

Clermont County Transportation Improvement District  
Clermont County, Ohio

Regular Audit

January 1, 2010, through December 31, 2010  
Fiscal Year Audited Under GAGAS: 2010



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**Balestra, Harr & Scherer, CPAs, Inc.**

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# Dave Yost • Auditor of State

Members of the Board  
Clermont County Transportation Improvement District  
2381 Clermont Center Drive  
Batavia, Ohio 45103

We have reviewed the *Independent Auditor's Report* of the Clermont County Transportation Improvement District, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2010 through December 31, 2010. 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 Clermont County Transportation Improvement District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

June 29, 2011

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**Clermont County Transportation Improvement District**  
Clermont County, Ohio

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Balestra, Harr & Scherer, CPAs, Inc.

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Members Ohio Society of Certified Public Accountants

### **Independent Auditor's Report**

Members of the Board  
Clermont County Transportation Improvement District  
2381 Clermont Center Drive  
Batavia, Ohio 45103

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clermont County Transportation Improvement District, Clermont County, Ohio (the District), a component unit of Clermont County, as of and for the year ended December 31, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

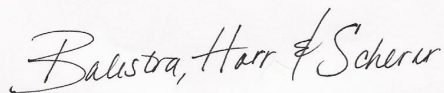
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

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 Clermont County Transportation Improvement District, Clermont County, Ohio, as of December 31, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2011, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include Management's discussion and analysis as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The financial section's combining statements provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Balestra, Harr & Scherer, CPAs, Inc.  
June 10, 2011

**CLERMONT COUNTY TRANSPORTATION IMPROVEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(Unaudited)**

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The discussion and analysis of Clermont County Transportation Improvement District's (the District's) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2010. 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 2010 are as follows:

- The District's net assets decreased by \$1,194,242 to a year end total of \$2,772,929.
- During the year, the District generated \$3,358,454 of revenues and incurred expenses of \$4,552,696.
- The District initiated nine new projects during 2010 and continued the advancement of eight of the projects initiated in prior years.
- The District entered into an intergovernmental agreement with the City of Milford for funding of \$175,000.
- The District issued \$5,925,000 of Roadway Development Bonds and amended intergovernmental agreements with the Clermont County Commissioners and Clermont County Engineers to provide funding for the District's Project Funding commitments.

**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 assets includes all of the District's assets and liabilities. All of the current year's 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 assets and how they have changed. Net assets (the difference between the District's assets and liabilities) are one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

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, program development, program implementation and public works.

## **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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

## DISTRICT SUMMARY

### The District as a Whole

The following table provides a summary of the District's net assets for 2010 compared to 2009:

	Governmental Activities		Increase
	2010	2009	(Decrease)
Current and other assets	\$ 12,782,596	\$ 8,535,068	\$ 4,247,528
Total assets	12,782,596	8,535,068	4,247,528
Long-term debt outstanding	9,496,583	4,097,714	5,398,869
Other liabilities	513,084	470,183	42,901
Total liabilities	10,009,667	4,567,897	5,441,770
Net assets:			
Restricted for Capital Projects	-	41,799	(41,799)
Unrestricted	2,772,929	3,925,372	(1,152,443)
Total net assets	\$ 2,772,929	\$ 3,967,171	\$ (1,194,242)

Total assets increased by \$4,247,528 and total liabilities increased by \$5,441,770. Total assets increased primarily due the receipt of proceeds from a bond issue. Total liabilities increased primarily due to the issuance of bonds.

Changes in Net Assets – The following table provides a summary of the District's changes in net assets for 2010 compared to 2009:

	Governmental Activities		Increase
	2010	2009	(Decrease)
Revenues			
General revenues:			
Intergovernmental	\$ 3,155,000	\$ 3,050,000	\$ 105,000
Interest Income	14,897	19,674	(4,777)
Program revenues:			
Operating Grants and Contributions	188,557	592,510	(403,953)
Total revenues	3,358,454	3,662,184	(303,730)
Program Expenses			
General Government	195,734	127,294	68,440
Program Development	14,397	18,327	(3,930)
Program Implementation	59,035	105,704	(46,669)
Public Works	4,060,138	1,930,693	2,129,445
Debt Service:			
Interest and Fiscal Charges	223,392	181,457	41,935
Total expenses	4,552,696	2,363,475	2,189,221
Total Change in Net Assets	(1,194,242)	1,298,709	(2,492,951)
Beginning Net Assets	3,967,171	2,668,462	1,298,709
Ending Net Assets	\$ 2,772,929	\$ 3,967,171	\$ (1,194,242)

## *Governmental Activities*

Net assets of the District's governmental activities decreased by \$1,194,242 during 2010 compared to an increase of \$1,298,709 for 2009. Intergovernmental revenues increased due to new or amended intergovernmental agreements with funding partners. Operating grants and contributions decreased as 2009 amounts contained contributions from a \$500,000 grant from the Ohio Department of Development offset by additional 2010 project-specific contributions of \$114,557 from the Hamilton County Transportation Improvement District and a \$74,000 project specific contribution from a local company. Expenditures increased during 2010 primarily as a result of increased project related activity.

