requested reimbursement of \$56,557 as the first draw on the HB 26 funds. The balance needs to be drawn out by May 1, 2020.

Stage 2 plans were submitted in May 2019. Those plans were approved and stage 3 plans are underway with planned submission by May 1, 2020. The schedule shows the submission date five months later. The City of Fairfield received STP Funding of \$784,000 which requires an 20% local match. Construction is scheduled to begin after July 1, 2021. With HB 26 being fully spent and funds reimbursed to the TID, the funding role for the TID is complete. Furthermore, since the City of Fairfield is the Local Planning Agent, the records of the project will be housed with the City of Fairfield.



Millikin Road/Interstate 75 Interchange

The TID designated the Millikin Road/Interstate 75 interchange as a TID project during 2018. The TID has been working with Liberty Township, OKI and ODOT to evaluate traffic studies and other design impact to determine if the project will qualify to have an interchange modification study completed.

The primary purpose of this Interchange project is to ensure that the local road network in Liberty Township is able to meet existing and future traffic demand and improve mobility and access to support planned community growth/development as identified in Liberty Township's 2013 Comprehensive Vision Plan. The TID is the LPA for the project.

In anticipation of Federal/State Funds the project is being developed using ODOT's Plan Development Process (PDP). Most recently, the Public Involvement comment period is completed. The Preferred Alternative has been identified as a Diverging Diamond Interchange (DDI) the Preferred Alternative and was communicated to the public the week of January 31, 2022.

The Alternative Evaluation Report (AER) is continued to be developed. The Interchange Justification Study was submitted on February 6th. The consultant has refined the local roadway network improvements and we will be discussed these improvements with the BCEO and WCEO.

To date Liberty Township has spent approximately \$630,000, TID has spent \$250,000, and the State of Ohio has spent \$37,500. In 2022, ODOT has committed an additional \$1,000,000 to advance the project. Liberty Township, Butler County and the TID are discussing the local funding plan options that will need to be secured prior to applying for State and Federal Funds. This plan will be ultimately agreed to in the form of a three-party Intergovernmental Agreement (IGA). We hope to have the plan in place 3rd quarter 2022 so we can apply to State and Federal Funds in 2023 with the hopes of obtaining right-of-way and construction dollars.

North Hamilton Crossing

The North Hamilton Crossing (NHX) project was initiated to provide improved east-west connectivity through the northern part of Hamilton, extending between NW Washington Boulevard in the west and SR 4 (Erie Blvd.) and SR 129 in the east. The NHX project was first identified in the 2002 study, “Preliminary Evaluation of Transportation Improvements in the Hamilton North/New Miami Area.” The project has been identified as a priority project in the Ohio-Kentucky-Indiana Regional Council of Governments (OKI) 2040 and 2050 Metropolitan Transportation Plans and the Butler County Throughfare Plan, originally adopted in 2007 and last updated in April 2017. In addition, the project remains a priority in the City of Hamilton’s recently updated comprehensive plan, Plan Hamilton, 2019. The project also aligns with the goals and recommendations of other recent planning initiatives including the City of Hamilton Bikeway Master Plan (2019) which identifies the City’s goal to encourage alternate forms of transportation throughout the community and build connections to current and future trail projects, and the City of Hamilton’s Riverfront Master Plan (2018) which provides a guide to increasing investment in the river corridor, including promoting ease of travel along the riverfront. The City of Hamilton also prepared an Active Transportation Plan in 2020, which included recommendations for increasing pedestrian and trail projects in the City of Hamilton — including shared-use paths across the river to provide connectivity between the developing Spooky Nook complex on the west side of the river and Downtown Hamilton on the east.

In anticipation of Federal/State Funds the project is being developed using ODOT’s Plan Development Process (PDP). Most recently, Stakeholder Meetings are being held which will be followed by Public Involvement meetings. Five (5) different alternatives are being studied.

To date, the TID has committed and spent \$250,000. The City of Hamilton has committed and spent \$750,000. For 2022-2023, the City of Hamilton has committed an additional \$2,000,000 which is being matched by ODOT, making our committed funds for the next two (2) years \$4,000,000. It is anticipated that this funds all Project activity for 2022 -2023.

ECONOMIC CONDITION AND OUTLOOK

The TID has seen state and federal government financing for projects decline over the past several years. In 2019, the State of Ohio passed higher user gas fee (gas tax). This allowed for Transportation Regional Advisory Council (TRAC) to plan, budget and receive applications for project to move forward in FY19-FY23. However, in 2020 with COVID-19 impacted to the amount of vehicles on the roadways, there was a precipitous drop these revenues that in essence eliminated the gains that were created with the passing of the new user gas rates. In early 2021, the Federal Government provided COVID-19 relief funds to the States. This included \$202M to ODOT, which was used to backfill the lost revenues and therefore allowing TRAC revise its schedule back to Pre-COVID and thus be able to accept new applications in 2021. In 2020, Governor DeWine had also made available to local governmental over \$50M in Safety Funds with some project being eligible for no match (100% State funded). Congress passed the Bipartisan Infrastructure Law (BIL). With this passage there will be several opportunities that will arise for funding the two (2) projects that the BCTID is working on – North Hamilton Crossing and I-75 and Millikin Interchange.

Our local governments have limited resources to allocate for major infrastructure projects. In the past, our partners have stepped up, locally funding a large portion of the South Hamilton Crossing, a substantial part of the overall Bypass 4 widening project and the earlier Liberty Interchange project, for which the bond payments are 100% locally funded. While additional grant funds could be used for our projects, our partners will be required to provide significant portions (20%-50%) of the funds for the projects to qualify for the grant revenue. Best forecasting principals indicate we should be prepared to apply for funding opportunities at the Federal and State level as they become available from different sources.

Ohio House Bill 74 Section 203.40 approved by the 134th Ohio General Assembly provides \$4,500,000 in funding each fiscal year of the biennium. TID program funding can be used on all publicly owned roadways in Ohio.

TIDs are permitted to submit multiple applications per funding round. The funding provided for each project is limited to \$500,000 per fiscal year. Section 203.40 specifies that TIDs co-sponsoring a specific project may individually apply for up to \$500,000 for that project.

In the prior years, the TID was successful in three applications for the South Hamilton Crossing project, two for the Salzman Road extension, one for the Salzman Bridge project, one for the Liberty Interchange modification study and one for the South Gilmore Road project. In 2021 the State elected to fund our requests through ODOT TRAC funds.

The TID's success in grant awards can help projects move forward in a more efficient manner, especially when multiple jurisdictions are involved. The TID operates from an administrative fee charged against those projects to help finance the TID moving forward. The TID was able to generate a significant cash balance from land sales in prior years that allow the TID to partner with local governments to help advance the project forward. During 2019, the TID Board approved a \$250,000 contribution to the North Hamilton Crossing project. The contribution in partnership with the City of Hamilton covered the initial planning studies. During 2020, the TID contributed \$50,000 to the Millikin Interchange project to assist the Township in the IJS work. During 2021, the TID contribute the balance of the Board's commitment, \$200,000, the Millikin Interchange project.

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

TID INTERNAL CONTROLS

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

SIGNIFICANT FINANCIAL POLICIES

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

FACTORS AFFECTING FINANCIAL CONDITION

The TID operates from three typical financial sources: investment interest revenue, local government contributions and an administration charge on project management services. The Board continues working on alternative funding sources for operations and projects. For additional information on the financial condition of the TID, please review the Management Discussion and Analysis starting on page 4 of the report.

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

AUDIT

An audit team from Plattenburg & Associates, Inc. performed this year's audit. The results of the audit are presented in the Independent Auditors Report.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the TID for its annual comprehensive financial report for the fiscal year ended December 31, 2020. This is the twenty-sixth consecutive year that the TID has received this award for excellence. In order to be awarded a Certificate of Achievement, the TID must publish a clear and effective annual comprehensive financial report.

The TID staff works to develop a level of professionalism and sound financial reporting. The preparation and publication of this annual comprehensive financial report serves a cornerstone for the TID's efforts. A special note of acknowledgment is presented to our Board of Trustees for their knowledge and dedication, serving as volunteers to the TID. The TID also acknowledges our local governments that are critical to the success of the TID. Without their support to the projects of the TID, it would not be possible to have successfully completed over \$342 million with seventeen construction projects throughout Butler County. The report demonstrates the level of accountability that we strive to maintain each year. We hope this report increases public confidence in the operation and management of the TID. The report also provides a fair presentation of the financial condition of the TID as of and for the year ended December 31, 2021.

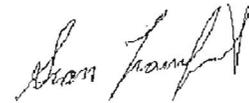
Respectfully submitted,



Daniel Corey, P.E.
TID Director



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



Sean Fraunfelner, CPA
Finance/Administration



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Butler County Transportation Improvement District
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

