



**TRANSPORTATION IMPROVEMENT DISTRICT  
LICKING COUNTY**

**FINAL AUDIT**

**FOR YEARS ENDED DECEMBER 31, 2001- 2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**TRANSPORTATION IMPROVEMENT DISTRICT  
LICKING COUNTY**

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STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

County Commissioners, and  
Pam Jones, Administrative Assistant  
Transportation Improvement District  
Licking County  
20 South Second Street  
Newark, Ohio 43055

We have audited the accompanying financial statements of the Licking County Transportation Improvement District, Licking County, Ohio, (the District), a component unit of Licking County, as of and for the years ended December 31, 2001 and December 31, 2000, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Licking County Transportation Improvement District as of December 31, 2001 and December 31, 2000, and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

A handwritten signature in black ink, appearing to read "Jim Petro".

**JIM PETRO**  
Auditor of State

July 19, 2002

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**TRANSPORTATION IMPROVEMENT DISTRICT  
LICKING COUNTY**

**BALANCE SHEET  
DECEMBER 31, 2001 AND 2000**

|                                       | 2000                   | 2001                |
|---------------------------------------|------------------------|---------------------|
| <b>ASSETS:</b>                        |                        |                     |
| Equity in Pooled Cash and Investments | \$89,008               | \$112               |
| Due from Primary Government           | <u>7,131</u>           | <u>0</u>            |
| <b>TOTAL ASSETS</b>                   | <u><u>\$96,139</u></u> | <u><u>\$112</u></u> |
| <b>LIABILITIES:</b>                   |                        |                     |
| Due to Licking County                 | 0                      | 112                 |
| <b>EQUITY AND OTHER CREDITS:</b>      |                        |                     |
| Undesignated/Unreserved               | <u>96,139</u>          | <u>0</u>            |
| <b>TOTAL LIABILITIES AND EQUITY</b>   | <u><u>\$96,139</u></u> | <u><u>\$112</u></u> |

The notes to the financial statements are an integral part of this statement.

**TRANSPORTATION IMPROVEMENT DISTRICT  
LICKING COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

|  | 2000                    | 2001                   |
|--|-------------------------|------------------------|
| <b>REVENUES:</b>   |                         |                        |
| Intergovernmental Revenue  | \$53,323                | \$0                    |
| Interest Income  | <u>2,113</u>            | <u>1,779</u>           |
| Total Revenue  | <u><u>55,436</u></u>    | <u><u>1,779</u></u>    |
| <br><b>EXPENDITURES:</b>   |                         |                        |
| Current:   |                         |                        |
| Public Safety  | 64,333                  | 0                      |
| Remitted to Licking County                                       | <u>0</u>                | <u>97,918</u>          |
| Total Expenditures   | <u><u>64,333</u></u>    | <u><u>97,918</u></u>   |
| <br>Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <br>(8,897)             | <br>(96,139)           |
| Beginning Balance  | <u>105,036</u>          | <u>96,139</u>          |
| Ending Balance   | <u><u>\$105,036</u></u> | <u><u>\$96,139</u></u> |

The notes to the financial statements are an integral part of this statement.



**TRANSPORTATION IMPROVEMENT DISTRICT  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2001 AND 2000**

**1. DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY**

**Reporting Entity**

The Licking County Transportation Improvement District (the District) is a body politic and corporate established 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 5540.02 (c)(2), as amended, and created by action of the Board of County Commissioners of Licking County on December 18, 1997 exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a component unit of Licking County and operates under an appointed 7 member board. Of the seven board members, five members are appointed by the Licking County Commissioners.

The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement 14, The Financial Reporting Entity, in that the financial statements include all organizations, activities and functions for which the District is financially accountable. 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. This report includes all activities considered by the management to which the District is financially accountable.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Accounting**

The modified accrual basis of accounting is followed. Under this method of accounting, the District recognizes revenue when it becomes both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the purposes of the District is considered to be 31 days after year-end. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

The District did adopt annual operating budgets in past years. However, in 2000 and 2001 the District was finalizing operations. As a result, the District did not adopt a budget during this period. See Note 6.

**B. Cash and Investments**

In 2001 and 2000 cash received by the District was in a central bank account. The District had no investments at December 31, 2001.

**TRANSPORTATION IMPROVEMENT DISTRICT  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2001 AND 2000  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Intergovernmental Revenues**

The District received funds from the Ohio Department of Transportation and Licking County during 2000 and 2001.

**D. Accrued Liabilities**

Payables and accrued liabilities are reported as obligations of the Fund regardless of whether they will be liquidated with current resources. Amounts paid more than thirty one days after year end are considered not to have been paid with current available financial resources.

**E. Balance Reserves**

Reserved Balances indicate that portion of equity which is not available for current appropriation or is legally segregated for a specific use.

The unreserved portions of equity are available for use within the specific purpose of this fund.

**F. 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. CASH**

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District treasury, 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 the District has identified as not required for use within the current two year period of designated 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 which 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 accounts, including passbook accounts.

**TRANSPORTATION IMPROVEMENT DISTRICT  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. CASH (Continued)**

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. 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 and interest by the United States;
2. 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;
3. 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;
4. Bond and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio);

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. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Deposits:** At year end, the carrying amount of the District's deposits was \$112 and \$89,008 in 2001 and 2000 respectively. The cash balances were covered by federal depository insurance.

**TRANSPORTATION IMPROVEMENT DISTRICT  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2001 AND 2000  
(Continued)**

**4. RISK MANAGEMENT**

The District does not currently maintain liability insurance nor bond any District officials. Assets were owned and insured by Licking County.

**5. FIXED ASSETS**

Furniture, fixtures and computer hardware and software used by the District was the property of Licking County. These assets are not reflected in the accompanying financial statements

**6. DISSOLUTION**

On November 19, 1999, the Transportation Improvement District Board passed a Resolution recommending dissolution of the District. The District finalized all operating obligations in 2000 and on November 6, 2001 returned \$97,806 to Licking County.



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JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

County Commissioners, and  
Pam Jones, Administrative Assistant  
Transportation Improvement District  
Licking County  
20 South Second Street  
Newark, Ohio 43055

We have audited the financial statements of Licking County Transportation Improvement District, Licking County, Ohio (the "District") as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated July 19, 2002. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

Transportation Improvement District  
Licking County  
Report on Compliance and on Internal Control Required By  
*Government Auditing Standards*  
Page 2

This report is intended for the information and use of management, and the County Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized loop at the end.

**JIM PETRO**  
Auditor of State

July 19, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**TRANSPORTATION IMPROVEMENT DISTRICT**

**LICKING COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 27, 2002**