### The District's Funds

The District's governmental funds reported a combined fund balance of \$11,770,940, which is an increase of \$4,282,182 from last year's total of \$7,488,758. This increase occurred within the General Fund, increasing \$4,301,912, offset by a decrease in the non-major Stonelick-Williams Corner Bridge Fund of \$19,730. The increase in the General Fund was primarily due to funding from intergovernmental revenues and grant income in excess of current year expenses. The decrease in the non-major Stonelick-Williams Corner Bridge Fund was a result of utilizing prior year project specific contributions from the Clermont County Engineers Office to fund current year project costs.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### Capital Assets

As of December 31, 2010, the District reported no capital assets.

### Debt

During 2007, the District issued \$5,000,000 of Clermont County Transportation Improvement District Roadway Improvement Revenue Bonds, Series 2007, dated December 5, 2007, to provide partial funding of the District's Regional Transportation Improvement Program. The outstanding balance of \$3,520,000 will mature on December 1 in various amounts through 2016 and carry interest at rates varying from 3.875 percent to 4.250 percent per annum.

During 2010, the District issued \$5,925,000 of Clermont County Transportation Improvement District Roadway Improvement Revenue Bonds, Series 2010, dated June 3, 2010, to provide additional partial funding of the District's Regional Transportation Improvement Program. The outstanding balance of \$5,925,000 will mature on December 1 in various amounts through 2025 and carry interest at rates varying from 1.20 percent to 5.35 percent per annum.

During 2010, the District retired \$510,000 of the bonds with interest as scheduled. As of December 31, 2010, \$9,445,000 remains outstanding.

Additional information concerning the District's debt can be found in Note 5 to the basic financial statements.

## **ECONOMIC FACTORS**

The year ending December 31, 2010 was the fourth full year of operations. The District continued on its mission to improve the prosperity, health, safety, and welfare of the people of Clermont County and the State of Ohio. Multiple new projects that are to be integrated into the overall transportation goals of the District were initiated during the year in addition to those initiated in prior years. In total, the District maintains 25 on-going projects as of December 31, 2010.

As with most infrastructure projects undertaken by local governments, a 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, management is confident that funding challenges can be overcome and quality services will continue in order to develop, implement and construct the improvements envisioned to improve the prosperity, health, safety, and welfare of the people of Clermont 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. If you have questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to Secretary-Treasurer, Clermont County Transportation Improvement District, 2381 Clermont Center Drive, Batavia, OH 45103.

**Clermont County Transportation Improvement District**  
**Statement of Net Assets**  
**December 31, 2010**

	<b>Governmental Activities</b>
<b>Assets</b>	
Equity in Pooled Cash	\$ 12,260,866
Intergovernmental Receivable	136,626
Grants Receivable	250,000
Unamortized Bond Issuance Costs	135,104
<b>Total Assets</b>	<b>12,782,596</b>
 <b>Liabilities</b>	
Accounts Payable	11,571
Contracts Payable	478,355
Accrued Interest Payable on Bonds	23,158
Long Term Liabilities:	
Due Within One Year	894,158
Due In More Than One Year	8,602,425
<b>Total Liabilities</b>	<b>10,009,667</b>
 <b>Net Assets</b>	
Unrestricted	2,772,929
<b>Total Net Assets</b>	<b>\$ 2,772,929</b>

See accompanying notes to the basic financial statements

**Clermont County Transportation Improvement District**  
**Statement of Activities**  
**For the Year Ended December 31, 2010**

		Program Revenues			Net (Expense) Revenues and Changes in Net Assets
Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Governmental Activities</b>					
General Government	\$ 195,734	\$ -	\$ -	\$ -	\$ (195,734)
Program Development	14,397	-	-	-	(14,397)
Program Implementation	59,035	-	-	-	(59,035)
Public Works	4,060,138	-	188,557	-	(3,871,581)
Interest and Fiscal Charges	223,392	-	-	-	(223,392)
Total Governmental Activities	<u>\$ 4,552,696</u>	<u>\$ -</u>	<u>\$ 188,557</u>	<u>\$ -</u>	<u>\$ (4,364,139)</u>
<b>General Revenues</b>					
					3,155,000
					14,897
					3,169,897
					(1,194,242)
					3,967,171
					\$ 2,772,929