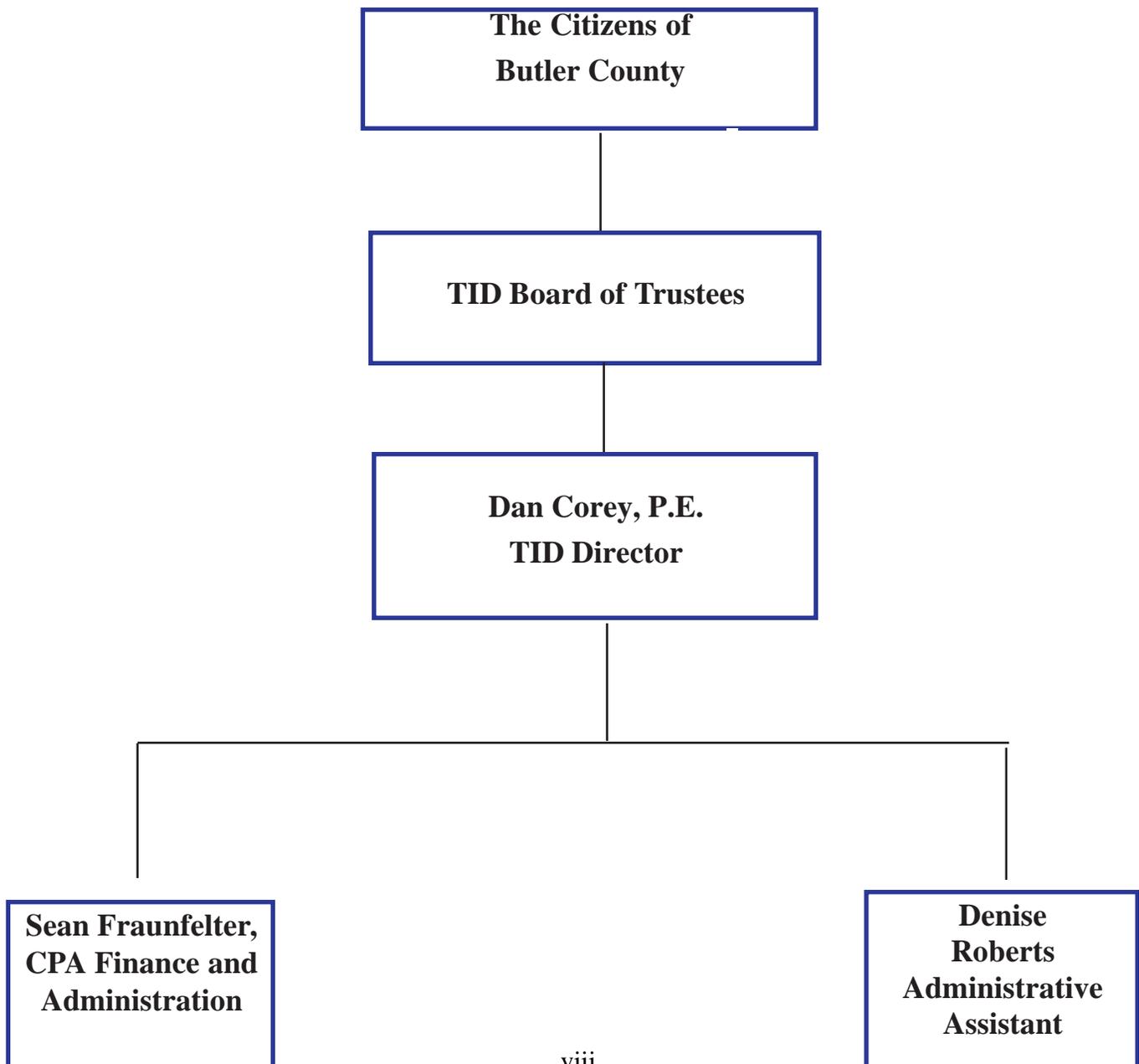
December 31, 2020

Christopher P. Morill

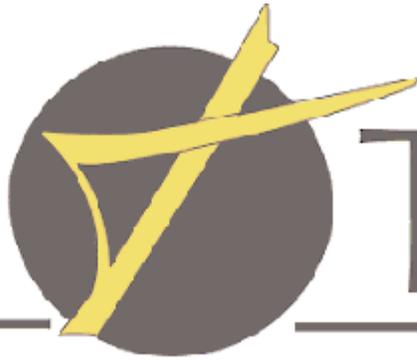
Executive Director/CEO



2021 Staff Organizational Chart



BUTLER
COUNTY

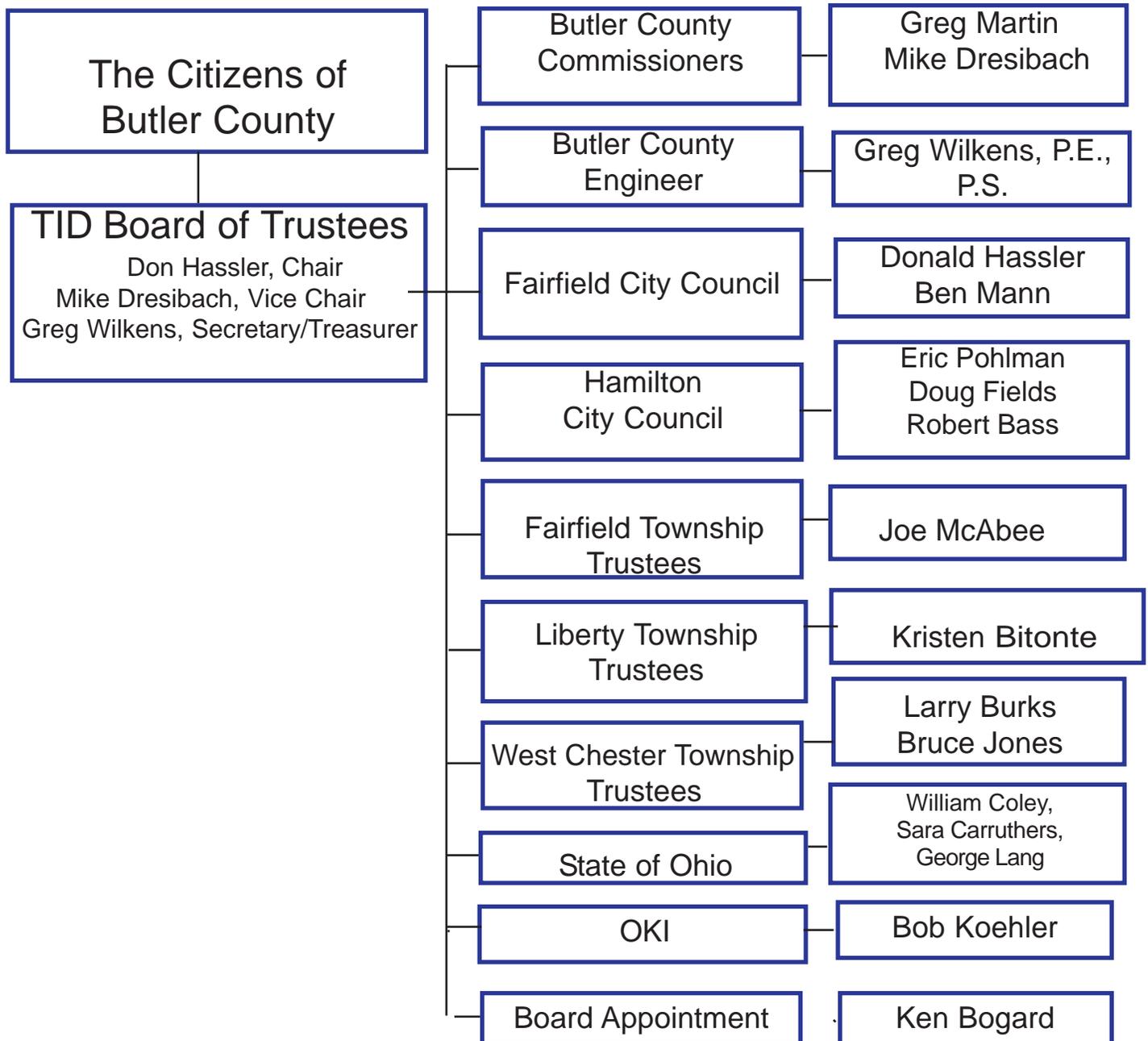


TID

TRANSPORTATION IMPROVEMENT DISTRICT

2021 Board of Trustees

Organizational Chart



FINANCIAL
SECTION



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, 2021, 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, 2021, 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.

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, budgetary comparison information 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2022, 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 22, 2022

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (Unaudited)

Our discussion and analysis of the Transportation Improvement District of Butler County, Ohio's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2021. Please review it in conjunction with the transmittal letter and the District's basic financial statements, which begin on page 14.

FINANCIAL HIGHLIGHTS

- Total net position decreased \$28.4 million mainly due the District turning over the South Hamilton Crossing project to the City of Hamilton.
- General revenues accounted for \$0.3 million in revenues or 6 percent of all revenues. Program specific revenues in the form of charges for services and capital grants accounted for \$5.4 million or 94 percent of all revenues excluding the special item.
- The District added \$1.1 million in capital assets during the current year and also reported an intergovernmental expense of \$28.6 million for removing the South Hamilton Crossing project from the construction in progress listing. The District also reported an intergovernmental expense for the excess funds in the Liberty Trust account for cash before year end.
- Among the major funds, the Liberty Interchange fund saw local government contributions of \$6.6 million to cover the 2016 bond obligation. The South Hamilton Crossing fund saw the project wrap most of the final checklist items with just over \$0.2 million in constructions expenditures.
- Although not reported as major funds for fiscal year 2021, the District and City of Hamilton continued the initial engineering phase for the North Hamilton Crossing project expending over \$535,000. The project started in the fourth quarter of 2020 and continued the development phase that helps determine the preferred alignment throughout 2021. Also, the District and Liberty Township continued the interchange modification study for Millikin Road by spending just over \$370,000.
- Since inception, the District has spent approximately \$342 million on construction projects in Butler County proving the District is a vital governmental tool to be used by the local governments to help increase the movement of the Butler County residents and open up valuable acreage for development that will keep Butler County as one of the growing communities in Ohio.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 14-15) provide information about the activities of the District as a whole and present a longer term view of the District's finances. Fund financial statements start on page 16. These statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most financially significant funds.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (Unaudited)

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds begins on page 9. The fund financial statements begin on page 16 and provide detailed information about the most significant funds, not the District as a whole. Some funds are required to be established by State law. However, the Board of Trustees establishes many other funds to help control and manage money for particular purposes (ex. various capital projects funds). The District only has governmental funds.

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

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements can be found on pages 20-50 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents supplementary information, combining and individual fund statements and schedules and statistical information which can be found on pages 51-85 of this report.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (Unaudited)

THE DISTRICT AS A WHOLE

The District's total Net Position changed from a year ago as a result of additional restricted cash reserves and the removal of the Salzman Road project from the District's asset listing. Our analysis below focuses on the Net Position (Table 1) and Changes in Net Position (Table 2) of the District's governmental activities.

Table 1
Net Position (in millions)

	2020	2021		2020	2021
Current and other assets	\$ 12.5	\$ 7.6	Deferred Inflows	\$ -	\$ 0.1
Noncurrent assets	26.3	23.9			
Capital assets	29.1	1.7	Net position:		
Total Assets	67.9	33.2	Investment in capital assets	29.1	1.7
			Restricted	1.2	0.2
Deferred Outflows	1.1	1.1	Unrestricted	2.6	2.5
			Total net position	\$ 32.9	\$ 4.4
Long-term obligations	(29.7)	(27.1)			
Other liabilities	(6.4)	(2.7)			
Total Liabilities	(36.1)	(29.8)			

In prior years, the District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. The District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension," which significantly revises accounting for other postemployment benefit (OPEB) costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and net OPEB asset/liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension/OPEB costs, GASB 27 and GASB 45 focused on a funding approach. This approach limited pension/OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension/net OPEB asset/liability*. GASB 68 and GASB 75 take an earnings approach to pension/OPEB accounting; however, the nature of Ohio's statewide pension/OPEB systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and net OPEB asset/liability to equal the District's proportionate share of each plan's collective:

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (Unaudited)

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension/OPEB promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefits recipients. The retirement systems may allocate a portion of the employer contributions to provide these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the plan.

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

In accordance with GASB 68 and GASB 75, the District’s statements prepared on an accrual basis of accounting include an annual pension/OPEB expense for their proportionate share of each plan’s *change* in net pension liability and OPEB asset/liability, respectively, not accounted for as deferred inflows/outflows.

Other than pensions/OPEB, net position of the District’s activities decreased \$28.4 million. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – decreased slightly from 2020 as the District spent down operating funds with little administrative revenues. The District saw the net investment in capital assets decreased \$27.4 million as the construction in progress on the new projects were not enough to offset the removal of South Hamilton Crossing from the asset listing as the road was turned over to the City of Hamilton.

The District also saw the current assets decrease by \$4.2 million as the restricted cash balances in the Liberty Interchange fund were dispersed in January 2021, which also results in the other liabilities decreasing significantly year over year. The long term obligations decreased about \$2.3 million as the Liberty Interchange bonds and 2019 Refunded State Route 4 Bypass bonds were paid down.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

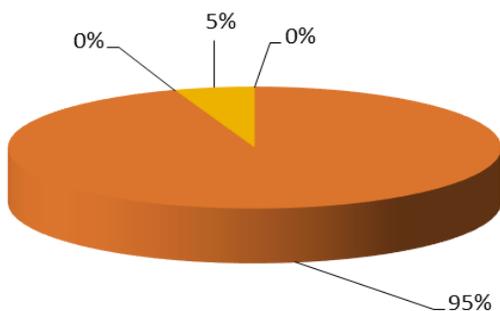
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (Unaudited)

Table 2 compares the 2020 change in net position to the 2021 change in net position.

