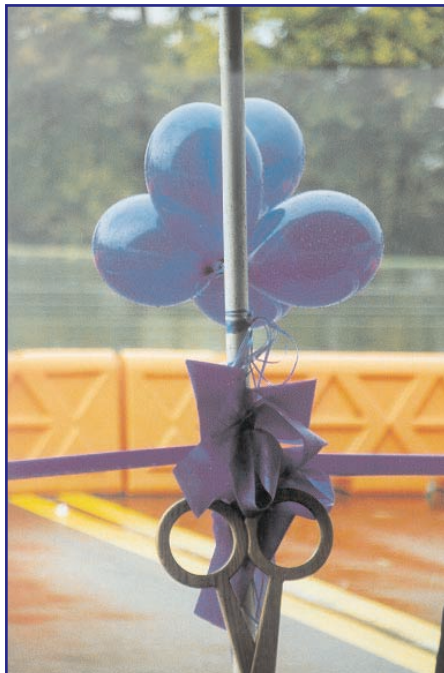


Butler County, Ohio Transportation Improvement District



Comprehensive Annual Financial Report For the Year Ended December 31, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215

Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398

Board of Directors
Transportation Improvement District of Butler County

We have reviewed the Independent Auditor's Report of the Transportation Improvement District of Butler County, prepared by Deloitte & Touche LLP for the audit period January 1, 2000 through December 31, 2000. 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 Transportation Improvement District of Butler County is responsible for compliance with these laws and regulations.

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

JIM PETRO
Auditor of State

July 26, 2001

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Butler County Transportation Improvement District



Comprehensive Annual Financial Report

For the Year Ended December 31, 2000

Prepared by: Sean Fraunfelter, CPA, Director of Finance and Administration

**Butler County Transportation Improvement District
Comprehensive Annual Financial Report
For the Year Ended December 31, 2000**

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INTRODUCTORY SECTION



BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

April 13, 2001

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

We are pleased to present the Butler County Transportation Improvement District (TID) Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2000. This report contains basic financial statements and other financial and statistical information — providing complete and full disclosure of all financial aspects of the TID for 2000.

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

The CAFR is divided in three sections:

1. *The Introductory Section* contains a letter of transmittal, our Government Finance Officer's Association (GFOA) Certificate of Achievement for 1999 and organizational charts for the TID staff and Board of Trustees.
2. *The Financial Section* contains the independent auditors' report; general purpose financial statements, which provide an overview of the TID's financial position and operating results; and the combining and individual fund statements and schedules by fund type, which provide additional information relative to the general purpose financial statements.
3. *The Statistical Section* includes selective financial, economic, and demographic information about the TID and Butler County, which may be used to extrapolate trends in comparison to other fiscal years.

FORM OF GOVERNMENT AND REPORTING ENTITY

The Butler County TID was created on June 30, 1993, under the auspices of House Bill 154 and Ohio Revised Code Section 5540.02. On December 7, 1993, the Butler County Commissioners authorized the creation of the TID by resolution 93-12-2209. This resolution brought the TID together as an organized entity on January 31, 1994. The TID includes all of the territory within the following political subdivisions of Butler County: the City of Hamilton, the City of Fairfield, Fairfield Township, West Chester Township and Liberty Township.

The TID is a jointly governed organization — both corporate and politic — given the powers to finance, construct, maintain, repair, and operate transportation systems. The TID is governed by a Board of Trustees which acts as the authoritative and legislative body. The Board of Trustees currently is comprised of 17 members, of which, 12 are voting and five are non voting. Of the 17, three are elected as officers of the TID: the Chair, Vice-Chair and Secretary-Treasurer. Each officer serves a one-year term. TID Board members are appointed by the following member governments: Butler County, the City of Hamilton, the City of Fairfield, Fairfield Township, Liberty Township, West Chester Township, the State of Ohio, and the Ohio Kentucky Indiana Regional Council of Governments.

The Board of Trustees annually appoints the Chair of the Board from the existing Board members. The Chair is charged with the responsibility of presiding at all Board meetings and acting as chief officer of the TID. An Executive Director of the TID, also appointed by the Board of Trustees, is charged with the responsibility of serving as chief executive officer of the TID as prescribed by the Board of Trustees.

For financial reporting purposes, the TID includes all funds and account groups in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity." A complete discussion of the TID's reporting entity is provided in Note 1 of the General Purpose Financial Statements.