See accompanying notes to the basic financial statements

**Clermont County Transportation Improvement District**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2010**

	General Fund	Debt Service Fund	Wolfpen- Pleasant Hill Improvement Project Fund	Business 28 Phase I Improvement Project Fund	TDM Enhancements Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash	\$ 11,782,511	\$ -	\$ 88,251	\$ 111,899	\$ 911	\$ 277,294	\$ 12,260,866
Intergovernmental Receivable	-	-	-	22,069	114,557	-	136,626
Grant Receivable	250,000	-	-	-	-	-	250,000
<b>Total Assets</b>	<b>\$ 12,032,511</b>	<b>\$ -</b>	<b>\$ 88,251</b>	<b>\$ 133,968</b>	<b>\$ 115,468</b>	<b>\$ 277,294</b>	<b>\$ 12,647,492</b>
<b>Liabilities</b>							
Accounts Payable	\$ 11,571	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,571
Contracts Payable	-	-	88,251	111,899	911	277,294	478,355
Deferred Revenue	250,000	-	-	22,069	114,557	-	386,626
<b>Total Liabilities</b>	<b>261,571</b>	<b>-</b>	<b>88,251</b>	<b>133,968</b>	<b>115,468</b>	<b>277,294</b>	<b>876,552</b>
<b>Fund Balances</b>							
Unreserved, Undesignated in:							
General Fund	11,770,940	-	-	-	-	-	11,770,940
<b>Total Fund Balances</b>	<b>11,770,940</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,770,940</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,032,511</b>	<b>\$ -</b>	<b>\$ 88,251</b>	<b>\$ 133,968</b>	<b>\$ 115,468</b>	<b>\$ 277,294</b>	<b>\$ 12,647,492</b>

See accompanying notes to the basic financial statements

**Clermont Count Transportation Improvement District  
Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
December 31, 2010**

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***Total Governmental Fund Balances*** \$ 11,770,940

*Amounts reported for governmental activities in the statement of net assets are different because:*

Grant receivables are not available to pay for current-period expenditures and therefore are deferred in the funds 250,000

Intergovernmental receivables are not available to pay for current-period expenditures and therefore are deferred in the funds 136,626

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds

Bonds Payable	(9,445,000)
Premium on Bonds	(51,583)
Unamortized Bond Issuance Costs	135,104
Accrued Interest Payable	<u>(23,158)</u>

***Net Assets of Governmental Activities*** \$ 2,772,929

See accompanying notes to the basic financial statements



**Clermont County Transportation Improvement District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2010**

	General Fund	Debt Service Fund	Wolfpen- Pleasant Hill Improvement Project Fund	Business 28 Phase I Improvement Project Fund	TDM Enhancements Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Intergovernmental Revenue	\$ 3,405,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,405,000
Contributions	-	-	-	-	-	74,000	74,000
Interest Income	14,897	-	-	-	-	-	14,897
<b>Total Revenues</b>	<b>3,419,897</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74,000</b>	<b>3,493,897</b>
<b>Expenditures</b>							
Current:							
General Government	175,373	-	-	-	-	-	175,373
Program Development	14,397	-	-	-	-	-	14,397
Program Implementation	59,035	-	-	-	-	-	59,035
Public Works	-	-	552,593	2,004,436	156,200	1,346,909	4,060,138
Debt Service:							
Redemption of Principal	-	510,000	-	-	-	-	510,000
Interest Expense	-	230,021	-	-	-	-	230,021
<b>Total Expenditures</b>	<b>248,805</b>	<b>740,021</b>	<b>552,593</b>	<b>2,004,436</b>	<b>156,200</b>	<b>1,346,909</b>	<b>5,048,964</b>
Excess (Deficiency) of Revenues Over	3,171,092	(740,021)	(552,593)	(2,004,436)	(156,200)	(1,272,909)	(1,555,067)
<b>Other Financing Sources (Uses):</b>							
Bond Proceeds	5,925,000	-	-	-	-	-	5,925,000
Cost of Bond Issuance	(87,751)	-	-	-	-	-	(87,751)
Transfers-In	-	740,021	552,593	2,004,436	156,200	1,253,179	4,706,429
Transfers-Out	(4,706,429)	-	-	-	-	-	(4,706,429)
<b>Total Other Financing Sources (Uses)</b>	<b>1,130,820</b>	<b>740,021</b>	<b>552,593</b>	<b>2,004,436</b>	<b>156,200</b>	<b>1,253,179</b>	<b>5,837,249</b>
Net Change in Fund Balances	4,301,912	-	-	-	-	(19,730)	4,282,182
Fund Balance at Beginning of Year	7,469,028	-	-	-	-	19,730	7,488,758
Fund Balance at End of Year	<u>\$ 11,770,940</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,770,940</u>

See accompanying notes to the basic financial statements

**Clermont County Transportation Improvement District  
Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended December 31, 2010**