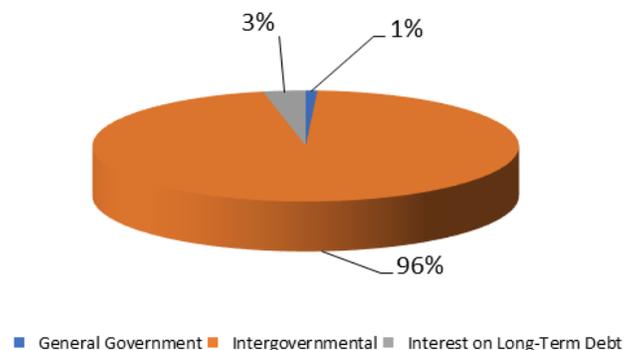
Table 2
Changes in Net Position for 2021
Compared with 2020 activity
(in millions)

	2020	2021	Change
Program Revenues:			
Charges for Services	\$ 0.2	\$ -	\$ (0.2)
Capital Grants	6.0	5.4	(0.6)
General Revenues:			
Interest	0.1	-	(0.1)
Other	0.3	0.3	-
Total Revenues	6.6	5.7	(0.9)
Program Expenses			
General Government	0.4	0.3	(0.1)
Intergovernmental	6.7	32.8	26.1
Interest of Long-Term Debt	1.2	1.1	(0.1)
Total Expenses	8.3	34.2	25.9
Change in Net Position	(1.7)	(28.5)	(26.8)
Beginning Net Position	34.6	32.9	(1.7)
Ending Net Position	\$ 32.9	\$ 4.4	\$ (28.5)

2021 Governmental Activities Revenues



2021 Governmental Activities Expenses



TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (Unaudited)

The District saw expenses increase from 2020 to 2021 mainly from the transfer of the South Hamilton Crossing project to the City of Hamilton by removing it from the capital asset listing. The decrease in revenues is attributed to collections on the revenues related to the Liberty Interchange project being down from last year.

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

Table 3
Governmental Activities
(in millions)

	Total Cost of Services		Net Cost of Services	
	2020	2021	2020	2021
General Government	\$ 0.4	\$ 0.3	\$ 0.3	\$ (0.3)
Intergovernmental	6.7	32.8	(2.4)	(28.4)
Interest on Long-Term Debt	1.2	1.1	-	-
Total Expenses	\$ 8.3	\$ 34.2	\$ (2.1)	\$ (28.7)

As the table above shows, the District works hard to cover the expenses/services the District provides. The interest on long-term debt is specifically covered by intergovernmental agreements. The District repays Liberty Township and Butler County any excess funds on their revenue contributions for the Liberty Interchange debt service. The funds received are accounted for a capital grant against both the interest and intergovernmental expenses. The removal of capital assets are reported as an intergovernmental expense with no revenue to cover the expense. The net cost of services for general government is significantly lower in 2021 as the District received revenue for the South Hamilton Crossing with funds received in 2020 being the final amount remaining.

THE DISTRICT'S FUNDS

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

Table 4
Year End Fund Balances in (Millions)

	2020	2021	% Change
General	\$ 5.0	\$ 4.8	-4.0%
Liberty Interchange	-	-	0.0%
State Route 4 Bypass Widening	-	-	0.0%
South Hamilton Crossing	0.5	0.1	-80.0%
Nonmajor Funds	0.7	0.1	-85.7%
Total Governmental Balances	\$ 6.2	\$ 5.0	-19.4%

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (Unaudited)

The **General Fund** realized a slight decrease as the District received little in administration fees. The District's operating expenditures are approximately \$364,000 annually. When administrative fees are down, the District is required to use the cash balance to cover the operating deficit. The District entered into an agreement with the Warren County TID to share the District's Executive Director. The reimbursement of sharing services is reported in other revenues but helps reduce the overall operating expenditures to about \$295,000.

The **Liberty Interchange Fund** remained unchanged from 2020 to 2021 as the only remaining balance at year end is interest earned in the account during December. The District pays debt service from the fund and then returns the remaining balance to Butler County and Liberty Township based on their annual contribution percentages.

The **State Route Bypass 4 Widening Fund** was unchanged as the only activity accounted is related to debt service payments which are received by the three local governments involved in the project.

The **South Hamilton Crossing Fund** decreased by 80% as the remaining grant balances for right of way and construction management were drawn out during 2020. All grant funds were successfully captured reducing the local share for the City of Hamilton significantly.

The **Other Nonmajor Funds** accounts for the prior project funds the District still maintains that have little to no balance in them. The Salzman Road relocation project was initiated in the fourth quarter of 2014. The District is holding about \$39,000 for remaining utility work. The District reports the Gilmore Road here as well. The fund saw the final draw on the state grant for engineering work. The District reports North Hamilton Crossing as nonmajor currently. The project continued engineering during 2021. The newest fund for the District is the Millikin Interchange fund. The District finished the first phase and started the second phase of the interchange modification study during 2021.

Table 5 presents a summary of governmental fund revenues for the 2021 fiscal year and the amounts and percentages of increases and decreases in relation to the prior year.

Table 5
Total Governmental Fund Revenues

			Increase (Decrease)	Percent Increase (Decrease)
Revenue Source	2021 Amount	Percent of Total	Over 2020	
Intergovernmental	\$ 7,727,400	99.1%	\$ (776,419)	-9.1%
Charges for Services	6,145	0.1%	(203,591)	-97.1%
Investment Earnings	(10,582)	-0.1%	(131,855)	-108.7%
Other	76,520	1.0%	3,160	4.3%
Total	\$ 7,799,483	100.0%	\$ (1,108,705)	-12.4%

The 9% decrease in **intergovernmental revenues** is related to lower revenues on the Liberty Interchange trust payments.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (Unaudited)

Investment Earnings decreased in 2021 as District's investments are lower on a market value despite the actual interest earnings being up over the prior year. The District's increase in **other revenues** relates to more reimbursements from the Warren County TID for the shared services of the Executive Director.

The District also saw **Charges for Services** decrease as the District saw the final administrative fee on the South Hamilton Crossing received by the end of 2020. The District only collected charges for services from the Montgomery County TID accounting services in 2021.

Table 6 presents the General Fund budget and the difference between the original budget and final budget for fiscal year 2021. Table 7 discusses the variance between the final budget and the actual results for the fiscal year.

Original versus Final Budget

Table 6
Original and Final Budget - General Fund

	Original	Final	Variance
Revenues:			
Charges for Services	\$ 226,000	\$ 9,020	\$ (216,980)
Investment Earnings	45,000	60,000	15,000
Other	92,000	92,100	100
Expenditures:			
Current:			
General Government	514,023	542,234	28,211
Other Financing Uses:			
Transfers Out	-	3,004	3,004

The District's charges for services were initially budgeted for administrative fees charged on the South Hamilton Crossing Project and reimbursement from the Montgomery County TID for shared services for the full year. The final budget only included a half year of Montgomery County TID funds. The budgeted expenditures were increased as District had more expenditures related to the shared services agreement with the Warren County TID.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (Unaudited)

Final Budget versus Actual

Table 7
Final Budget versus Actual Results
General Fund

	Final Budget	Actual	Variance
Revenues:			
Charges for Services	\$ 9,020	\$ 9,020	\$ -
Investment Earnings	60,000	59,257	(743)
Other	92,100	83,991	(8,109)
Expenditures:			
Current			
General Government	542,234	361,158	181,076
Other Financing Uses			
Transfers Out	3,004	-	3,004

As discussed above, the District worked through 2021 with a very lean operating system. The District continues to focus on bringing expenditures in under budget so the additional hours anticipated for staff weren't needed and some project development expenditures were pushed into 2022. The other revenues came in lower as the final reimbursement wasn't received until February 2022.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At year-end, the District had \$1.7 million invested in construction in progress assets. This amount represents a decrease of \$27.4 million, or 94%, over the last year. The District spent about \$1.1 on the two project under development for the District but transferred the South Hamilton Crossing project to the City of Hamilton. For more information on capital assets, see Note 6 of the financial statements.

Debt Administration

At year end, the District had \$23 million in special obligation bonds for construction of the Liberty Interchange related projects outstanding. The debt is backed by intergovernmental agreements with Liberty Township, Butler County and West Chester Township. The project financing would not have occurred without the commitment of those governments. For more detailed information on this transaction, refer to Note 9 of the basic financial statements.

During 2009, the District saw the City of Hamilton, Butler County and Fairfield Township agree to support a \$7.3 million special obligation bond for the local share on the District's phases of the State Route 4 Bypass widening project. The bonds were issued under the economic recovery zone bond program so the participating governments received a 45% credit on the interest paid. This is critical for helping reduce the overall burden to these governments. The debt was refunded during the 2019 year. The District reports \$2.9 million in outstanding principal for 2021. For more detailed information on this transaction, refer to Note 9 of the basic financial statements.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (Unaudited)

ECONOMIC FACTORS

The District has operated in Southeastern Butler County since its 1994 formation. The District closed out the South Hamilton Crossing project during 2021. The project opened up significant developable acreage within the City of Hamilton when the overpass opened to traffic in 2019. The District was successful in obtaining \$12.5 million for construction funding through TRAC and OKI that also required significant local contributions from the City. The District is wrapping up the City of Fairfield on the Gilmore Road project that will help reduce congestion around the Interstate 275 ramp. The District has also been working with Liberty Township on the interchange modification study for the Millikin Road interchange project. The study has moved into the second phase and the District applied for different revenues in 2021 and 2022. The District and City of Hamilton continued the engineering design for the North Hamilton Crossing to aid the City is upgrading access in the area for future development including the Spooky Nook development scheduled to open in 2022.

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

In 2018, the District sold approximately fifteen acres of developable land in the Liberty Interchange area along the northeast corner of the Cox Road/Liberty Way intersection for \$4.4 million. The District continues to use these funds for the administrative expenses when project revenue is down and possibly initiate future project development as determined by our Director and Board of Trustees. During 2019, the Board of Trustees committed \$250,000 to the North Hamilton Crossing project to match the City's initial commitment of \$375,000 with another \$375,000 received from the City during the first quarter of fiscal year 2022. During 2020, the District contributed \$50,000 to the Millikin Interchange project.

REQUEST FOR INFORMATION

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

Sean Fraunfelter, CPA
Finance and Administration

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

STATEMENT OF NET POSITION DECEMBER 31, 2021

Assets:	
Cash and Cash Equivalents	\$ 4,762,042
Restricted Cash and Cash Equivalents	418,446
Accounts Receivable	25,700
Interest Receivable	11,384
Intergovernmental Receivables	2,387,000
<i>Total Current Assets</i>	7,604,572
Noncurrent Assets:	
Prepaid Insurance	43,442
Intergovernmental Receivables	23,834,000
Net OPEB Asset	18,350
Nondepreciable Capital Assets	1,688,553
<i>Total Noncurrent Assets</i>	25,584,345
Total Assets	33,188,917
 Deferred Outflows of Resources:	
Deferred Charge on Bond Refunding	1,000,628
OPEB	53,091
Pensions	101,641
Deferred Outflows of Resources:	1,155,360
 Liabilities:	
Current Liabilities:	
Accounts Payable	16,230
Contracts Payable	193,816
Accrued Wages and Benefits	10,270
Intergovernmental Payable	2,748
Accrued Interest Payable	90,604
Special Obligation Bonds Payable - Current	2,387,000
<i>Total Current Liabilities</i>	2,700,668
Noncurrent Liabilities:	
Net Pension Liability	163,775
Special Obligation Bonds Payable	26,912,578
<i>Total Noncurrent Liabilities</i>	27,076,353
Total Liabilities	29,777,021
 Deferred Inflows of Resources:	
Deferred Charge on Bond Refunding	16,101
OPEB	56,903
Pensions	72,703
Deferred Inflows of Resources:	145,707
 Net Position:	
Net investment in capital assets	1,688,553
Restricted for:	
Capital Improvements	222,291
Unrestricted	2,510,705
Total Net Position	\$ 4,421,549