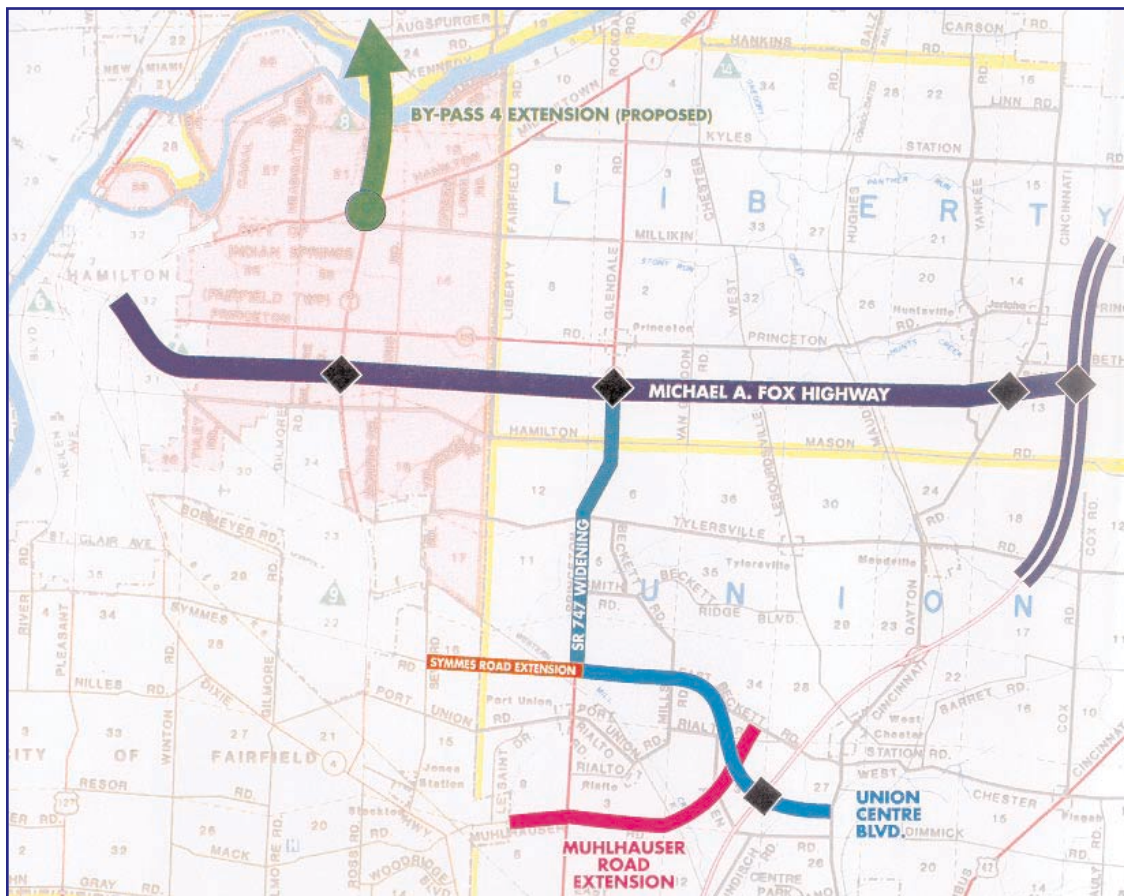
ECONOMIC CONDITION AND OUTLOOK

Business is booming in Butler County! The economic outlook for the Butler County area continues to be optimistic and favorable. Geographic proximity to efficient and reliable transportation, the interstate system, available utility infrastructure, and available and affordable land, as well as available finance and incentive programs, have combined to make Butler County an attractive investment option for many businesses. Butler County is definitely attracting business and industry, and the TID's many road improvement projects have been major reasons they have stayed, built or relocated here!

Since opening its doors in 1994, the TID has proven itself as a mechanism for expediting transportation improvement projects and financing those projects in innovative ways. Road construction continues to be prevalent all over Butler County, and it isn't stopping yet. With most of the TID's original projects completed, the TID will continue investigating projects in Butler County that meet the goal of improved transportation and increased economic development.

Over the past couple years the TID has been very busy and very successful! The Union Centre/I-75 Interchange opened in 1997 and the widening and extension of Muhlhauser Road and the Michael A. Fox Highway were completed in 1999. And during 2000 the Bypass 4/State Route 4 improvements, Creekside Drive signalization, State Route 747 phase I widening, and the extension of Union Centre Boulevard all were completed! These projects have greatly enhanced transportation and economic development in Butler County. During 2001 Symmes Road will take center stage. The TID will complete Symmes Road, finish the West Chester Road widening project, and proactively investigate future projects.

TID Projects



MAJOR INITIATIVES

Union Centre Boulevard

On October 5, 2000, the TID hosted a ribbon cutting to celebrate the opening of Union Centre Boulevard and its intersection with State Route 747.

The opening created another direct route to I-75 from SR 747. Union Centre Boulevard will become a major link between SR 747 and the new Union Centre/I-75 Interchange, alleviating traffic congestion on SR 747 and promoting economic development in the area.

The ribbon cutting included comments from Greg Wilkens, former TID executive director; David Tacosik, West Chester Township Trustees; Chuck Furmon, Butler County Commissioners; and Chris Wunnenberg, Schumacher Dugan Construction.