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*Net Change in Fund Balances - Total Governmental Funds* \$ 4,282,182

*Amounts reported for governmental activities in the Statement of Activities  
are different because:*

Grant revenues that were previously deferred in the funds  
are not reported as revenues in the statement of activities (250,000)

Intergovernmental revenues in the statement of activities that do not provide  
current financial resources are not reported as revenues in the funds 114,557

The issuance of long-term debt provides current financial resources to  
governmental funds, while the repayment of principal of long-term debt  
consumes current financial resources of governmental funds. Neither  
transaction, however, has any effect on net assets

Bonds Issued	(5,925,000)
Cost of Issuing Bonds	87,751
Redemption of Principal on Bonds	510,000
Amortization of Premium on Bonds	16,131
Amortization of Cost of Issuance on Bonds	(20,361)

In the statement of activities, interest is accrued on outstanding bonds  
whereas in governmental funds, an interest expenditure is reported when due (9,502)

***Change in Net Assets of Governmental Activities*** \$ (1,194,242)

See accompanying notes to the basic financial statements

**CLERMONT COUNTY TRANSPORTATION IMPROVEMENT DISTRICT  
CLERMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**1. REPORTING ENTITY**

The Clermont 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 Clermont County Commissioners on June 21, 2006.

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 ex-officio (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 Clermont County Commissioners. The Speaker of the Ohio House of Representatives and the President of the Ohio Senate each appoint one ex-officio 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 to Clermont County, Ohio, as defined by the provisions of GASB statement numbers 14 and 39. As such, its activities are reported within the County's Comprehensive Annual 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.

**A. Basis of Presentation**

The District's basic financial statements consist of government-wide statements, including a Statement of Net Assets 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 Assets and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government.

The Statement of Net Assets 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.

## **B. Fund Accounting**

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

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

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

*Debt Service Fund* – Accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

*Wolfpen Pleasant Hill Improvement Project Fund* - Provides for construction of additional lanes to facilitate north-south travel between SR 28 and SR 131, and additional turn lanes to accommodate access.

*Business 28 Phase I Improvement Project Fund* - Provides for the widening of existing Business SR 28 and consolidation of access points, and other related construction.

*Traffic Demand Module (TDM) Enhancements Project Fund* - Provides for the development of a baseline travel demand model to support the Eastern Corridor preliminary project development.

### **C. 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 Assets. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

**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. Nonmajor funds are aggregated and presented in a single column.

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

### **D. Basis of Accounting**

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 revenue, and in the presentation of expenses versus expenditures.

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is 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 Revenue** - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue.

**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.

## **E. 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" on the balance sheet and statement of net assets.

## **F. 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.

## **G. 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.

## **H. 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.

## **I. Net Assets**

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

## **J. 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**

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

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

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

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

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

1. 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;
2. bonds, notes, debentures, or any other obligations or securities directly issued by a Federal government agency or instrumentality;
3. interim deposits in Board-approved depositories;
4. bonds and other obligations of the State;
5. no-load money market mutual funds consisting exclusively of obligations described in A. and B. above or 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;
6. 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 a bank failure, the District's deposits may not be returned. Protection of District cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105 percent of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any state, or any instrumentality of such county,



municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year-end, the carrying amount of the District's deposits was \$12,260,866 and the bank balance was \$12,416,835. Federal depository insurance covered \$679,692 of the bank balance. The remaining \$11,737,143 was collateralized in the manner described above.

#### 4. INTERGOVERNMENTAL AGREEMENTS

The District has entered into intergovernmental agreements with the Clermont County Commissioners, Clermont County Engineers Office, Miami Township, Union Township and the City of Milford to provide funding to the District to facilitate the development and implementation of the District's projects.

The initial intergovernmental agreements executed with the Clermont County Commissioners and Clermont County Engineers Office each initially provided for \$10,000,000 of funding commitments from available revenue sources in the amount of \$1,000,000 per year for a period of 10 years beginning in 2007. Amendments to those agreements have increased the pledged revenue commitments over an extended period ending 2028.

The initial intergovernmental agreements with Miami Township and Union Township each provided for \$1,000,000 of funding commitments from available revenue sources in the amount of \$100,000 per year for a period of 10 years beginning in 2007. The agreement with Miami Township was amended during 2009 to increase the pledged revenue commitment of the Township over an extended period ending 2028.

During 2010 the District entered into an intergovernmental agreement with the City of Milford to provide for \$175,000 of funding commitments from available revenue sources in amounts ranging from \$50,000 during 2010 to \$25,000 for 2014.