See accompanying notes to the financial statements

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net Revenue (Expense) and Change in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 319,039	\$ 6,145	\$ -	\$ (312,894)
Intergovernmental	32,761,265	-	4,290,392	(28,470,873)
Interest on Long-Term Debt	1,128,008	-	1,128,008	-
Total Primary Government	\$ 34,208,312	\$ 6,145	\$ 5,418,400	(28,783,767)
General Revenues:				
Unrestricted Investment Earnings				(10,582)
Miscellaneous				344,481
Total General Revenues				333,899
Change in Net Position				(28,449,868)
Net Position - Beginning				32,871,417
Net Position - Ending				\$ 4,421,549

See accompanying notes to the financial statements

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**BALANCE SHEET -
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	<u>General</u>	<u>Liberty Interchange</u>	<u>State Route 4 Bypass Widening</u>	<u>South Hamilton Crossing</u>
Assets:				
Cash and Cash Equivalents	\$ 4,762,042	\$ -	\$ -	\$ -
Receivables:				
Accounts, net	25,700	-	-	-
Intergovernmental	-	23,320,000	2,901,000	-
Interest	11,384	-	-	-
Interfund Loan	9,315	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	83,625
Total Assets	<u>\$ 4,808,441</u>	<u>\$ 23,320,000</u>	<u>\$ 2,901,000</u>	<u>\$ 83,625</u>
Liabilities and Fund Balance				
Liabilities:				
Payable:				
Accounts	\$ 13,891	\$ -	\$ -	\$ -
Contracts	-	-	-	-
Accrued Wages and Benefits	10,270	-	-	-
Intergovernmental	2,748	-	-	-
Interfund Loan	-	-	3,004	-
Total Liabilities	<u>26,909</u>	<u>-</u>	<u>3,004</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenue - miscellaneous revenues	25,700	-	-	-
Unavailable revenue - intergovernmental revenues	-	23,320,000	2,901,000	-
Total Deferred Inflows of Resources	<u>25,700</u>	<u>23,320,000</u>	<u>2,901,000</u>	<u>-</u>
Fund Balances:				
Restricted:				
Capital Improvements	-	-	-	83,625
Unassigned:				
General	4,755,832	-	-	-
Capital Projects (Deficit)	-	-	(3,004)	-
Total Fund Balances	<u>4,755,832</u>	<u>-</u>	<u>(3,004)</u>	<u>83,625</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,808,441</u>	<u>\$ 23,320,000</u>	<u>\$ 2,901,000</u>	<u>\$ 83,625</u>

See accompanying notes to the financial statements

**Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2021**

Other Governmental Funds	Total Governmental Funds		
		Total Governmental Fund Balances	\$ 4,968,808
		<i>Amounts reported in governmental activities in the Statement of Net Position are different because:</i>	
\$ -	\$ 4,762,042	Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.	1,688,553
-	25,700		
-	26,221,000		
-	11,384	Prepaid insurance premiums reported as an expenditures period expenditures and therefore are deferred in governmental funds are allocated as an expense	43,442
-	9,315		
334,821	418,446		
\$ 334,821	\$ 31,447,887	Other long term assets are not available for current period expenditures and therefore are deferred in the funds.	26,246,700
		Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(28,405,655)
\$ 2,339	\$ 16,230		
193,816	193,816	The net pension/OPEB asset/liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:	
-	10,270	Deferred Outflows - Pensions/OPEB	154,732
-	2,748	Deferred Inflows - Pensions/OPEB	(129,606)
6,311	9,315	Net Pension/OPEB Asset/Liability	(145,425)
202,466	232,379		
-	25,700	Net Position of Governmental Activities	\$ 4,421,549
-	26,221,000		
-	26,246,700		
138,666	222,291		
-	4,755,832		
(6,311)	(9,315)		
132,355	4,968,808		
\$ 334,821	\$ 31,447,887		

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>General</u>	<u>Liberty Interchange</u>	<u>State Route 4 Bypass Widening</u>	<u>South Hamilton Crossing</u>
Revenues:				
Intergovernmental	\$ -	\$ 6,621,701	\$ 706,826	\$ -
Charges for Services	6,145	-	-	-
Investment Earnings	(11,088)	242	-	264
All Other	69,652	-	-	6,868
Total Revenues	64,709	6,621,943	706,826	7,132
Expenditures:				
Current:				
General Government	364,909	-	-	-
Intergovernmental	-	3,964,656	-	185,431
Capital Outlay	-	-	-	238,969
Debt Service:				
Principal Retirement	-	1,670,000	639,000	-
Interest and Fiscal Charges	-	987,300	67,826	-
Total Expenditures	364,909	6,621,956	706,826	424,400
Net Change in Fund Balances	(300,200)	(13)	-	(417,268)
Fund Balances - beginning	5,056,032	13	(3,004)	500,893
Fund Balances (Deficit) - ending	\$ 4,755,832	\$ -	\$ (3,004)	\$ 83,625

See accompanying notes to the financial statements

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended December 31, 2021**

Other Governmental Funds	Total Governmental Funds		
		Net Change in Governmental Fund Balances	\$ (1,236,840)
\$ 398,873	\$ 7,727,400	Amounts reported for the governmental activities in the statement of activities are different because:	
-	6,145		
-	(10,582)		
-	76,520		
398,873	7,799,483	Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated to the projects as construction in progress.	1,141,313
		Donating construction in progress capital assets to local government.	(28,611,178)
12,386	377,295	Governmental funds report premiums as other financing sources, whereas these amounts are deferred and amortized on the statement of activities.	246,286
-	4,150,087		
905,846	1,144,815		
-	2,309,000	Revenues in the statement of activities that do not provide current financial resources are not reported as such in the funds.	(2,287,325)
-	1,055,126		
918,232	9,036,323	In the statement of activities, interest and charges are accrued on outstanding bonds, whereas, in governmental funds, they are reported when due.	8,628
(519,359)	(1,236,840)		
651,714	6,205,648		
\$ 132,355	\$ 4,968,808	Bonds payable are due and payable in the current period and therefore are not reported in the statement of activities	2,309,000
		Bond Payments	
		The issuance of long term debt provides current financial resources to governmental funds, then the repayment reduces long-term liabilities in the statement of Net Position. In the current year, this amount relates to the following:	
		Amortization of Deferred Charge	(78,037)
		Prepaid insurance amortized	(3,473)
		Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.	24,603
		Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities	37,155
		Change in Net Position of Governmental Activities	\$ (28,449,868)

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and fund financial statements

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

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

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

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

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

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

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

Governmental Funds

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

The District reports the following major governmental funds:

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

Liberty Interchange Capital Projects Fund – This project involved the reconfiguration of the State Route 129 Extension at Interstate 75. The interchange was reconstructed to allow an eastward movement through a collector-distributor connection with Liberty Way. This fund also accounted for the auxiliary road improvements around the interchange. The TID completed financing for the project during 2007 while right of way acquisition started in 2006. The ground breaking for the project was done in the fourth quarter of 2007. The project was completed and open to traffic in October 2009. The local governments have revenue contribution agreements in place to cover the debt service. Under terms of the trust indenture, any excess funds remaining at December 15 annually are returned to Butler County and Liberty Township. For fiscal year 2020, that payment was not made until January 2021 resulting in a larger accounts payable at year end. During 2015, the District started an interchange modification study to evaluate traffic patterns from development. In 2020, the District successful received a \$200,000 grant for assistance in right of way acquisition with the Butler County Engineer’s Office.

State Route 4 Bypass Widening Capital Projects Fund – This project accounted for the engineering and environmental work to proceed with widening State Route 4 Bypass from the two terminus points on State Route 4. The TID and Butler County Engineer received stimulus funding and other state grants to complete Phases 1, 2 and 3 which started in 2010 and were open to traffic in 2011. The City of Fairfield was under construction for their phase during 2010 and completed it during 2012. The District finished the construction aspect of Phase 5A during 2012. The local governments are continuing to pay for the related debt service on the project. During 2019, the District refunded the 2009 bonds to achieve a significant net present value savings.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

South Hamilton Crossing Fund – This project accounts for the study, engineering, right of way acquisition and construction of a railroad overpass along Grand Avenue in the southern portion of the City of Hamilton. The District was successful in receiving a \$10 million allocation through the Ohio Department of Transportation’s TRAC project and \$2.75 million OKI STP grant to fund a large portion of the construction cost. The project was open to traffic in November 2018. The District expects to close out the remaining items in 2021. The fund doesn’t qualify as a major fund but the District has elected to present it as such for 2021.

Revenues - Exchange and Non-Exchange Transactions

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position represents a composition of net position that applies to future periods and so will not be recognized as an outflow of resources until then. The District reports deferred outflows of resources on the government-wide statement of net position for pension/other post-employment benefits (OPEB) items and deferred charge on 2016 refunding bond issue. The deferred outflows of resources related to pension/OPEB are explained in Notes 7 and 8.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will be recognized until that time. Grants received before the eligibility requirements are met and pensions are also recorded as deferred inflows of resources. Deferred inflows of resources related to pension/OPEB and deferred charge on the 2019 refunding bond issue are reported on the government-wide statement of net position (see Notes 7 and 8). On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred inflows of resources. The District reports a deferred inflow for the amounts remaining on the debt obligations for both the Liberty Interchange and State Route 4 Bypass Widening projects.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenses/Expenditures

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

D. Cash and Cash Equivalents

Cash received by the District is pooled for investment purposes. Equity interest in the pool is presented as “Cash and Cash Equivalents” on the statement of net position and governmental fund balance sheet by activity or fund. The District utilizes a financial institution for the management of trust accounts for the Liberty Interchange project. The balances in these accounts are presented on the financial statements as “Restricted Cash with Fiscal Agent.” For 2021, there were no balances in the accounts at year end. The District reports “Restricted Cash and Cash Equivalents” for project funds. In the South Hamilton Crossing fund, there are deposits from the City of Hamilton held for the project expenditures with any remaining balance returning to the City. In the nonmajor funds, the District holds from the City of Hamilton for the initial project phase on the North Hamilton Crossing and funds from Liberty Township and the District’s own financial contribution to the Millikin Interchange modification study.

During fiscal year 2021, investments were limited to U.S Treasury bills, STAR Ohio, US Agency Corporate notes, and money market mutual funds. Except for nonparticipating investment contracts, investments are reported at fair value that is based on quoted market prices. Investment contracts and money market investments that have a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price which is the price the investment could be sold for on December 31, 2021.

Following Ohio statutes, the Board of Trustees has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2021 amounts to (\$11,088), with no interest assigned to other funds as they operate on a reimbursement basis and do not receive interest. The Liberty Interchange capital projects fund also received interest on trust accounts of \$242. The District maintains the South Hamilton Crossing fund monies from the City of Hamilton in a separate bank deposit account that generated \$264 for the fiscal year.

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements. Restricted cash with fiscal agent represent amounts required by debt covenant to be segregated for construction expenses and future debt service on the outstanding bonds. Restricted cash and cash equivalents are related to City of Hamilton deposits on the South Hamilton Crossing as local match requirements for project expenditures and intergovernmental contributions for the project expenditures on the North Hamilton Crossing and Millikin Interchange projects.

F. Interfund Transactions

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

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

G. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not. The District maintains the ownership of the asset until a dedication plat is filed with the participating government for recording of the road or assignment of the project to the local government for control. During the fiscal year, the South Hamilton Crossing project was turned over the City of Hamilton for maintenance and ownership purposes.

H. Prepaid Insurance

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

I. Compensated Absences

The District does not accrue compensatory time on exempt employees. Sick leave is allowed to be carried over to the next fiscal year but cannot be paid out in any case. Vacation time is earned by the District’s administrative assistant and can be carried over into the next year with permission of the Director. The accrued balance of \$3,643 is accounted for in accrued wages and benefits.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Intergovernmental Revenues

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

K. Pensions/ Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB asset/liability, 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.

