



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

**LUCAS COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
A COMPONENT UNIT OF LUCAS COUNTY, OHIO**

LUCAS COUNTY
REGULAR AUDIT
FOR THE YEAR ENDED December 31, 2024



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Columbus, Ohio 43215
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800-282-0370

Board of Trustees
Lucas County Transportation Improvement District
1049 S. McCord Road
Holland, OH 43528

We have reviewed the *Independent Auditors' Report* of the Lucas County Transportation Improvement District, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2024 through December 31, 2024. 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 Lucas County Transportation Improvement District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

May 29, 2025

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TABLE OF CONTENTS

Independent Auditors' Report	1 – 3
Management's Discussion and Analysis.....	4 – 7
Statement of Net Position	8
Statement of Activities.....	9
Balance Sheet – Governmental Funds	10
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	11
Statement Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	13
Notes to the Basic Financial Statements	14 – 22
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23 – 24

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Lucas County Transportation Improvement District
Holland, Ohio:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Lucas County Transportation Improvement District (the District), a component unit of Lucas County, Ohio, as of and for the year ended December 31, 2024, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2024, and the respective changes in financial position thereof 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' 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 the 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.

Auditors' 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 auditors' 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 GAAS 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 GAAS 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 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2025 on our consideration of the District's internal control over financial reporting and on 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.

Clark, Schaefer, Hackett & Co.

Maumee, Ohio
March 17, 2025

**LUCAS COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
LUCAS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

This discussion and analysis of the Lucas County Transportation Improvement District's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2024 are as follows:

- The District's net position increased by \$216,144.
- During the period, the District generated \$1,755,603 of revenues and incurred expenses of \$1,539,459.

USING THIS ANNUAL REPORT

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

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

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

Government-Wide Statements

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

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

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

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

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

**LUCAS COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
LUCAS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

Fund Financial Statements

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

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

DISTRICT SUMMARY

The District as a Whole

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

	Governmental Activities	
	2024	2023
Current Assets	\$ 1,443,400	\$ 1,221,376
Other Assets	6,601,033	6,975,462
Total Assets	8,044,433	8,196,838
Current Liabilities	392,202	375,005
Long-Term Liabilities	6,215,287	6,601,033
Total Liabilities	6,607,489	6,976,038
Net Position:		
Restricted:		
Infrastructure Projects	1,174,426	965,348
Unrestricted	262,518	255,452
Total Net Position	\$ 1,436,944	\$ 1,220,800

Current assets increased in 2024 as the District earned and collected a \$70,000 management fee connected to the Riverfort Drive Extension project. Long-term liabilities decreased in 2024 as the District made scheduled principal payments on the State Infrastructure Bank (SIB) Loan – the proceeds of which were used as the local share of the Dorr Street & I475/US23 Interchange that was constructed by ODOT. Through an intergovernmental agreement the District has with Lucas County, Lucas County makes payments to the District over the life of the SIB Loan to cover interest and principal payments. As such, the District has recorded an intergovernmental receivable that is part of other assets at

LUCAS COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
 LUCAS COUNTY, OHIO
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (UNAUDITED)

December 31, 2024, and 2023, and that intergovernmental receivable decreased in 2024 as the District continued to receive scheduled payments from Lucas County.

The following table provides a summary of the District's changes in net position for the years ended December 31, 2024 and 2023:

Governmental Activities		
	2024	2023
Program Revenues:		
Charges for Services	\$ 70,000	\$ -
Capital Grants and Contributions	1,677,079	944,131
Total Program Revenues	1,747,079	944,131
General Revenues:		
Grants and Entitlements not Restricted to Specific Programs	-	125,572
Interest	8,524	3,506
Total General Revenues	8,524	129,078
Total Revenues	1,755,603	1,073,209
Program Expenses:		
General Government	69,206	64,760
Public Works	1,262,866	1,900
Interest and Fiscal Charges	207,387	218,372
Total Expenses	1,539,459	285,032
Change in Net Position	216,144	788,177
Beginning Net Position	1,220,800	432,623
Ending Net Position	\$ 1,436,944	\$ 1,220,800

Governmental Activities

During 2024, Net Position of the District's governmental activities increased by \$216,144. Capital grants and contributions of \$1,677,079 were the result of contracts and intergovernmental agreements with funding partners. Grants and entitlements not restricted to specific programs (for 2023) were the result of Lucas County making an unrestricted contribution to the District that could be used for any purpose for which the District is lawfully permitted. Total expenses for the period of \$1,539,459 were related to the administrative cost of operating the District (\$69,206) as well as transportation project costs (\$1,262,866) that has been classified as a *Public Works*-type of program expense and interest and fiscal charges of \$207,387 on the SIB Loan.