The remaining amended intergovernmental agreement balances covering pledged revenues as of December 31, 2010, are as follows:

	<u>Remaining Agreement</u>
Clermont County Commissioners	\$24,750,000
Clermont County Engineers Office	18,000,000
Miami Township	9,600,000
Union Township	600,000
City of Milford	<u>125,000</u>
Total	<u>\$53,075,000</u>

## 5. LONG-TERM DEBT

Changes in the long-term debt of the District during 2010 were as follows:

	Maturity/ Interest Rate	Balance January 1, 2010	Additions	Deletions	Balance December 31, 2010	Amount Due Within One Year
Series 2007						
Roadway Improvement Bonds – \$5,000,000	2016 3.875- 4.250%	\$4,030,000	\$ -	(\$510,000)	\$3,520,000	\$530,000
Premium		67,714	-	(16,131)	51,583	14,158
Series 2010						
Roadway Improvement Bonds – \$5,925,000	2025 1.20- 5.35%	-	5,925,000	-	5,925,000	350,000
Total		<u>\$4,097,714</u>	<u>\$5,925,000</u>	<u>(\$526,131)</u>	<u>\$9,496,583</u>	<u>\$894,158</u>

During 2007, the District issued \$5,000,000 of Clermont County Transportation Improvement District Roadway Improvement Revenue Bonds, Series 2007, dated December 5, 2007, to finance the first phase of the District's Regional Transportation Improvement Program. The remaining balance of the Series 2007 bonds will mature on December 1 in various amounts ranging from \$530,000 in 2011 to \$650,000 in 2016. Interest, at rates varying from 3.875 percent to 4.250 percent per annum, is payable semi-annually on June 1 and December 1.

During 2010, the District issued \$5,925,000 of Clermont County Transportation Improvement District Roadway Improvement Revenue Bonds, Series 2010, dated June 3, 2010, to finance the second phase of the District's Regional Transportation Improvement Program. The balance of the Series 2010 bonds will mature on December 1 in various amounts ranging from \$350,000 in 2011 to \$470,000 in 2025. Interest, at rates varying from 1.20 percent to 5.35 percent per annum, is payable semi-annually on June 1 and December 1. The Series 2010 Bonds are Recovery Zone Economic Development Bonds subject to a Federal subsidy that reimburses the District 45 percent of interest payable on the Bonds.

The District has pledged receipts which consist of 1) the Project Funding, 2) future Project Funding 3) net RID revenues and 4) any other revenues, such as gifts or grants, to the extent they are not prohibited by their terms, to repay the principal and interest on the bonds. The bonds are payable from pledged revenues through 2025. Annual principal and interest payments on the bonds are expected to require approximately 38 percent of annual pledged revenues through 2016 and 17 percent from 2017 through 2025.

The annual requirements to retire the all bonds, net of the 45 percent federal subsidy applicable to interest on the Series 2010 bonds, are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$880,000	\$277,892	\$1,157,892
2012	900,000	255,044	1,155,044
2013	930,000	230,363	1,160,363
2014	955,000	203,165	1,158,165
2015	985,000	172,136	1,157,136
2016-2020	2,585,000	499,207	3,084,207
2021-2025	<u>2,210,000</u>	<u>199,060</u>	<u>2,409,060</u>
Total	<u>\$9,445,000</u>	<u>\$1,836,867</u>	<u>\$11,281,867</u>

## 6. CONTRACTUAL COMMITMENTS

As of December 31, 2010, the District had open unpaid contractual commitments related to various projects as follows:

<u>Contract Amounts</u>	<u>Paid to Date</u>	<u>Remaining Commitments</u>
<u>\$6,504,947</u>	<u>\$4,542,921</u>	<u>\$1,962,026</u>

## 7. TRANSFERS

During the year, the District transferred a total of \$4,706,429 out of the General Fund to the following funds:

<u>Transfer-In Fund</u>	<u>Amount</u>
Debt Service	\$740,021
Wolfpen Pleasant Hill Improvement Project	552,593
Business 28 Phase I Improvement Project Fund	2,004,436
TDM Enhancements Project Fund	156,200
Other Governmental Funds	<u>1,253,179</u>
Total	<u>\$4,706,429</u>

Transfers are made to provide funding as project expenditures or debt payment retirements are incurred.

## 8. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- General liability
- Public Officials Liability
- Crime

There have been no claims resulting from these risks since inception of the District in July 2006. There have been no significant changes in coverage since July 2006.