The TID began the Union Centre Boulevard extension project in summer 1999. Phase I, which widened Union Centre Boulevard to five lanes



Union Centre Boulevard and SR 747

between West Chester Road and Beckett Road, was completed in July 2000. Phase II, which was completed in June 1999, extended and widened

Union Centre Boulevard west nearly a half mile from Beckett Road. And Phase III, which extended Union Centre Boulevard as a five-lane road to SR 747, began in 1999 and initially



Union Centre Boulevard/SR 747 ribbon cutting

stopped just short of SR 747 until the widening of SR 747 was underway and the intersection could be constructed.

The extension of Union Centre Boulevard opened up many acres for development and helped ease traffic congestion on SR 747 and other secondary roads in West Chester Township, including Beckett Road and Smith Road.

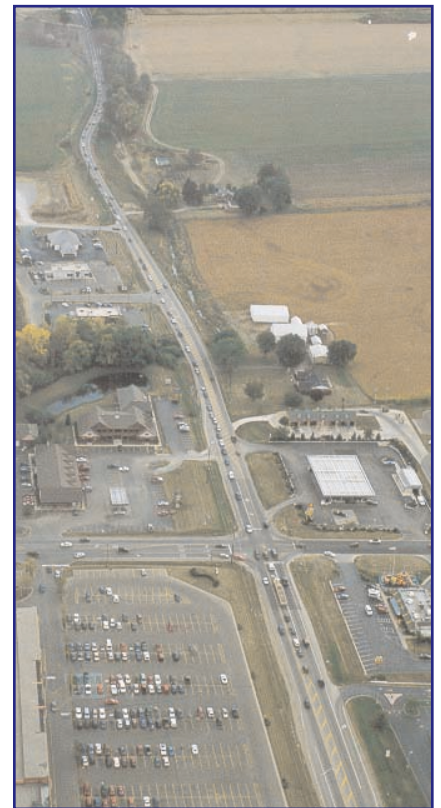
Many retail, commercial and industrial developments are already under construction, including a Biggs anchored strip mall at the Union Center/SR 747 intersection.

Since opening the Union Centre Interchange in 1997, the West Chester Township area has seen approximately \$700 million in investments, 7 million square feet of space, and the creation or retention of more than 5,000 jobs.

State Route 747

Over the past year, funding for the widening of SR 747 has become a major hurdle. The removal of tolls on the Michael A. Fox Highway necessitated a new funding mechanism. And while ODOT agreed to fund the first phase of the project, funding for phases II and III remained up in the air. During 2000 the TID applied to ODOT's Transportation Review Advisory Committee for funding of both phases - to no avail.

Not giving up, the TID went back to the drawing board. In late 2000 the TID and the Butler County Engineer's



SR 747 widening project

Office worked together to apply to the Ohio Kentucky Indiana Regional Council of Governments (OKI) for STP funding for phase II. If successful, phase II could be under construction as early as 2003! Preliminarily it looks

positive, and the Engineer's Office will get the final approval in July 2001.

The widening of SR 747 is divided into three phases:

Phase I, which was completed in October 2000, widened SR 747 from north of Port Union Road to just south of Smith Road. The completion of this phase coincided with the opening of the Union Centre Boulevard extension.

Phase II will widen SR 747 from south of Smith Road to Tylersville Road. This will include the Tylersville/SR 747 intersection, which the TID improved in 1996.

Phase III will widen SR 747 from Tylersville Road to the Michael A. Fox Highway.

The widening of SR 747 is crucial to alleviating traffic congestion and increasing economic development in the area. This widening project will create a five-lane roadway from the Michael A. Fox Highway to I-275 and the Tri-County retail area.



West Chester Road widening project

West Chester Road

At the request of West Chester Township, the TID is widening West Chester Road from Beckett Road to I-75. Phase A widens West Chester Road from Beckett Road to Union Centre Boulevard, and phase B

widens it from Union Centre Boulevard to I-75.

Phase B, which began first, was awarded on September 15, 2000, to SK Construction. The project includes widening the roadway from two to three lanes, with turn lanes where necessary. It also includes the addition of sidewalks, curbs, and the signalization of the West Chester Road/Muhlhauser Road/Lakota Drive West intersection.

While the ground work, utility relocation and installation of new water pits was completed by December 15, 2000, inclement weather conditions forced the paving to be completed in April 2001. Phase B is expected to be complete and open to the public by June 15, 2001.

Phase A was awarded to LP Cavett on January 8, 2001. Construction began in April 2001 and is expected to be completed by the end of July.

This widening project will enhance the rapid development occurring on West Chester Road. It will help alleviate traffic congestion for businesses and Lakota East High School. The added lane will increase traffic efficiency while making the road much safer!

Symmes Road

During 2000 the TID worked aggressively with the City of Fairfield, West Chester Township and the Butler County Commissioners toward the extension of Symmes Road from Seward Road to SR 747. The

engineering studies and project financing were completed.