L. Fund Balance

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

- Restricted fund balances in the South Hamilton Crossing shows \$83,625 restricted for capital improvements relates to the remaining City of Hamilton allocation for funds for local match on construction grants. \$39,434 restricted for cash advances from the local governments that are held for the final utility construction invoices not received as of December 31, 2021 for Salzman Road, \$48,654 from the City of Hamilton and District for future design study work on the North Hamilton Crossing project and \$50,578 for the interchange modification study on the Millikin Interchange project.
- Committed fund balances are balances the District Board has formally allocated. The District has no balance to report in this category.
- Assigned fund balances are balances the District administration have specified the future use. The District has no balance to report in this category.
- Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Position

Net position presents the difference between assets, deferred outflows, liabilities and deferred inflows in the statement of net position. Net position – net investment in capital assets is capital assets reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments. The District applies restricted resources first when expenses are incurred for purposes for which either restricted or unrestricted amounts are available.

N. Estimates

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

P. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$28,405,655) difference are as follows:

Special Obligation Bonds Payable	(\$26,221,000)
Special Obligation Bonds – Premium	(3,078,578)
Accrued Interest Payable	(90,604)
Net Deferred Charge on Refunding Bonds Payable	984,527
Net Adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	(\$28,405,655)

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 – ACCOUNTABILITY

Fund Deficits

At December 31, 2021, the following funds had a deficit fund balance:

<u>Funds</u>	<u>Amounts</u>
State Route 4 Bypass Widening	\$ 3,004
Gilmore Road Project	6,311

The deficits in the funds were due to timing of reimbursement at year end and gaap adjustments. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Compliance

The following funds had appropriations in excess of available resources:

<u>Funds</u>	<u>Amounts</u>
Liberty Interchange	\$ 8,870
South Hamilton Crossing	6,868

The deficits were the result of a higher budgeted intergovernmental payments or capital expenditures than the budgeted resources during the year.

NOTE 3 – DEPOSITS AND INVESTMENTS

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

- United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- The State Treasury Asset Reserve of Ohio (STAR Ohio);
- Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
- Under limited circumstances, corporate debt obligations rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

A. Deposits

Custodial Credit Risk

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

At year-end the carrying amount of the District's deposits was \$3,283,183 and the bank balance was \$3,295,334. \$2,351,984 of bank balances was covered by federal depository insurance coverage with \$943,350 was not exposed to custodial credit risk since it was collateralized with securities held in the Ohio Pooled Collateral System.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

B. Investments

As of December 31, 2021, the District had the following investments.

	Fair Value	Fair Value Measurement Using	Average Year to Maturity	S&P Rating	Concentration of Credit Risk
STAROhio	\$1,043,758	NA	0.10	AAAm	55.36%
United States Treasury Notes	421,123	Level 1	1.94	AA+	22.34%
Federal Farm Credit Corporation Notes	137,101	Level 2	3.98	AAA	7.27%
Federal Home National Mortgage Association Notes	136,784	Level 2	3.82	AAA	7.26%
Federal Home Loan Mortgage Corporation Notes	132,714	Level 2	3.08	AAA	7.04%
Money Market Accounts	13,885	NA	0.00	AAAm	0.73%
Totals	<u>\$1,885,365</u>				

Fair Value Measurement:

Fair value as defined by GASB Statement No. 72 requires the District to apply valuation techniques that best represent fair value in the circumstances-market approach, cost approach and income approach. The following are the levels for which inputs can be measured. Level 1 – quoted prices (unadjusted) in active markets for identical assets/liabilities (most reliable); Level 2 – quoted prices for similar assets/liabilities, quoted price for identical assets/liabilities or similar assets/liabilities in markets that are not active, or other quoted prices that are observable; and Level 3 – unobservable inputs (least reliable). As discussed further in Note 2D, STAR Ohio is reported at its share price.

Custodial Credit Risk

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

Interest Rate Risk

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

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

Concentration of Credit Risk

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

NOTE 4 – INTERFUND BALANCES AND TRANSFERS

Interfund balances at December 31, 2021, consist of the following individual receivables and payables in the governmental fund balance sheet (such amounts are removed in the statement of net position).

Fund	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$9,315	\$0
Capital Projects Funds:		
State Route 4 Bypass Widening	0	3,004
Non-Major Funds	0	6,311

The District had two funds with an interfund payable for expenditures incurred but no reimbursement was received during the current year.

NOTE 5 – INTERGOVERNMENTAL REVENUES AND CHARGES FOR SERVICES

The following entities, which are a part of the District, have contributed the following funds during 2021:

Member Name	Contribution
Butler County	\$3,776,692
Liberty Township	3,165,822
City of Hamilton	170,625
Ohio Department of Transportation	37,500
Fairfield Township	401,334
West Chester Township	175,427
Totals	\$7,727,400

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 – INTERGOVERNMENTAL REVENUES AND CHARGES FOR SERVICES

(Continued)

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

NOTE 6 – CAPITAL ASSETS

Summary by category of changes in capital assets:

Category	December 31, 2020	Additions	Deletions	December 31, 2021
Construction in Progress	\$29,158,418	\$1,141,313	(\$28,611,178)	\$1,688,553

For 2021, the engineering work on the North Hamilton Crossing and Milliken Interchange projects contributed to the increase in assets. The District also removed the construction in progress balance on the South Hamilton Crossing project as the City of Hamilton has responsibility for maintenance of the road.

NOTE 7 – PENSION PLANS

A. Net Pension Liability

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

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

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 – PENSION PLANS (Continued)

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

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

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

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 in the traditional and combined plans 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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 – PENSION PLANS (Continued)

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 tens years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
Age and Service Requirements: Age 60 with 60 months of service credit; or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit; or Age 55 with 25 years of service credit	Age and Service Requirements: Age 62 with 5 years of service credit; or Age 57 with 25 years of service credit
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	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	Formula: 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. The initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 – PENSION PLANS (Continued)

At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	14.0 %
Employee	10.0 %

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$24,603 for the year ending December 31, 2021. Of this amount, \$2,748 is reported as a liability within the general fund.

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

The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 – PENSION PLANS (Continued)

	OPERS
Proportion of the Net Pension Liability - prior measurement date	0.000546%
Proportion of the Net Pension Liability - current measurement date	0.001106%
Change in proportionate share	0.000560%
Proportionate Share of the Net Pension Liability	\$163,775
Net Pension Expense	\$ 49,669

At December 31, 2021 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following source:

	OPERS
Deferred Outflows of Resources	
Changes in proportionate share	\$ 77,038
District contributions subsequent to the measurement date	24,603
Total Deferred Outflows of Resources	\$101,641
Deferred Inflows of Resources	
Differences between expected and actual experience	\$6,850
Changes in proportionate share	2,018
Net difference between projected and actual earnings on pension plan investments	63,835
Total Deferred Inflows of Resources	\$72,703

\$24,603 reported as deferred outflows of resources related to pension resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 – PENSION PLANS (Continued)

Fiscal Year Ending June 30:	<u>OPERS</u>
2022	\$22,367
2023	16,463
2024	(26,021)
2025	<u>(8,474)</u>
Total	<u>\$4,335</u>

Actuarial Methods and Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented below.

	<u>OPERS Traditional Plan</u>
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3 percent, simple
Post-January 7, 2013 Retirees	.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 then 2.15 percent simple.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 – PENSION PLANS (Continued)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic 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, 2020, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	<u>100.00 %</u>	<u>5.43 %</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 – PENSION PLANS (Continued)

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined 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 benefits 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.

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

The following table presents the District’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>(6.20%)</u>	<u>Discount Rate</u>	<u>(7.20%)</u>
		<u>(7.20%)</u>	<u>(8.20%)</u>
District's proportionate share of the net pension liability	\$312,401	\$163,775	\$40,192

Changes between Measurement Date and Report Date During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown

NOTE 8 –DEFINED BENEFIT OPEB PLANS

Net OPEB Asset

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.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 –DEFINED BENEFIT OPEB PLANS (Continued)

The net OPEB 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 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.

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 asset is solely the asset 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 asset. Resulting adjustments to the net OPEB asset 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.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 –DEFINED BENEFIT OPEB PLANS (Continued)

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue 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 an HRA 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. These changes are reflected in the December 31, 2020, measurement date health care valuation.

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 with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 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.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 –DEFINED BENEFIT OPEB PLANS (Continued)

Funding Policy - The Ohio Revised Code provides the statutory authority allowing 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. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates 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. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$0 for 2021.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, 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 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:

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 –DEFINED BENEFIT OPEB PLANS (Continued)

	<u>OPERS</u>
Proportion of the Net OPEB Asset:	
Prior Measurement Date	0.000508%
Current Measurement Date	0.001030%
Change in Proportionate Share	0.0005220%
Proportionate Share of the Net	
OPEB Asset	(\$18,350)
OPEB Expense	(\$84,355)

There is nothing reported for subsequent contributions as the retirement system did not allocate any portion of the contribution to OPEB contributions. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
Deferred Outflows of Resources	
Changes of assumptions	\$ 9,022
Changes in proportionate share	44,069
Total Deferred Outflows of Resources	\$53,091
Deferred Inflows of Resources	
Differences between expected and actual experience	\$16,561
Changes of assumptions	29,733
Net difference between projected and actual earnings on OPEB plan investments	9,775
Changes in proportionate share	834
Total Deferred Inflows of Resources	\$56,903

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 –DEFINED BENEFIT OPEB PLANS (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31:	OPERS
2022	\$1,582
2023	6
2024	(4,227)
2025	(1,173)
Total	(\$3,812)

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 OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current measurement date	8.5 percent, initial 3.50 percent, ultimate in 2035
Prior Measurement date	10.5 percent, initial 3.50 percent, ultimate in 2030
Actuarial Cost Method	Individual Entry Age

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 –DEFINED BENEFIT OPEB PLANS (Continued)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees 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. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined 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 real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	<u>100.00 %</u>	<u>4.43 %</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 –DEFINED BENEFIT OPEB PLANS (Continued)

Discount Rate A single discount rate of 6.0 percent was used to measure the OPEB asset on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. 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) 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 an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent (Fidelity Index’s “20-Year Municipal GO AA Index”). 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 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the District’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate The following table presents the District’s proportionate share of the net OPEB asset calculated using the single discount rate of 6 percent, as well as what the District’s proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (5 percent) or one-percentage-point higher (7 percent) than the current rate:

	1% Decrease (5%)	Current Discount Rate (6%)	1% Increase (7%)
Districts's proportionate share of the net OPEB asset	(\$4,563)	(\$18,350)	(\$29,685)

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 – DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the District’s Proportionate Share of the Net OPEB Liability 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. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability 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.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. 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 plan 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 percent in the most recent valuation.