**LUCAS COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
LUCAS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

The District's Funds

The District's governmental funds reported a combined fund balance of \$1,436,944 at December 31, 2024, which was an increase of \$216,144. As previously mentioned, the increase in 2024 was primarily the result of the District earning and collecting a \$70,000 management fee connected to the Riverfort Drive Extension project.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2024, the District reported no capital assets.

Debt

At December 31, 2024, the District had a total of \$6,601,033 of State Infrastructure Bank (SIB) loans outstanding. The purpose of the loan was to provide the local share of the Dorr Street & I475/US23 Interchange construction. See Note 6 to the basic financial statements for more detailed information on the debt obligations of the District.

ECONOMIC FACTORS

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

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Secretary-Treasurer, Lucas County Transportation Improvement District, 1049 S. McCord Road, Holland, Ohio 43528.

LUCAS COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
LUCAS COUNTY, OHIO
Statement of Net Position
December 31, 2024

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 1,443,400
Intergovernmental Receivable	<u>6,601,033</u>
Total Assets	<u>8,044,433</u>
Liabilities:	
Accounts Payable	6,456
Long-Term Liabilities:	
Due Within One Year	385,746
Due Within More Than One Year	<u>6,215,287</u>
Total Liabilities	<u>6,607,489</u>
Net Position:	
Restricted:	
Infrastructure Projects	1,174,426
Unrestricted	<u>262,518</u>
Total Net Position	<u>\$ 1,436,944</u>

See accompanying notes to the basic financial statements.

LUCAS COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

LUCAS COUNTY, OHIO

Statement of Activities

For the Year Ended December 31, 2024

	Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities
Governmental Activities:				
General Government	\$ 69,206	\$ -	\$ -	\$ (69,206)
Public Works	1,262,866	70,000	1,677,079	484,213
Interest and Fiscal Charges	207,387	-	-	(207,387)
Total Governmental Activities	\$ 1,539,459	\$ 70,000	\$ 1,677,079	207,620
 General Revenues:				
Interest				8,524
Total General Revenues				8,524
Change in Net Position				216,144
Net Position at Beginning of Year				1,220,800
Net Position at End of Year				\$ 1,436,944

See accompanying notes to the basic financial statements.

LUCAS COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

LUCAS COUNTY, OHIO

*Balance Sheet
Governmental Funds
December 31, 2024*

Major Governmental Funds					
	General	Dorr Street & I475/US23 Interchange	US20A & I475/US23 Interchange	Riverfort Drive Extension	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 265,962	\$ 814,535	\$ 150,258	\$ 212,645	\$ 1,443,400
Due from Other Governments	-	6,601,033	-	-	6,601,033
Total Assets	\$ 265,962	\$ 7,415,568	\$ 150,258	\$ 212,645	\$ 8,044,433
Liabilities:					
Accounts Payable	\$ 3,444	\$ 8	\$ -	\$ 3,004	\$ 6,456
Total Liabilities	3,444	8	-	3,004	6,456
Deferred Inflows of Resources:					
Unavailable Revenue - Intergovernmental	-	6,601,033	-	-	6,601,033
Total Deferred Inflows of Resources	-	6,601,033	-	-	6,601,033
Fund Balance:					
Restricted:					
Infrastructure Projects	-	814,527	150,258	209,641	1,174,426
Unassigned	262,518	-	-	-	262,518
Total Fund Balance	262,518	814,527	150,258	209,641	1,436,944
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 265,962	\$ 7,415,568	\$ 150,258	\$ 212,645	\$ 8,044,433

See accompanying notes to the basic financial statements.