At the end of 2000 the final design was complete and the bids were opened. John R. Jurgensen was awarded the contract with the lowest and most responsive bid of \$7,120,453.78.

A groundbreaking celebration was held February 16, 2001, to kick off this much anticipated extension. Construction began shortly after the groundbreaking and will be completed by the end of 2001.

The extension of Symmes Road from Seward Road to SR 747 will create another connection to I-75 via Union Centre Boulevard. It will be a huge boost for economic development in the area, opening up hundreds of acres of



Symmes Road extension

land for potential investments. Many businesses on or near Seward Road and Symmes Road have credited this improvement to their decision to remain in the area or relocate here.

The Michael A. Fox Highway

The highway is a HUGE success. After being the premier TID project for many years, the Michael A. Fox

Highway has taken a bit of a back seat to other new and exciting projects - but it's living high on its laurels.

Close-out of the highway continued during 2000. All of the excess property was sold and some excess land and the wetland park were signed over to Liberty Township.

Safer Travel and Economic Development

The Michael A. Fox Highway has proven its worth. It has made Butler County travel much safer by alleviating traffic congestion on many secondary routes, and it's quickly making a huge impact on economic development.

Many travel the highway everyday and boast about what a wonderful addition it is to Butler County. And what an impact! Development is booming in Butler County! Near the Bypass 4 interchange in Fairfield Township, three large retailers are planning to open their doors in the next year or so. At the corner of Bypass 4 and Princeton Road a Home Depot is under construction, which will employ about 150 full- and part-time workers. In addition, WalMart and Lowes are planning to open stores as well. Together, they are expected to employ about 500 workers.

At the Cincinnati-Dayton Road interchange in Liberty Township new developments are popping up all over the place! Just south of the highway, several fast-food places, a sit-down restaurant and a gas station have opened, a strip center is in the works, and Kroger took over the former Thriftway store that closed in early 2000. Other major retail developments also are in the planning stages.

Awards! Awards! Awards!

Butler County residents aren't the only ones who think the highway is a huge success! The highway is scooping up all kinds of awards from the construction industry and highway



TID awards

colleagues in many different areas, including:

- The 2000 **"Build America Award"** from the Associated General Contractors of America for the best new highway in the nation.
- The **Globe Award** from the American Road and Transportation Builders Association for excellence in environmental protection and mitigation.
- The 2000 **Quality in Construction Award** from the National Asphalt Paving Association.
- The **Excellence in Concrete Paving Award** from the American Concrete Pavement Association in the category of municipal streets and intersections greater than 30,000 square yards.
- The International Road Federation's 2000 **Global Road Achievement Award** for innovation of construction methodology practices.
- The first annual **Donald C. Schramm Transportation**

Improvement Award from the TRIKO Valley Section of the American Society of Highway Engineers (over \$2 million category).

- The 1999 **Excellence in Paving Award** from the Ohio/Kentucky Chapter of the American Concrete Pavement Association.
- The 1999 **Quality Award for Asphalt Paving** from Flexible Pavements Inc. for achieving the highest quality in asphalt paving.
- An **Engineering Excellence Award** from the Consulting Engineers Counsel of Ohio for project management and construction management.

Thanks to remarkable teamwork, dedication and a united goal of producing a top-quality highway, the TID, its consultants and its contractors have been tremendously successful!

Honoring the TID Board

In September the TID held a ceremony to dedicate a monument to past and



Board monument

present board members who helped make the Michael A. Fox Highway a reality for Butler County. The beautiful rock monument and brass plaque is located off Van Gordon Road in the wetland park that was created as part of the highway project.

located off Van Gordon Road in the wetland park that was created as part of the highway project. Following the dedication ceremony there was a luncheon at the Hamiltonian, where each board member received an engraved clock in appreciation of their dedication and commitment to the TID. The TID Board of Trustees have given unselfishly of their time and have dedicated themselves to improving transportation and enhancing economic development in Butler County.

State Route 4/Bypass 4 Intersection Improvements

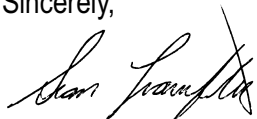
Prompted by safety issues, economic and residential development, and increased traffic, this project entailed re-engineering the intersection of SR 4 and Bypass 4 in Fairfield Township and relocating Reigart Road.

Although the project was completed in December 1999, final line striping and clean up took place in spring 2000. Also in 2000 the TID signaled the Creekside Drive/SR 4 intersection to make that intersection safer as well. In conjunction, the Butler County Engineer's Office constructed the Millikin Road bridge over Bypass 4.

ACKNOWLEDGMENTS

The TID works to develop a level of professionalism and sound financial reporting. The preparation and publication of this report serves as a cornerstone of the high levels of professionalism to which the TID strives. The report demonstrates a level of accountability that we continue to maintain. We hope this report increases public confidence in the operation and management of the TID. The report also provides a fair representation of the financial condition of the TID as of the year ended December 31, 2000.