	1% Decrease	Cost Trend Rate Assumption	1% Increase
District's proportionate share of the net OPEB asset	(\$18,798)	(\$18,350)	(\$17,850)

Changes between Measurement Date and Reporting Date

During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

NOTE 9 – LONG-TERM OBLIGATIONS

	Balance December 31, 2020	Issued	Retired	Balance December 31, 2021	Due Within One Year
Governmental Activities:					
Refunding Bonds					
1.916% 2019	\$3,540,000	\$0	\$639,000	\$2,901,000	\$652,000
Refunding Bonds					
2%-4% 2016	24,990,000	0	1,670,000	23,320,000	1,735,000
Premium	3,324,864	0	246,286	3,078,578	0
Net Pension Liability					
OPERS	107,921	55,854	0	163,775	0
Net OPEB Liability					
OPERS	70,168	0	70,168	0	0
Governmental Activity					
Long-Term Liabilities	\$32,032,953	\$55,854	\$2,578,014	\$29,463,353	\$2,387,000

Neither of the outstanding bonds are included in the net investment in capital assets calculation as the projects are no longer reported by District as capital assets.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 – LONG-TERM OBLIGATIONS (Continued)

2016 Refunding Bonds: On August 17, 2016 the District advance refunded the 2007 Special Obligation Bonds with the issuance of \$32,365,000 bonds. The original purpose of the bonds were to finance the construction on a new interchange and related roadway improvements known as the Liberty Interchange. The District had enough cash reserves along with the bond proceeds and premium to deposit \$42,799,784 in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds when called on December 1, 2017. The reacquisition price exceeded the net carrying amount of the old debt by \$1,440,903. This amount is reported separately on the statement of net position and amortized over the remaining life of the refunded debt. The aggregate difference in the debt service between the refunding debt and the refunded debt was \$17,113,379 with an economic gain of \$7,353,124.

The District has pledged all future revenues from the intergovernmental agreements to repay the \$32,365,000 in refunded bonds to finance the Liberty Interchange project. The bonds are paid from tax increment financing revenue received from Liberty Township, Butler County and West Chester Township's applicable properties located around the project. Total principal and interest remaining on the bonds is \$29,215,100 payable through December 2034. For the current year, principal of \$1,670,000 and interest of \$987,300 was while total tax increment financing revenue was \$6,621,701.

2019 Refunding Bonds: On November 22, 2019 the District advance refunded the 2009 Special Obligation Bonds with the issuance of \$4,147,000 bonds. The purpose of the new bonds is still the same as the prior issued bonds. The District received a cash deposit along with the bond proceeds to deposit \$4,814,769 in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds when called on December 1, 2017. The reacquisition price exceeded the net carrying amount of the old debt by \$20,127. This amount is reported separately on the statement of net position and amortized over the remaining life of the refunded debt. The aggregate difference in the debt service between the refunding debt and the refunded debt was \$1,357,194 with an economic gain of \$378,653.

The District has pledged all future revenues from the intergovernmental agreements to repay the \$4,147,000 in refunded bonds to finance the State Route 4 Bypass project. The bonds are paid from various revenue sources received from Fairfield Township, Butler County and City of Hamilton. Total principal and interest remaining on the bonds is \$3,083,058 payable through December 2029. For the current year, principal of \$639,000 and interest of \$67,826 was while total revenue was \$706,826.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 – LONG-TERM OBLIGATIONS (Continued)

The principal and interest requirements for outstanding bonds as of December 31, 2021 are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total	Rate
2022	\$2,387,000	\$976,084	\$3,363,084	1.92-4%
2023	2,474,000	894,190	3,368,190	1.92-4%
2024	2,562,000	809,172	3,371,172	1.92-4%
2025	2,119,000	720,906	2,839,906	1.92-4%
2026	2,220,000	639,564	2,839,564	1.92-4%
2027-2031	12,019,000	1,862,942	13,881,942	1.92-4%
2032-2034	2,460,000	174,300	2,634,300	1.92-4%
Totals	<u>\$26,221,000</u>	<u>\$6,077,158</u>	<u>\$32,298,158</u>	

NOTE 10 – CONSTRUCTION COMMITMENTS

The District has several major outstanding contracts for services. The following amounts remain on these contracts as of December 31, 2021.

Project and Contractor	Outstanding Balance
North Hamilton Crossing – Stantec	\$462,496
Millikin Interchange – Burgess and Niple	266,010

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees and natural disaster. During 2021, the District contracted with Cincinnati Financial Insurance Co. for liability, property, and crime damage and RSUI Indemnity Company for public officials insurance. Coverage provided by the companies is as follows:

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 11 – RISK MANAGEMENT (Continued)

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

NOTE 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the District did not receive COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The District's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 226,000	\$ 9,020	\$ 9,020	\$ -
Investment Earnings	45,000	60,000	59,257	(743)
All Other	92,000	92,100	83,991	(8,109)
Total Revenues	<u>363,000</u>	<u>161,120</u>	<u>152,268</u>	<u>(8,852)</u>
Expenditures:				
Current:				
General Government				
Personal Services	190,723	198,500	196,054	2,446
Contractual Services	107,100	122,034	112,446	9,588
Materials and Supplies	13,200	13,700	10,421	3,279
Other	203,000	208,000	42,237	165,763
Total General Government	<u>514,023</u>	<u>542,234</u>	<u>361,158</u>	<u>181,076</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(151,023)	(381,114)	(208,890)	172,224
Other Financing (Uses):				
Transfers Out	-	(3,004)	-	3,004
Net Change in Fund Balance	(151,023)	(384,118)	(208,890)	175,228
Fund Balance Beginning of Year	4,973,798	4,973,798	4,973,798	-
Fund Balance End of Year	<u>\$ 4,822,775</u>	<u>\$ 4,589,680</u>	<u>\$ 4,764,908</u>	<u>\$ 175,228</u>
		Budget Basis	\$ (208,890)	
		Revenue Accruals	(87,559)	
		Expenditure Accruals	(3,751)	
		GAAP Basis	<u>\$ (300,200)</u>	

See accompanying notes to the required supplementary information

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

	2021	2020	2019	2018	2017	2016	2015	2014
The District's Proportion of the Net Pension Liability	0.001106%	0.000546%	0.000575%	0.000590%	0.000642%	0.000621%	0.000511%	0.000511%
The District's Proportionate Share of the Net Pension Liability	\$ 163,775	\$ 107,921	\$ 157,481	\$ 92,560	\$ 145,787	\$ 107,565	\$ 60,221	\$ 61,613
The District's Covered Payroll	142,821	78,129	77,357	78,808	82,817	74,669	69,015	67,969
The District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	114.67%	138.13%	203.58%	117.45%	176.04%	144.06%	87.26%	90.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(1) Information prior to 2014 is not available

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

See accompanying notes to the required supplementary information

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contributions	\$ 24,603	\$ 19,995	\$ 10,938	\$ 10,830	\$ 10,245	\$ 9,938	\$ 8,960	\$ 8,972	\$ 8,836	\$ 6,575
Contributions in Relation to the Contractually Required Contribution	(24,603)	(19,995)	(10,938)	(10,830)	(10,245)	(9,938)	(8,960)	(8,972)	(8,836)	(6,575)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
The District Covered Payroll	\$ 175,736	\$ 142,821	\$ 78,129	\$ 77,357	\$ 78,808	\$ 82,817	\$ 74,669	\$ 69,015	\$ 67,969	\$ 65,750
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	13.00%	13.00%	10.00%

See accompanying notes to the required supplementary information

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

	2021	2020	2019	2018	2017
The District's Proportion of the Net OPEB Liability/(Asset)	0.001030%	0.000508%	0.000535%	0.000496%	0.000642%
The District's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (44,026)	\$ 70,168	\$ 69,751	\$ 53,825	\$ 64,844
The District's Covered Payroll	142,821	78,129	77,357	78,808	82,817
The District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-30.83%	89.81%	90.17%	68.30%	78.30%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)	115.57%	47.80%	46.33%	54.14%	54.50%

(1) Information prior to 2017 is not available

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

See accompanying notes to the required supplementary information

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contributions	\$ -	\$ -	\$ -	\$ -	\$ 788	\$ 1,656	\$ 1,493	\$ 690	\$ 680	\$ 2,630
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	(788)	(1,656)	(1,493)	(690)	(680)	(2,630)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
The District Covered Payroll	\$ 175,736	\$ 142,821	\$ 78,129	\$ 77,357	\$ 78,808	\$ 82,817	\$ 74,669	\$ 69,015	\$ 67,969	\$ 65,750
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	1.00%	2.00%	2.00%	1.00%	1.00%	4.00%

See accompanying notes to the required supplementary information

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgetary Process

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

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

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

1. **Estimated Resources**

As part of the District's budgetary process, the Board approves the budgetary document. The budgetary document states the projected revenue of each fund. Prior to December 31, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the budgetary document. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the budgetary document is amended to include any unencumbered balances from the preceding year. The budgetary document may be further amended during the year if the Board determines that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the first and final budgetary document issued during 2021.

2. **Appropriations**

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Lapsing of Appropriations

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

4. Budgetary Basis of Accounting

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

NOTE 2 – PENSION AND OPEB PLANS

1. Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions – Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2021.

Changes in assumptions:

2014-2016, 2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: The following was the most significant change of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

2020: The following was the most significant change of assumptions that affected total pension liability since the prior measurement date

- Cost of living adjustments for Post 1/7/2013 retirees changed from 1.40% simple through 2020 then 2.15% simple to 0.50% through 2021 then 2.15% simple.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

NOTE 2 – PENSION AND OPEB PLANS (Continued)

2. Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions – Net OPEB Liability

Changes in assumptions:

2021: The single discount rate changed from 3.16% to 6%. The municipal bond rate was changed from 2.75% to 2%. The health care cost trend initial rate was changed from 10.5% to 8.5%.

2020: The single discount rate changed from 3.96% to 3.16%. The municipal bond rate was changed from 3.71% to 2.75%. The health care cost trend initial rate was changed from 10% to 10.5%.

2019: OPERS Board adopted a change in the investment return assumption, reducing it from 6.50% to 6.00%. In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare-eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time.

2018: The single discount rate changed from 4.23% to 3.85%.

Changes in benefit terms:

2018-2021: There were no changes in benefit terms for the period.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
NONMAJOR FUND DESCRIPTIONS
DECEMBER 31, 2021

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUND

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

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

South Gilmore Road Fund – The fund accounts for the *South Gilmore Corridor/I-275 Ramp ‘Y’ Project* (the “Project”) as a joint transportation improvement project with the Hamilton County Transportation Improvement District (“HCTID”), to be undertaken in conjunction and cooperation with the City of Fairfield, Ohio (“Fairfield”), OKI and ODOT, in an effort to develop and enhance the public roadways and transportation system in the Butler and Hamilton Counties

North Hamilton Crossing Fund – The fund accounts for City of Hamilton and District held funds to evaluate the feasibility of an roadway and bridge project included as part of the Butler County Thoroughfare Plan and is identified further therein as the Washington Boulevard Extension Crossing to US 127 (crossing the Great Miami River and further providing a connection from US 127 to SR129 and Bypass 4).