## SUPPLEMENTAL INFORMATION

**Clermont County Transportation Improvement District  
Combining Balance Sheet  
All Governmental Funds  
December 31, 2010**

	General Fund	Debt Service Fund	Wolfpen- Pleasant Hill Improvement Project Fund	Business 28 Phase I Improvements Project Fund	TDM Enhancements Project Fund	Castleberry Court to I-275 Project Fund	Aicholtz Road Connector Project Fund
<b>Assets</b>							
Equity in Pooled Cash	\$ 11,782,511	\$ -	\$ 88,251	\$ 111,899	\$ 911	\$ 18,635	\$ 23,668
Intergovernmental Receivable	-	-	-	22,069	114,557	-	-
Grant Receivable	250,000	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 12,032,511</b>	<b>\$ -</b>	<b>\$ 88,251</b>	<b>\$ 133,968</b>	<b>\$ 115,468</b>	<b>\$ 18,635</b>	<b>\$ 23,668</b>
<b>Liabilities</b>							
Accounts Payable	\$ 11,571	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts Payable	-	-	88,251	111,899	911	18,635	23,668
Deferred Revenue	250,000	-	-	22,069	114,557	-	-
<b>Total Liabilities</b>	<b>261,571</b>	<b>-</b>	<b>88,251</b>	<b>133,968</b>	<b>115,468</b>	<b>18,635</b>	<b>23,668</b>
<b>Fund Balances</b>							
Unreserved, Undesignated in:							
General Fund	11,770,940	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>11,770,940</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,032,511</b>	<b>\$ -</b>	<b>\$ 88,251</b>	<b>\$ 133,968</b>	<b>\$ 115,468</b>	<b>\$ 18,635</b>	<b>\$ 23,668</b>

(continued)

**Clermont County Transportation Improvement District  
Combining Balance Sheet  
All Governmental Funds  
December 31, 2010  
(continued)**

	IR 275 at SR 450 Interchange Modification Project Fund	SR 32 Corridor East Project Fund	Traffic Modeling and Simulation Project Fund	Old SR 74 Widening Project Fund	SR 28 Improv (Branch Hill- Guinea Pike) Project Fund	Clough Pike Improvement Project Fund	Tina Drive Extension Project Fund
<b>Assets</b>							
Equity in Pooled Cash	\$ 5,920	\$ -	\$ -	\$ 6,699	\$ -	\$ 83,725	\$ 24,814
Intergovernmental Receivable	-	-	-	-	-	-	-
Grant Receivable	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 5,920</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,699</b>	<b>\$ -</b>	<b>\$ 83,725</b>	<b>\$ 24,814</b>
<b>Liabilities</b>							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts Payable	5,920	-	-	6,699	-	83,725	24,814
Deferred Revenue	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>5,920</b>	<b>-</b>	<b>-</b>	<b>6,699</b>	<b>-</b>	<b>83,725</b>	<b>24,814</b>
<b>Fund Balances</b>							
Unreserved, Undesignated in:							
General Fund	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,920</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,699</b>	<b>\$ -</b>	<b>\$ 83,725</b>	<b>\$ 24,814</b>

(continued)

**Clermont County Transportation Improvement District  
Combining Balance Sheet  
All Governmental Funds  
December 31, 2010  
(continued)**

	Eastgate North Frontage Road Project Fund	Stonelick- Williams Corner Covered Bridge Project Fund	Environmental Mitigation & Streamlining Stategy Project Fund	US 50 & SR 131 Milford Pkwy Chamber Drive Project Fund	Ameila Olive Branch Relocation Project Fund	Herold Road & SR 32 Project Fund	DeLa Palma & SR 32 Project Fund
<b>Assets</b>							
Equity in Pooled Cash	\$ 13,300	\$ 10,770	\$ 13,528	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receivable	-	-	-	-	-	-	-
Grant Receivable	-	-	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 13,300</u>	<u>\$ 10,770</u>	<u>\$ 13,528</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities</b>							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts Payable	13,300	10,770	13,528	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<u>13,300</u>	<u>10,770</u>	<u>13,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>							
Unreserved, Undesignated in:							
General Fund	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 13,300</u>	<u>\$ 10,770</u>	<u>\$ 13,528</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**Clermont County Transportation Improvement District**  
**Combining Balance Sheet**  
**All Governmental Funds**  
**December 31, 2010**  
**(continued)**

	US 50 & SR 450 Improvements Project Fund	SR 28 & Branch Hill Intersection Improvements Project Fund	Eastgate Blvd Signal Interconnect Project Fund	Ivy Pointe Improvement Project Fund	Middle East Fork Balance Growth Project Fund	US 50 & SR 131 Milford Pkwy Intersection Modification	Total
<b>Assets</b>							
Equity in Pooled Cash	\$ 5,085	\$ -	\$ 5,789	\$ -	\$ 4,250	\$ 61,111	\$ 12,260,866
Intergovernmental Receivable	-	-	-	-	-	-	136,626
Grant Receivable	-	-	-	-	-	-	250,000
<b>Total Assets</b>	<b>\$ 5,085</b>	<b>\$ -</b>	<b>\$ 5,789</b>	<b>\$ -</b>	<b>\$ 4,250</b>	<b>\$ 61,111</b>	<b>\$ 12,647,492</b>
<b>Liabilities</b>							
Accounts Payable	-	-	-	-	-	-	11,571
Contracts Payable	5,085	-	5,789	-	4,250	61,111	478,355
Deferred Revenue	-	-	-	-	-	-	386,626
<b>Total Liabilities</b>	<b>5,085</b>	<b>-</b>	<b>5,789</b>	<b>-</b>	<b>4,250</b>	<b>61,111</b>	<b>876,552</b>
<b>Fund Balances</b>							
Unreserved, Undesignated in:							
General Fund	-	-	-	-	-	-	11,770,940
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,770,940</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,085</b>	<b>\$ -</b>	<b>\$ 5,789</b>	<b>\$ -</b>	<b>\$ 4,250</b>	<b>\$ 61,111</b>	<b>\$ 12,647,492</b>