Sincerely,



Sean Fraunfelter, CPA
TID Director of Finance and Administration



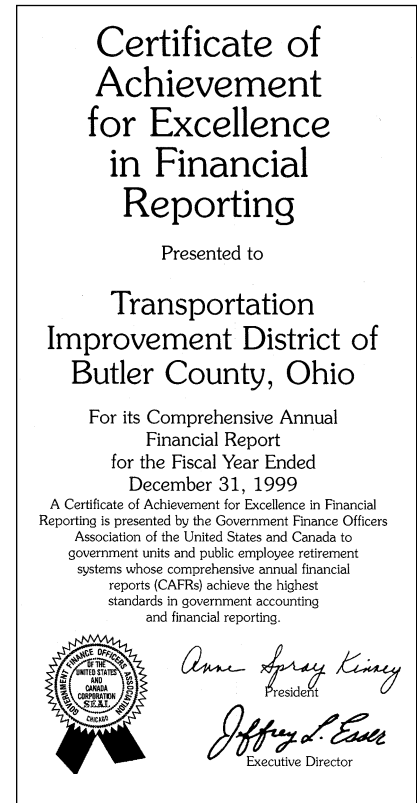
David Gully
TID Board of Trustees Secretary/Treasurer

The Future

Since its inception, the TID certainly has proven itself as a mechanism for expediting transportation improvement projects and financing those projects in innovative ways. And, as the new year begins, the TID faces the new challenge of continuing its mission by seeking out new projects and funding sources.

The continuation of the TID into the future depends on the organization's ability to expand into other areas of the county and find viable projects that will improve transportation and encourage economic development in Butler County. Potential projects include the Michael. A. Fox Highway/Cox Road extension, the Greentree Road Interchange, the widening of State Route 747, and the improvements on Princeton Road at Bypass 4.

GFOA Certificate of Achievement

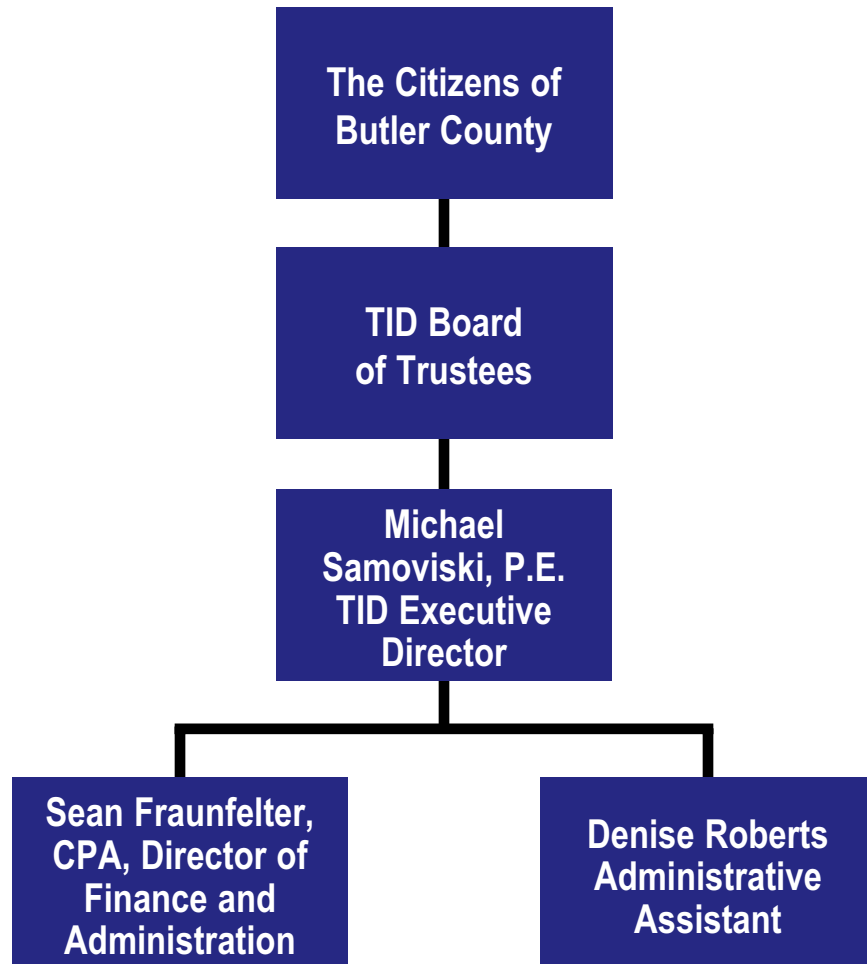


Receiving the highest award in government finance reporting, the TID - for the fifth year - was recognized for clear, effective communications for its 1999 Comprehensive Annual Financial Report. An impartial panel reviewed the TID's CAFR and concluded that it met the highest standards for governmental accounting and financial reporting.