Millikin Interchange Fund – The fund accounts for the Liberty Township and District held funds to evaluate the alternatives to the current Millikin Road I-75 overpass. The Township and District are engaged with an engineering firm to complete an interchange justification study.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	CAPITAL PROJECTS				Total Nonmajor Governmental Funds
	Salzman Road Relocation	South Gilmore Road	North Hamilton Crossing	Millikin Interchange	
Assets:					
Restricted Assets:					
Cash and Cash Equivalents	\$ 39,434	\$ -	\$ 211,508	\$ 83,879	\$ 334,821
Liabilities and Fund Balance					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ 1,126	\$ 1,213	\$ 2,339
Contracts Payable	-	-	161,728	32,088	193,816
Interfund Payable	-	6,311	-	-	6,311
Total Liabilities	-	6,311	162,854	33,301	202,466
Fund Balances:					
Restricted for Capital Purposes	39,434	-	48,654	50,578	138,666
Unassigned	-	(6,311)	-	-	(6,311)
Total Fund Balances	39,434	(6,311)	48,654	50,578	132,355
Total Liabilities and Fund Balances	\$ 39,434	\$ -	\$ 211,508	\$ 83,879	\$ 334,821

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	CAPITAL PROJECTS				Total Nonmajor Governmental Funds
	Salzman Road Relocation	South Gilmore Road	North Hamilton Crossing	Millikin Interchange	
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ 398,873	\$ 398,873
Total Revenues	-	-	-	398,873	398,873
Expenditures:					
Current:					
General Government	-	-	3,690	8,696	12,386
Capital Outlay	-	-	535,187	370,659	905,846
Total Expenditures	-	-	538,877	379,355	918,232
Change in Fund Balance	-	-	(538,877)	19,518	(519,359)
Fund Balance - (Deficit) Beginning of Year	39,434	(6,311)	587,531	31,060	651,714
Fund Balance (Deficit) - End of Year	\$ 39,434	\$ (6,311)	\$ 48,654	\$ 50,578	\$ 132,355

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIBERTY INTERCHANGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 8,000,000	\$ 6,657,050	\$ 6,621,701	\$ (35,349)
Investment Earnings	3,000	250	242	(8)
All Other Revenue	-	-	-	-
Total Revenues	<u>8,003,000</u>	<u>6,657,300</u>	<u>6,621,943</u>	<u>(35,357)</u>
Expenditures:				
Intergovernmental	5,345,700	7,927,000	7,891,023	35,977
Debt Service:				
Principal	1,670,000	1,670,000	1,670,000	-
Interest and Fiscal Charges	987,300	987,300	987,300	-
Total Expenditures	<u>8,003,000</u>	<u>10,584,300</u>	<u>10,548,323</u>	<u>35,977</u>
Net Change in Fund Balance	-	(3,927,000)	(3,926,380)	620
Fund Balance (Deficit) Beginning of Year	3,918,130	3,918,130	3,918,130	-
Fund Balance End of Year	<u>\$ 3,918,130</u>	<u>\$ (8,870)</u>	<u>\$ (8,250)</u>	<u>\$ 620</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE ROUTE 4 BYPASS WIDENING
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 706,826	\$ 706,826	\$ 706,826	\$ -
Expenditures:				
Debt Service:				
Principal Retirement	639,000	639,000	639,000	-
Interest and Fiscal Charges	67,826	67,826	67,826	-
Total Expenditures	706,826	706,826	706,826	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources:				
Transfers In	-	3,004	-	(3,004)
Excess of Revenues and Other Net Change in Fund Balance	-	3,004	-	(3,004)
Fund Balance Beginning of Year	21	21	21	-
Fund Balance End of Year	\$ 21	\$ 3,025	\$ 21	\$ (3,004)

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) SOUTH HAMILTON CROSSING FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment Earnings	\$ 100	\$ 264	\$ 264	\$ -
All Other Revenue	-	6,868	6,868	-
Total Revenues	100	7,132	7,132	-
Expenditures:				
Current:				
General Government		-		-
Intergovernmental	371,421	185,431	185,431	-
Capital Outlay	137,000	253,264	246,396	6,868
Total Expenditures	508,421	438,695	431,827	6,868
Net Change in Fund Balance	(508,321)	(431,563)	(424,695)	6,868
Fund Balance - Beginning of Year (Restated)	424,695	424,695	424,695	-
Fund Balance (Deficit) - End of Year	\$ (83,626)	\$ (6,868)	\$ -	\$ 6,868

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

SALZMAN ROAD EXTENSION

	Budgeted Amounts		Actual	Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance Beginning of Year	39,434	39,434	39,434	-
Fund Balance End of Year	\$ 39,434	\$ 39,434	\$ 39,434	\$ -

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	SOUTH GILMORE ROAD			Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 55,508	\$ 55,508	\$ -	\$ (55,508)
Expenditures:				
Current:				
Intergovernmental	49,197	49,197	-	49,197
Total Expenditures	49,197	49,197	-	49,197
Net Change in Fund Balance	6,311	6,311	-	(6,311)
Fund Balance - (Deficit) Beginning of Year	(6,311)	(6,311)	(6,311)	-
Fund Balance - (Deficit) End of Year	\$ -	\$ -	\$ (6,311)	\$ (6,311)

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	NORTH HAMILTON CROSSING			Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 375,000	\$ 375,000	\$ -	\$ (375,000)
Total Revenues	375,000	375,000	-	(375,000)
Expenditures:				
Current:				
General Government	10,000	10,000	2,728	7,272
Capital Outlay	203,307	975,000	396,431	578,569
Total Expenditures	213,307	985,000	399,159	585,841
Net Change in Fund Balance	161,693	(610,000)	(399,159)	210,841
Fund Balance - Beginning of Year	610,667	610,667	610,667	-
Fund Balance - End of Year	\$ 772,360	\$ 667	\$ 211,508	\$ 210,841

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	MILLIKIN INTERCHANGE			Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 598,873	\$ 598,873	\$ 398,873	\$ (200,000)
All Other Revenue	41,417	41,417	-	(41,417)
Total Revenues	<u>640,290</u>	<u>640,290</u>	<u>398,873</u>	<u>(241,417)</u>
Expenditures:				
Current:				
General Government	25,000	25,000	7,647	17,353
Capital Outlay	649,637	649,637	341,694	307,943
Total Expenditures	<u>674,637</u>	<u>674,637</u>	<u>349,341</u>	<u>325,296</u>
Net Change in Fund Balance	(34,347)	(34,347)	49,532	83,879
Fund Balance - Beginning of Year	34,347	34,347	34,347	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,879</u>	<u>\$ 83,879</u>

STATISTICAL
SECTION



**Transportation Improvement District of
Butler County, Ohio
Statistical Section Descriptions
December 31, 2021**

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

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and situation have changed over time.	71-76
Revenue Capacity (The District has no specific revenue source that generates year over year for the District; therefore, there are no tables presenting this information)	
Debt Capacity This schedule presents information to help the reader assess the affordability of the District's current levels of outstanding debt. The District has no ability to issue additional debt in the future without an agreement through on the participating governments.	78-80
Operating Information These schedules contain operational data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	81
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	82-85



TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

NET POSITION BY COMPONENT

LAST TEN YEARS (accrual basis of accounting)

	2021	2020	2019	2018	Restated 2017
Governmental Activities:					
Net investment in capital assets	\$ 1,688,553	\$ 29,158,418	\$ 30,875,704	\$ 29,991,671	\$ 24,237,484
Restricted	222,291	1,158,931	966,494	1,741,073	2,915,785
Unrestricted	2,510,705	2,554,068	2,694,471	3,074,657	3,931,972
Total Governmental Activities Net Position	\$ 4,421,549	\$ 32,871,417	\$ 34,536,669	\$ 34,807,401	\$ 31,085,241
Governmental Activities:			Restated		
Net investment in capital assets	\$ 13,261,984	\$ 6,220,785	2014	2013	2012
Restricted	1,837,241	13,819,499	8,833,748	7,134,278	8,502,463
Unrestricted	(33,961,063)	(44,702,048)	(43,322,590)	(48,701,083)	(41,571,889)
Total Governmental Activities Net Position	\$ (18,861,838)	\$ (24,661,764)	\$ (31,184,960)	\$ (38,880,916)	\$ (5,835,078)

Source: District financial records

Note: Fiscal year 2021 saw the District transfer \$28,611,178 of capital assets to other local governments as the projects were completed resulting in a large unrestricted net position deficit as the related debt obligations stayed with the District.

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

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

CHANGE IN NET POSITION

LAST TEN YEARS (accrual basis of accounting)

	2021	2020	2019	2018
Expenses:				
Governmental Activities				
General Government	\$ 319,039	\$ 349,068	\$ 278,185	\$ 235,150
Intergovernmental	32,761,265	6,720,519	6,724,205	10,395,724
Interest on Long Term Debt	1,128,008	1,215,245	1,582,842	1,588,079
<i>Total Governmental Activities Expenses</i>	<u>34,208,312</u>	<u>8,284,832</u>	<u>8,585,232</u>	<u>12,218,953</u>
Program Revenues:				
Charges for Services				
General Government	6,145	209,736	64,031	61,655
Operating Grants and Contributions				
General Government	-	417,668	786,768	4,764,368
Intergovernmental	4,290,392	4,331,987	5,322,130	8,686,043
Interest on Long Term Debt	1,128,008	1,215,245	1,525,611	1,588,079
<i>Total Governmental Activities Program Revenues</i>	<u>5,424,545</u>	<u>6,174,636</u>	<u>7,698,540</u>	<u>15,100,145</u>
Net (Expense)/Revenue	<u>(28,783,767)</u>	<u>(2,110,196)</u>	<u>(886,692)</u>	<u>2,881,192</u>
General Revenues				
Unrestricted Investment Earnings	(10,582)	121,273	214,707	134,950
Miscellaneous	344,481	323,671	401,253	706,018
Special Item - Change in Fair Value of Land	-	-	-	-
Special Item - Sale of Land	-	-	-	-
<i>Total Governmental Activities General Revenues</i>	<u>333,899</u>	<u>444,944</u>	<u>615,960</u>	<u>840,968</u>
Change in Net Position	<u>\$ (28,449,868)</u>	<u>\$ (1,665,252)</u>	<u>\$ (270,732)</u>	<u>\$ 3,722,160</u>

Source: District financial records.

	2017	2016	2015	2014	2013	2012
\$	191,835	\$ 309,911	\$ 233,088	\$ 149,716	\$ 496,536	\$ 331,860
	3,527,798	10,046,409	4,677,279	1,880,598	34,271,345	62,967,581
	1,650,698	2,507,755	2,360,541	2,374,969	2,387,552	2,398,076
	5,370,331	12,864,075	7,270,908	4,405,283	37,155,433	65,697,517
	312,590	387,318	17,521	19,750	20,875	97,180
	11,266,802	7,871,501	4,751,778	1,138,047	201,134	-
	3,441,524	4,522,543	5,088,434	4,682,347	-	-
	4,719,942	2,525,674	2,841,031	3,802,539	3,767,570	8,612,849
	19,740,858	15,307,036	12,698,764	9,642,683	3,989,579	8,710,029
	14,370,527	2,442,961	5,427,856	5,237,400	(33,165,854)	(56,987,488)
	21,967	77,057	32,352	16,256	(2,145)	16,684
	553,777	418,347	219,909	226,526	122,161	64,642
	-	2,861,561	-	-	-	-
	-	-	843,079	1,924,573	-	-
	575,744	3,356,965	1,095,340	2,167,355	120,016	81,326
\$	14,946,271	\$ 5,799,926	\$ 6,523,196	\$ 7,404,755	\$ (33,045,838)	\$ (56,906,162)

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO
FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS (modified accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable										
Unassigned	\$ 4,755,832	\$ 5,056,032	\$ 5,041,626	\$ 5,311,055	\$ 4,420,000	\$ 4,420,000	\$ 1,558,439	\$ -	\$ -	\$ -
Total General Fund	4,755,832	5,056,032	5,041,626	5,311,055	5,451,991	7,407,025	4,914,527	4,279,228	2,606,885	3,172,070
All other governmental funds										
Restricted	222,291	908,931	716,494	1,730,937	4,383,327	1,841,390	12,125,910	11,668,263	7,138,427	9,343,008
Committed	-	250,000	250,000	-	-	-	-	-	-	-
Unassigned	(9,315)	(9,315)	(15,444)	(11,941)	-	(1,800,592)	(441,705)	(553,914)	(2,441,015)	(3,314,177)
Total All other governmental funds	212,976	1,149,616	951,050	1,718,996	4,383,327	40,798	11,684,205	11,114,349	4,697,412	6,028,831
Total Governmental Funds	\$ 4,968,808	\$ 6,205,648	\$ 5,992,676	\$ 7,030,051	\$ 9,835,318	\$ 7,447,823	\$ 16,598,732	\$ 15,393,577	\$ 7,304,297	\$ 9,200,901

Source: District financial records



TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS (modified accrual basis of accounting)