**Clermont County Transportation Improvement District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Governmental Funds**  
**For the Year Ended December 31, 2010**

	General Fund	Debt Service Fund	Wolfpen- Pleasant Hill Improvement Project Fund	Business 28 Phase I Improvements Project Fund	TDM Enhancements Project Fund	Castleberry Court to I-275 Project Fund	Aicholtz Road Connector Project Fund
<b>Revenues:</b>							
Intergovernmental Revenue	\$ 3,405,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-	-	-	-
Interest Income	14,897	-	-	-	-	-	-
<b>Total Revenues</b>	<b>3,419,897</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>							
Current:							
General Government	175,373	-	-	-	-	-	-
Program Development	14,397	-	-	-	-	-	-
Program Implementation	59,035	-	-	-	-	-	-
Public Works	-	-	552,593	2,004,436	156,200	103,119	75,546
Debt Service:							
Redemption of Principal	-	510,000	-	-	-	-	-
Interest Expense	-	230,021	-	-	-	-	-
<b>Total Expenditures</b>	<b>248,805</b>	<b>740,021</b>	<b>552,593</b>	<b>2,004,436</b>	<b>156,200</b>	<b>103,119</b>	<b>75,546</b>
Excess (Deficiency) of Revenues Over Expenditures	3,171,092	(740,021)	(552,593)	(2,004,436)	(156,200)	(103,119)	(75,546)
<b>Other Financing Sources (Uses):</b>							
Bond Proceeds	5,925,000	-	-	-	-	-	-
Cost of Bond Issuance	(87,751)	-	-	-	-	-	-
Transfers-In	-	740,021	552,593	2,004,436	156,200	103,119	75,546
Transfers-Out	(4,706,429)	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,130,820</b>	<b>740,021</b>	<b>552,593</b>	<b>2,004,436</b>	<b>156,200</b>	<b>103,119</b>	<b>75,546</b>
Net Change in Fund Balances	4,301,912	-	-	-	-	-	-
Fund Balance at Beginning of Year	7,469,028	-	-	-	-	-	-
<b>Fund Balance at End of Year</b>	<b>\$ 11,770,940</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(continued)

**Clermont County Transportation Improvement District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Governmental Funds**  
**For the Year Ended December 31, 2010**  
(continued)

	IR 275 at SR 450 Interchange Modification Project Fund	SR 32 Corridor East Project Fund	Traffic Modeling and Simulation Project Fund	Old SR 74 Widening Project Fund	SR 28 Improv (Branch Hill- Guinea Pike) Project Fund	Clough Pike Improvement Project Fund	Tina Drive Extension Project Fund
<b>Revenues:</b>							
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	-	74,000	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>74,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>							
Current:							
General Government	-	-	-	-	-	-	-
Program Development	-	-	-	-	-	-	-
Program Implementation	-	-	-	-	-	-	-
Public Works	145,320	107,533	8,246	14,964	19,705	219,165	133,169
Debt Service:							
Redemption of Principal	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>145,320</b>	<b>107,533</b>	<b>8,246</b>	<b>14,964</b>	<b>19,705</b>	<b>219,165</b>	<b>133,169</b>
Excess (Deficiency) of Revenues Over Expenditures	(145,320)	(33,533)	(8,246)	(14,964)	(19,705)	(219,165)	(133,169)
<b>Other Financing Sources (Uses):</b>							
Bond Proceeds	-	-	-	-	-	-	-
Cost of Bond Issuance	-	-	-	-	-	-	-
Transfers-In	145,320	33,533	8,246	14,964	19,705	219,165	133,169
Transfers-Out	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>145,320</b>	<b>33,533</b>	<b>8,246</b>	<b>14,964</b>	<b>19,705</b>	<b>219,165</b>	<b>133,169</b>
Net Change in Fund Balances	-	-	-	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**Clermont County Transportation Improvement District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Governmental Funds**  
**For the Year Ended December 31, 2010**  
(continued)