**BUTLER COUNTY
TRANSPORTATION IMPROVEMENT DISTRICT**

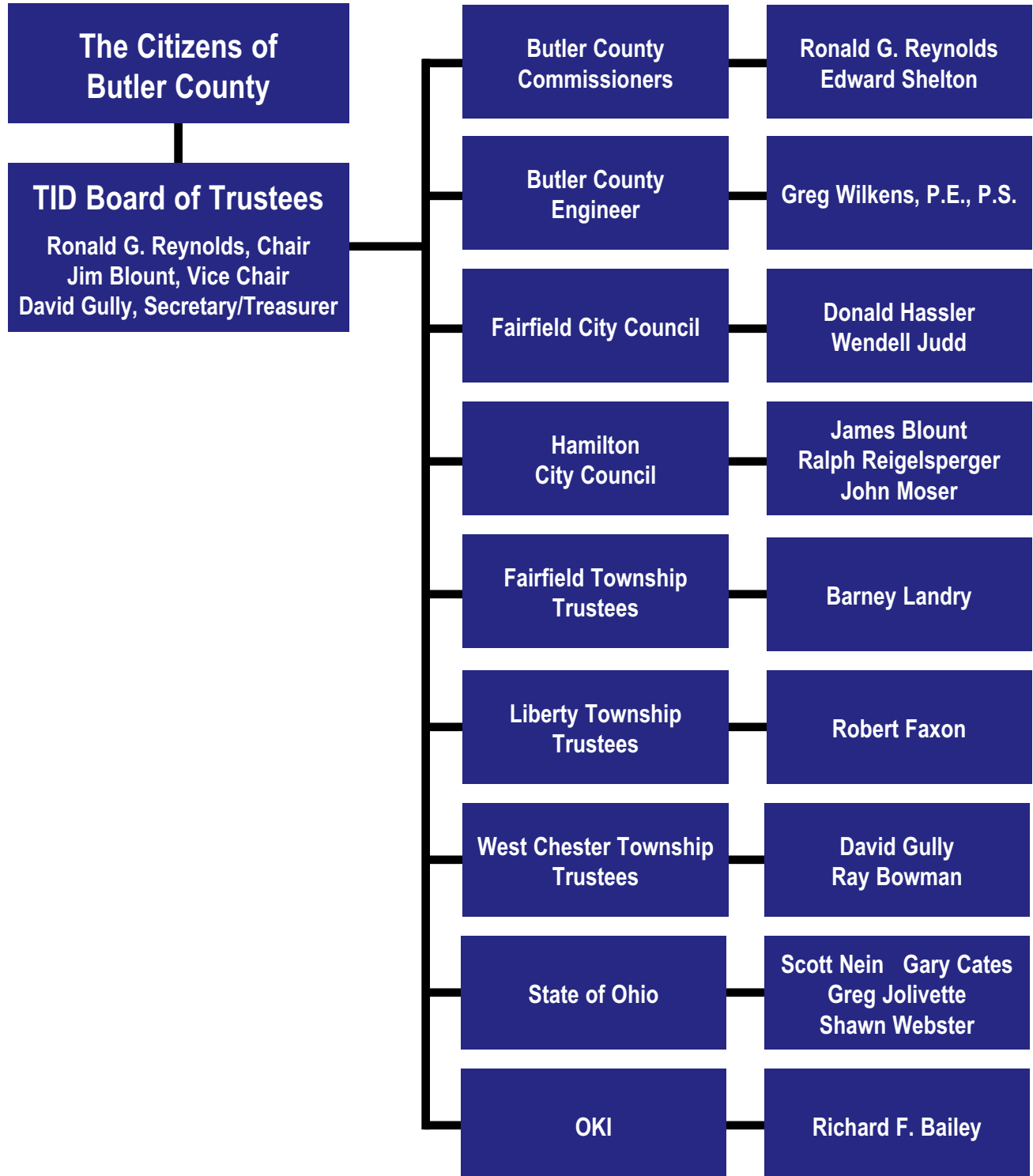
Staff Organizational Chart





**BUTLER COUNTY
TRANSPORTATION IMPROVEMENT DISTRICT**

**Board of Trustees
Organizational Chart**



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Directors
Transportation Improvement District of Butler County and
Jim Petro, Auditor of State

We have audited the accompanying basic financial statements of the Transportation Improvement District of Butler County (the "District"), as of December 31, 2000, and for the year then ended, listed in the foregoing table of contents. These basic financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion on these basic 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 Governmental Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 audit provides a reasonable basis for our opinion.

In our opinion, such basic financial statements present fairly, in all material respects, the financial position of the District as of December 31, 2000, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The required supplementary information section and the supplemental section listed in the foregoing table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the District. The required supplementary information section and the supplemental section are also the responsibility of the management of the District. Such additional information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

The management's discussion and analysis and the statistical data as listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the District. Such additional information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2001, 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 grants. 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.