**LUCAS COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
LUCAS COUNTY, OHIO**

*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2024*

Total Governmental Fund Balances	\$ 1,436,944
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*Amounts Reported for Governmental Activities in the Statement of
Net Position are Different Because:*

Other long-term assets are not available to pay for current-period
expenditures and therefore are reported as deferred inflows of
resources in the funds:

Intergovernmental Receivables	6,601,033
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Long-term debt obligations are not due and payable in the current
period and therefore are not reported in the funds:

Loan Payable	<u>(6,601,033)</u>
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Net Position of Governmental Activities	<u>\$ 1,436,944</u>
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See accompanying notes to the basic financial statements.

**LUCAS COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
LUCAS COUNTY, OHIO**

*Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024*

Major Governmental Funds						
	General	Dorr Street & I475/US23 Interchange	US20A & I475/US23 Interchange	Riverfort Drive Extension	Total Governmental Funds	
Revenues:						
Intergovernmental	\$ -	\$ 581,816	\$ -	\$ 400,000	\$ 981,816	
Charges for Services	70,000	-	-	-	70,000	
Interest	6,272	-	-	2,252	8,524	
Other	-	-	-	1,069,692	1,069,692	
Total Revenues	76,272	581,816	-	1,471,944	2,130,032	
Expenditures:						
General Government	69,206	-	-	-	69,206	
Public Works	-	317	246	1,262,303	1,262,866	
Debt Service:						
Principal	-	374,429	-	-	374,429	
Interest	-	207,387	-	-	207,387	
Total Expenditures	69,206	582,133	246	1,262,303	1,913,888	
Net Change in Fund Balance	7,066	(317)	(246)	209,641	216,144	
Fund Balance at Beginning of Year	255,452	814,844	150,504	-	1,220,800	
Fund Balance at End of Year	\$ 262,518	\$ 814,527	\$ 150,258	\$ 209,641	\$ 1,436,944	

See accompanying notes to the basic financial statements.

**LUCAS COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
LUCAS COUNTY, OHIO**

*Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2024*

Net Change in Fund Balance - Total Governmental Funds	\$ 216,144
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*Amounts Reported for Governmental Activities in the Statement of
Activities are Different Because:*

Revenues in the Statement of Activities that do not Provide Current Financial Resources are not Reported as Revenues in the Funds, Rather These Revenues are Reported as Deferred Inflows of Resources	(374,429)
The Issuance of Long-Term Debt Provides Current Financial Resources to Governmental Funds, While the Repayment of Principal and Long-Term Debt Consumes the Current Financial Resources of Governmental Funds: Principal Payments on Loan	374,429
Change in Net Position of Governmental Activities	<u>\$ 216,144</u>

See accompanying notes to the basic financial statements.

Lucas County Transportation Improvement District
Lucas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

1. REPORTING ENTITY

The Lucas County Transportation Improvement District (the District) is a body politic and corporate, created for the purpose of financing, constructing, maintaining, repairing, and operating selected transportation projects. The District was specifically created pursuant to Chapter 5540 of the Ohio Revised Code, as amended. The District was created by action of the Board of Lucas County Commissioners on April 22, 2014.

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

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

Lucas County Transportation Improvement District
Lucas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

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

Fund Financial Statements - During the year the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. As of December 31, 2024, the District did not have any non-major funds to report.

Fund Accounting

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

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

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

Dorr Street & I475/US23 Interchange Fund – Accounts for resources to be used for infrastructure projects in the vicinity of the Dorr Street and I475/US23 Interchange area.

US20A & I475/US23 Interchange Fund – Accounts for resources to be used for infrastructure projects in the vicinity of the US20A and I475/US23 Interchange area.

Riverfort Drive Extension Fund – Accounts for resources to be used for infrastructure projects in the vicinity of Riverfort Drive.

Lucas County Transportation Improvement District
Lucas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Measurement Focus

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

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

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

Classification of Fund Balance

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

1. **Nonspendable**

The District classifies fund balance as *nonspendable* when amounts are not in spendable form or are legally or contractually required to be maintained intact.

2. **Restricted**

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

Lucas County Transportation Improvement District
Lucas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

3. Committed

The District's Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the District's Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the General Fund, *assigned* amounts represent intended uses established by the District's Board or by State Statute.

5. Unassigned

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

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

Basis of Accounting

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

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

Lucas County Transportation Improvement District
Lucas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

Deferred Inflows of Resources – In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as inflow of resources in the periods that the amounts become available or for the periods in which they are to be used.