	2021	2020	2019	2018
Revenues				
Intergovernmental	\$ 7,727,400	\$ 8,503,819	\$ 10,443,537	\$ 16,235,543
Charges for Services	6,145	209,736	64,031	61,655
Investment Earnings	(10,582)	121,273	214,707	134,950
All Other	76,520	73,360	149,477	454,242
Total Revenues	7,799,483	8,908,188	10,871,752	16,886,390
Expenditures				
Current				
General Government	377,295	351,675	256,807	498,005
Intergovernmental	4,150,087	4,367,269	6,724,205	10,180,583
Capital Outlay	1,144,815	635,964	880,849	5,695,400
Debt Service:				
Principal	2,309,000	2,212,000	2,615,000	1,810,000
Interest and Fiscal Charges	1,055,126	1,128,308	1,489,497	1,507,669
Total Expenditures	9,036,323	8,695,216	11,966,358	19,691,657
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,236,840)	212,972	(1,094,606)	(2,805,267)
Other Financing Sources (Uses)				
Change in Value of Land Held for Resale	-	-	-	-
Face Value of Debt	-	-	4,147,000	-
Premium from Sale of Bonds	-	-	-	-
Payment to Escrow Agent for Refunding	-	-	(4,089,769)	-
Proceeds from the Sale of Land	-	-	-	-
Transfers In	-	56,108	250,000	-
Transfers Out	-	(56,108)	(250,000)	-
Total Other Financing Sources (Uses)	-	-	57,231	-
Net Change in Fund Balances	\$ (1,236,840)	\$ 212,972	\$ (1,037,375)	\$ (2,805,267)
Debt Service as a percentage of noncapital expenditures	43%	41%	37%	24%

Source: District financial records

2017	2016	2015	2014	2013	2012
\$ 19,754,467	\$ 14,600,701	\$ 12,674,061	\$ 9,640,220	\$ 3,311,026	\$ 8,771,638
312,590	387,318	17,521	19,750	20,875	23,625
21,967	77,057	32,352	16,256	(2,145)	16,684
302,001	289,714	155,267	161,884	759,036	250,540
20,391,025	15,354,790	12,879,201	9,838,110	4,088,792	9,062,487
372,182	310,261	284,803	277,379	485,735	358,578
3,527,719	10,042,901	4,676,215	1,873,537	2,004,365	6,065,704
10,769,662	7,035,177	4,817,412	497,391	765,996	4,019,483
1,755,000	1,600,000	780,000	565,000	355,000	220,000
1,568,831	2,377,288	2,348,875	2,362,500	2,374,300	2,384,275
17,993,394	21,365,627	12,907,305	5,575,807	5,985,396	13,048,040
2,397,631	(6,010,837)	(28,104)	4,262,303	(1,896,604)	(3,985,553)
-	2,861,561	-	-	-	-
-	32,365,000	-	-	-	-
-	4,433,151	-	-	-	-
-	(42,799,784)	-	-	-	-
-	-	1,233,259	1,924,573	-	-
445,069	-	-	-	97,598	-
(445,069)	-	-	-	(97,598)	-
-	(3,140,072)	1,233,259	1,924,573	-	-
\$ 2,397,631	\$ (9,150,909)	\$ 1,205,155	\$ 6,186,876	\$ (1,896,604)	\$ (3,985,553)
47%	28%	37%	59%	52%	29%

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

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

<u>Year</u>	<u>Gross Revenue (1)</u>	<u>Debt Service Requirement</u>	<u>Coverage(2)</u>
2012	\$ 3,815,871	\$ 1,983,475	192.38%
2013	2,139,307	2,098,475	101.95%
2014	8,213,549	2,263,875	362.81%
2015	7,551,210	2,459,475	307.03%
2016	6,291,896	4,108,346	153.15%
2017	7,826,019	2,655,900	294.67%
2018	10,814,460	2,657,700	406.91%
2019	7,840,153	2,658,300	294.93%
2020	7,014,409	2,656,500	264.05%
2021	6,621,701	2,657,300	249.19%
Total	<u>\$ 68,128,575</u>	<u>\$ 26,199,346</u>	<u>260.04%</u>

Source: District's records

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

(2) Full receipt of gross revenues from entities was required with the amount exceeding the annual debt service returned to Liberty Township and Butler County annually in December based on the proportionate share they each contributed during the year.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**REVENUE BOND COVERAGE - STATE ROUTE 4 BYPASS
SPECIAL OBLIGATION BONDS 2009 SERIES AND 2019 REFUNDING
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Gross Revenue (1)</u>	<u>Debt Service Requirement (2)</u>	<u>Coverage</u>
2012	\$ 613,292	\$ 613,050	100.04%
2013	383,679	628,075	61.09%
2014	288,624	661,625	43.62%
2015	371,073	656,076	56.56%
2016	437,305	660,032	66.26%
2017	661,646	664,931	99.51%
2018	656,715	659,969	99.51%
2019	1,385,057	1,385,694	99.95%
2020	683,808	683,808	100.00%
2021	706,826	706,826	100.00%
Total	<u>\$ 6,188,025</u>	<u>\$ 7,320,086</u>	<u>84.53%</u>

Source: District's records

- (1) The District will receive intergovernmental revenue from Fairfield Township, Butler County and the City of Hamilton for payment of debt service.
- (2) The 2012-2019 debt service was offset with an IRS tax credit which repaid in proportion to the respective debt service amounts under (1). Revenues for 2013-2015 are under the debt service requirement as the District used the escrow refunds to pay down the debt service. The remaining construction fund balance was used to pay down principal only in 2016 as well. In 2019, the District refunded the bonds with an additional \$725,000 contribution from Butler County to pay down their respective share of the total outstanding obligation.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

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

Fiscal Year	Series 2007		2016 Refunding		Special Obligation Bonds		2019 Refunding		All Outstanding		Butler County		Net Debt		Net Debt per	
	Liberty Interchange	Liberty Interchange	Liberty Interchange	State Route 4 Bypass	State Route 4 Bypass	State Route 4 Bypass	State Route 4 Bypass	State Route 4 Bypass	Debt of District	Per Capita (1)	Per Capita	Per Capita	Per Capita	Personal Income	Personal Income	Personal Income
2012	\$	42,431,337	\$	-	\$	6,963,326	\$	-	\$	49,394,663	370,550	\$	133.30			0.35%
2013		42,257,185		-		6,717,836		-		48,975,021	371,395		131.87			0.34%
2014		41,913,033		-		6,432,346		-		48,345,379	373,750		129.35			0.32%
2015		41,356,881		-		6,141,856		-		47,500,737	375,998		126.33			0.30%
2016		-		35,375,008		5,836,366		-		41,211,374	378,354		108.92			0.25%
2017		-		33,688,722		5,515,876		-		39,204,598	380,607		103.01			0.23%
2018		-		31,957,436		5,185,386		-		37,142,822	382,000		97.23			0.22%
2019		-		30,166,150		-		4,147,000		30,166,150	383,184		78.72			0.16%
2020		-		28,314,864		-		3,540,000		28,314,864	385,648		73.42			0.15%
2021		-		26,398,578		-		2,901,000		26,398,578	385,648		68.45			0.14%

Source: District records

(1) The information comes from the Butler County 2020 CAFR. The information wasn't available for 2021. The Butler County information is provided by the Bureau of Economic Analysis.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION

LAST TEN YEARS

<u>Year</u>	<u>General Government Employees</u>
2021**	1.5
2020**	1.5
2019*	1
2018*	1
2017*	1
2016*	1
2015*	1
2014*	1
2013*	1
2012*	1

Note: District's financial records

* The District has two employees that work part time.

** The District has one employee who works part time.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

PRINCIPAL EMPLOYERS

CURRENT AND NINE YEARS AGO

Name of Employer	2020			2011		
	Number of Employees	Rank	% of Total Employment	Number of Employees	Rank	% of Total Employment
Miami University	4,250	1	2.01%	3,400	1	1.85%
Cincinnati Financial Corp. (Cincinnati Insurance)	3,234	2	1.53%	2,900	3	1.58%
GE Aviation	2,500	3	1.18%	1,675	6	0.91%
AK Steel	2,421	4	1.15%	3,100	2	1.69%
Butler County Government	2,044	5	0.97%	2,000	4	1.09%
Lakota School District	1,827	6	0.87%	1,969	5	1.07%
Mercy Regional Hospital	1,400	7	0.66%	1,200	8	0.65%
Liberty Mutual (Ohio Casualty Insurance)	1,400	8	0.66%			
Koch Foods	1,200	9	0.57%			
UC Health West Chester Hospital	1,045	10	0.50%			
Hamilton City School District			0.00%	1,114	9	0.61%
Fort Hamilton Hospital			0.00%	1,250	7	0.68%
Fairfield City Schools				1,100	10	0.60%
Total	21,321		10.11%	19,708		10.73%
Total Employed within the County	210,977			183,616		

Source: 2020 Butler County Comprehensive Annual Financial Report and presented as they have presented.

Note: The employment information was not available for 2021 according to the Auditor's office.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**TOP TEN TAXPAYERS
REAL PROPERTY**

CURRENT AND NINE YEARS AGO

Name of Taxpayer	2020			2011		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
LIT Industrial LTD Partnership	\$ 35,735,000	1	4.55%			
Duke Realty Ohio	21,653,260	2	2.76%	\$ 20,573,530	1	0.26%
Dugan Realty	19,206,130	3	2.45%			
Bethesda Hospital INC	14,035,600	4	1.79%			
MillerCoors LLC	13,198,020	5	1.68%	15,987,310	2	0.20%
Boymel Sam TR	12,011,410	6	1.53%	12,535,510	7	0.16%
AK Steel Corporation	10,468,440	7	1.33%	13,614,160	3	0.17%
First Industrial L P	10,067,860	8	1.28%	12,780,380	5	0.16%
Lesaint Venture LLC	9,785,930	9	1.25%	10,741,950	10	0.14%
Yosef Realty Capital Center	9,040,510	10	1.15%			
Meijer Stores LTD PRT				12,955,110	4	0.16%
West Chester Medical Center LLC						0.00%
US Industrial REIT III Midwest				12,775,000	6	0.16%
Dugan Financing LLC				11,063,600	8	0.14%
DCT Port Union LLC				10,994,730	9	0.14%
Total	\$ 155,202,160		19.77%	\$ 134,021,280		1.70%
Total Assessed Valuation	\$ 785,120,700			\$ 7,865,867,680		

Source: Butler County Auditor's Office
Fiscal year 2021 information is not available

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

DEMOGRAPHIC INFORMATION

LAST TEN YEARS

Year	Population (1)	Total Personal Income (1)	Per Capita Personal Income (1)	Unemployment Rate (2)
2012	370,550	\$ 14,173,166,950	\$ 38,249	7.1%
2013	371,395	14,402,698,100	38,780	6.9%
2014	373,750	15,192,190,000	40,648	5.4%
2015	375,998	15,911,859,362	42,319	4.6%
2016	378,354	16,422,455,370	43,405	4.4%
2017	380,607	17,273,087,481	45,383	4.4%
2018	382,000	17,168,772,200	44,944	4.1%
2019	383,184	18,829,503,564	49,140	3.4%
2020	385,648	18,953,056,608	49,146	4.3%
2021	385,648	18,953,056,608	49,146	2.9%

Source: (1) The information is provided from the Butler County, Ohio annual report for years 2012 to 2020. The Bureau of Economic Analysis provides information on personal income for Ohio as a whole. The total personal income amount wasn't available for 2021

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MISCELLANEOUS STATISTICS

DECEMBER 31, 2021

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

Source: Transportation Improvement District

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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 5/24/2022

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

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