Deloitte & Touche LLP

April 13, 2001



MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Butler County Transportation Improvement District's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2000. Please read it in conjunction with the District's basic financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- Total net assets increased \$13.0 million which represents a 25.2 percent increase from 1999.
- General Revenues accounted for \$5.4 million in revenues or 20.1 percent of all revenues. Program specific revenues in the form of charges for services and capital grants accounted for \$21.4 million or 79.9 percent of all revenues.
- The District expended \$8.8 million on infrastructure during the current year.
- Among the major funds, the Michael A. Fox Highway, Union Centre Boulevard and State Route 747 funds had expenses of \$5.9 million, \$2.9 million and \$3.3 million, respectively, as the District neared completion of both of those projects.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9-10) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 12. These statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most financially significant funds.

Reporting the District as a whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the District as a whole begins on page 4. One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in them. You can think of the District's net assets, the difference between assets, what the residents own, and liabilities, what the residents owe, as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net assets are one indicator of the whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's jurisdiction, the availability of capital projects, and continuing local government support to assess the *overall health* of the District.

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds begins on page 6. The fund financial statements begin on page 12 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State law. However, the Board of Trustees establishes many other funds to help control and manage money for particular purposes (ex. various capital projects funds). The District only has one kind of fund which is governmental.

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

THE DISTRICT AS A WHOLE

The District's total net assets changed from a year ago, increasing from \$51.3 million to \$64.3 million. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the District's governmental activities.

Table 1
Net Assets (in millions)

	1999	2000
Current and Other Assets	\$ 21.9	\$ 28.1
Long term receivables	143.9	133.6
Capital Assets	<u>35.9</u>	<u>43.8</u>
Total assets	201.7	205.5
Long term debt outstanding	(143.9)	(138.8)
Other liabilities	<u>(6.5)</u>	<u>(2.4)</u>
Total liabilities	(150.4)	(141.2)
Net assets:		
Invested in capital, net of debt	35.8	43.8
Restricted	15.0	16.0
Unrestricted	<u>.5</u>	<u>4.5</u>
Total net assets	\$ 51.3	\$ 64.3

Net assets of the District's activities increased 25.2 percent (\$51.3 million compared to \$64.3 million). Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased from \$.5 million to \$4.5 million at the end of 2000. The increase is attributed to increased local government participation. The investment in capital assets, net of debt category increased by \$8.0 million.

Major Funds

- General
- Debt Service
- Union Centre Boulevard
- Michael A. Fox Highway
- State Route 747
- Muhlhauser Road

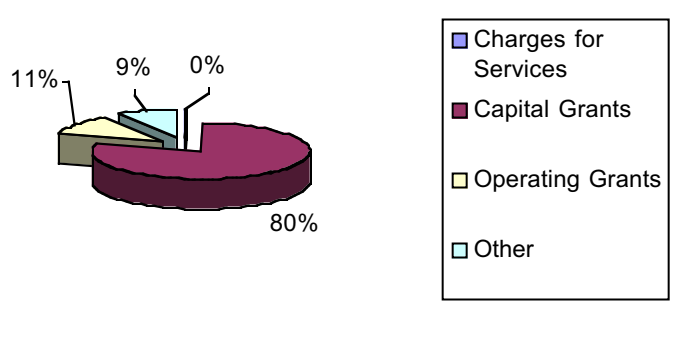
Table 2 shows changes in net assets for fiscal year 2000. Since this is the first year the District has prepared financial statements following GASB Statement 34, revenue and expense comparisons to fiscal year 1999 are not available.

Table 2
Change in Net Assets
In (Millions)

Revenues

Program Revenues:	
Charges for Services	\$ 0.2
Capital Grants	<u>21.4</u>
General Revenue:	
Grants	3.0
Other	<u>2.4</u>
Total Revenues	<u>27.0</u>

2000 Governmental Activities Revenues



Program Expenses

General Government	6.6
Interest on long-term debt	<u>7.4</u>
Total Expenses	<u>14.0</u>
Increase in Net Assets	<u>\$13.0</u>

2000 Governmental Activities Expenses

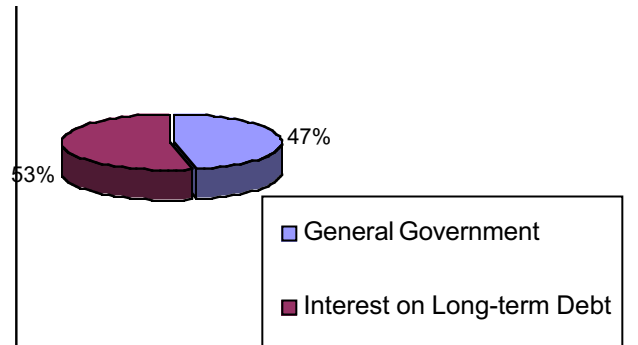


Table 3 presents the District's overall financial position and results of operations for fiscal year 2000 compared to fiscal year 1999 for government-wide programs.