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

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

Cash and Cash Equivalents

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

Capital Assets

The District reports no capital assets. Title to assets maintained by the District as part of project related expenditures will transfer to the County or State upon project completion.

Accrued Liabilities and Long-term Obligations

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

Lucas County Transportation Improvement District
Lucas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Interfund Transactions

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

Net Position

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

Estimates

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

3. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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

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

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

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

Lucas County Transportation Improvement District
Lucas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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

- Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for payment of principal and interest thereon but does not include stripped principal or interest obligations of such obligations;
- Bonds, notes, debentures, or any other obligations or securities directly issued by a Federal government agency or instrumentality;
- Interim deposits in Board-approved depositories;
- Bonds and other obligations of the State;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullet points above and repurchase agreements secured by such obligations, provided such investments are made only through banks and savings and loan institutions authorized by R.C. 135.03;
- The State Treasury Asset Reserve (STAR Ohio).

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$1,484,307 of the District's bank balance of \$1,734,307 was exposed to custodial credit risk.

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

- Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Lucas County Transportation Improvement District
Lucas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

4. INTERGOVERNMENTAL AGREEMENTS

As of December 31, 2024, the District has entered into various intergovernmental agreements with the Lucas County Commissioners, Toledo-Lucas County Port Authority, Monclova Township and the City of Maumee to provide funding to the District to facilitate the development and implementation of the District's projects. See Note 6 for additional information about the District's intergovernmental agreement with the Lucas County Commissioners.

Further, the District's Board has authorized a 3 percent management fee (charged to the entity contracting with the District) to assist and manage certain projects authorized by the District's Board.

5. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- General Liability
- Public Officials Liability
- Crime

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

6. LONG TERM OBLIGATIONS

The changes in the District's long-term liabilities for the year ended December 31, 2024, were as follows:

Governmental Activities:	Beginning			Ending		Due Within One Year
	Balance	Additions	Deletions	Balance		
SIB Loan - 3.00%	\$ 6,975,462	\$ -	\$ (374,429)	\$ 6,601,033		\$ 385,746

In 2021, the District closed on a \$8,000,000 State Infrastructure Bank (SIB) Loan with the State of Ohio, through the Ohio Department of Transportation (ODOT). The term of the loan is 20 years at 3% interest, with final payment due in December of 2038. The proceeds of the SIB Loan were used as the local share of the Dorr Street & I475/US23 Interchange that was constructed by ODOT.

Additionally, the District has an intergovernmental agreement with the Lucas County Board of County Commissioners that provides for the County to make semi-annual payments to the District in the exact amounts of the debt service that is due on the SIB Loan. While the District was the issuer on the SIB Loan, Lucas County is the guarantor on the SIB Loan. Accordingly, at December 31, 2024, the District has recorded an intergovernmental receivable from Lucas County for the amount of the outstanding SIB loan.

Lucas County Transportation Improvement District
Lucas County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Principal and interest requirements to retire the District's SIB Loan, as of December 31, 2024, are as follows:

SIB Loan				
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2025	\$ 385,746	\$ 196,070	\$ 581,816	
2026	397,405	184,411	581,816	
2027	409,416	172,400	581,816	
2028	421,791	160,025	581,816	
2029	434,540	147,276	581,816	
2030-2034	2,377,830	531,251	2,909,081	
2035-2038	2,174,305	152,958	2,327,263	
Total	<u>\$ 6,601,033</u>	<u>\$ 1,544,391</u>	<u>\$ 8,145,424</u>	

7. SUBSEQUENT EVENTS

The District evaluated the effects subsequent events would have on the financial statements through the date of the auditor's report, which is the date that financial statements were available for issuance.

8. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

For the year ended December 31, 2024, the District has implemented the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 100, *Accounting Changes and Error Corrections*

GASB Statement No. 101, *Compensated Absences*

The implementation of these GASB Statements did not have an effect on the District's 2024 financial statements.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Lucas County Transportation Improvement District
Holland, Ohio:

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 (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of the Lucas County Transportation Improvement District, a component unit of Lucas County, Ohio, (the District), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 17, 2025.

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.

Clark, Schaefer, Hackett & Co.

Maumee, Ohio
March 17, 2025

OHIO AUDITOR OF STATE KEITH FABER



LUCAS COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

LUCAS 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 6/10/2025

65 East State 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