	Eastgate North Frontage Road Project Fund	Stonelick- Williams Corner Covered Bridge Project Fund	Environmental Mitigation & Streamlining Strategy Project Fund	US 50 & SR 131 Milford Pkwy Chamber Drive Project Fund	Ameila Olive Branch Relocation Project Fund	Herold Road & SR 32 Project Fund	DeLa Palma & SR 32 Project Fund
<b>Revenues:</b>							
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>							
Current:							
General Government	-	-	-	-	-	-	-
Program Development	-	-	-	-	-	-	-
Program Implementation	-	-	-	-	-	-	-
Public Works	27,732	23,358	51,428	77,871	46,646	1,500	1,500
Debt Service:							
Redemption of Principal	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>27,732</b>	<b>23,358</b>	<b>51,428</b>	<b>77,871</b>	<b>46,646</b>	<b>1,500</b>	<b>1,500</b>
Excess (Deficiency) of Revenues Over Expenditures	(27,732)	(23,358)	(51,428)	(77,871)	(46,646)	(1,500)	(1,500)
<b>Other Financing Sources (Uses):</b>							
Bond Proceeds	-	-	-	-	-	-	-
Cost of Bond Issuance	-	-	-	-	-	-	-
Transfers-In	27,732	3,628	51,428	77,871	46,646	1,500	1,500
Transfers-Out	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>27,732</b>	<b>3,628</b>	<b>51,428</b>	<b>77,871</b>	<b>46,646</b>	<b>1,500</b>	<b>1,500</b>
Net Change in Fund Balances	-	(19,730)	-	-	-	-	-
Fund Balance at Beginning of Year	-	19,730	-	-	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**Clermont County Transportation Improvement District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Governmental Funds**  
**For the Year Ended December 31, 2010**  
(continued)

	US 50 & SR 450 Improvements Project Fund	SR 28 & Branch Hill Intersection Improvements Project Fund	Eastgate Blvd Signal Interconnect Project Fund	Ivy Pointe Improvement Project Fund	Middle East Fork Balance Growth Project Fund	US 50 & SR 131 Milford Pkwy Intersection Modification	Total
<b>Revenues:</b>							
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,405,000
Contributions	-	-	-	-	-	-	74,000
Interest Income	-	-	-	-	-	-	14,897
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,493,897</b>
<b>Expenditures</b>							
Current:							
General Government	-	-	-	-	-	-	175,373
Program Development	-	-	-	-	-	-	14,397
Program Implementation	-	-	-	-	-	-	59,035
Public Works	31,103	115,016	34,477	13,904	34,496	61,111	4,060,138
Debt Service:							
Redemption of Principal	-	-	-	-	-	-	510,000
Interest Expense	-	-	-	-	-	-	230,021
<b>Total Expenditures</b>	<b>31,103</b>	<b>115,016</b>	<b>34,477</b>	<b>13,904</b>	<b>34,496</b>	<b>61,111</b>	<b>5,048,964</b>
Excess (Deficiency) of Revenues Over Expenditures	(31,103)	(115,016)	(34,477)	(13,904)	(34,496)	(61,111)	(1,555,067)
<b>Other Financing Sources (Uses):</b>							
Bond Proceeds	-	-	-	-	-	-	5,925,000
Cost of Bond Issuance	-	-	-	-	-	-	(87,751)
Transfers-In	31,103	115,016	34,477	13,904	34,496	61,111	4,706,429
Transfers-Out	-	-	-	-	-	-	(4,706,429)
<b>Total Other Financing Sources (Uses)</b>	<b>31,103</b>	<b>115,016</b>	<b>34,477</b>	<b>13,904</b>	<b>34,496</b>	<b>61,111</b>	<b>5,837,249</b>
Net Change in Fund Balances	-	-	-	-	-	-	4,282,182
Fund Balance at Beginning of Year	-	-	-	-	-	-	7,488,758
<b>Fund Balance at End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>11,770,940</b>



**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by  
*Government Auditing Standards***

Members of the Board  
Clermont County Transportation Improvement District  
2381 Clermont Center Drive  
Batavia, Ohio 45103

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clermont County Transportation Improvement District, Clermont County, (the District), a component unit of Clermont County, as of and for the year ended December 31, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 10, 2011. 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 the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

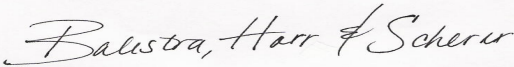
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

**Compliance and Other Matters**

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

Members of the Board  
Clermont County Transportation Improvement District  
Report on Internal Control Over Financial Reporting and on Compliance and Other  
Matters Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of management, Members of the Board, and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.

June 10, 2011



# Dave Yost • Auditor of State

**CLERMONT TRANSPORTATION IMPROVEMENT DISTRICT**

**CLERMONT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 12, 2011**