Table 3
Governmental Activities
in (Millions)

	1999	2000	% Change
General Government	\$ 1.0	\$ 6.6	560.0%
Interest on Long-Term Debt	9.6	7.4	(22.9)%
Total Expenses	<u>\$ 10.6</u>	<u>\$ 14.0</u>	<u>32.1%</u>

The large increase in general government expenditures can be attributed to amount of expenditures related to capital assets that occurred during 2000. The 22.9% decrease in interest can be attributed to the principal outstanding being reduced on a fiscal year basis.

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

Table 4
Changes in Balances
in (Millions)

	1999	2000	% Change
General	\$ 2.3	\$ 3.5	49.5%
Debt Service	0.4	0.4	(4.6)%
Union Centre Boulevard	(2.0)	-	99.7%
Michael A. Fox Highway	13.4	14.6	9.0%
State Route 747	1.7	1.6	(6.8)%
Muhlhauser Road	0.9	2.0	128.4%
Nonmajor Funds	0.6	0.2	(65.1)%
Total Governmental Balances	\$ 17.3	\$ 22.3	28.9%

The 49.5% increase in the General Fund can be attributed to land sales of overbuy property purchased with the construction of the Michael A. Fox Highway with General Fund monies in prior years and also the \$500,000 decrease in operating expenditures for the fund.

The 99.7% increase in Union Centre Boulevard fund can be attributed to a large amount of construction at the end of fiscal year 1999 that was not billed until the first quarter of 2000.

The 6.8% decrease in State Route 747 fund is attributed to that project being completed towards the end of fiscal year 2000.

The 128.4% increase in the Muhlhauser Road balance is attributed to the District receiving the remaining assessment revenue from Butler County. The TID is responsible for payment of various contract and right-of-way payments related to the assessment during fiscal year 2001.

The 65.1% decrease in the Nonmajor funds can be attributed to several of the projects being finished and closed during fiscal year 2000 while the District only added one project to this category during the year.

Table 5 presents the General Fund budget and the difference between the original budget and final budget for fiscal year 2000. Table 5.1 discusses the variance between the final budget and the actual results for the fiscal year.

Table 5
Original and Final
Budget
General Fund

	Budgeted Amounts		
	Original	Final	Variance
Revenues:			
Intergovernmental Revenue	\$ 250,000	\$ 250,000	\$ -
Charges for Services	194,603	400,000	205,397
Investment Earnings	196,000	250,000	54,000
All Other Revenue	-	400,050	400,050
Expenditures:			
General Government	609,736	639,142	29,406
Other Financing Sources			
Operating Transfers In	2,190,879	2,080,225	(110,654)

The large variance between original and final budgeted amounts for **All Other Revenue** relates to land sales of excess overbuy property that was sold in relation to the Michael A. Fox Highway construction project.

The difference in **Charges for Services** revenues can be attributed the additional administration fee collected on the West Chester Road project. The TID received this project during the middle of 2000 and had not anticipated the additional revenues for the original budget.

Table 5.1
Final Budget versus
Actual
General Fund

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental Revenue	\$ 250,000	\$ 713,600	\$ 463,600
Charges for Services	400,000	327,451	(72,549)
Investment Earnings	250,000	280,919	30,919
All Other Revenue	400,050	374,776	(25,274)
Expenditures:			
General Government	639,142	561,564	(77,578)
Other Financing Sources (Uses)			
Operating Transfers In	2,080,225	136,463	(1,943,762)
Operating Transfers Out	-	(16,607)	(16,607)

The large increase in actual revenues over the budget amount for intergovernmental revenue can be attributed to collection of the Ohio Department of Development Grant being collected for 1999 and 2000 in fiscal year 2000.

The variance in charges for services was the unexcepted collection of administration fees on the Union Centre Boulevard and West Chester Road projects.

Investment earnings were higher than expected with the movement of 30% of the District free cash flow being invested in United States Government Securities and this variance reflects the difference between fair value and cost value.

The variance in all other revenue can be attributed to the sales of overbuy properties made during fiscal year 2000 purchased in prior years along the Michael A. Fox Highway.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets: At year-end, the District had \$43.8 million invested in construction in progress assets. This amount represents a net increase (including additions and deletions) of \$7.9 million, or 22.0%, over the last year. The amount of construction can be attributed to local governments continued use of the District's ability to process and complete road improvement and construction projects in an efficient manner. The major construction projects that attributed to the fiscal year 2000 increase are By-Pass 4 at State Route 4, Union Centre Boulevard, and State Route 747.

Debt Administration: At year-end, the District had \$138.8 million in outstanding special obligation bonds payable versus \$143.9 million last year, a decrease of 3.5%. The fiscal year 2000 interest rate was 4.75% with the interest rate graduating to 6.00% in the year of maturity 2017.

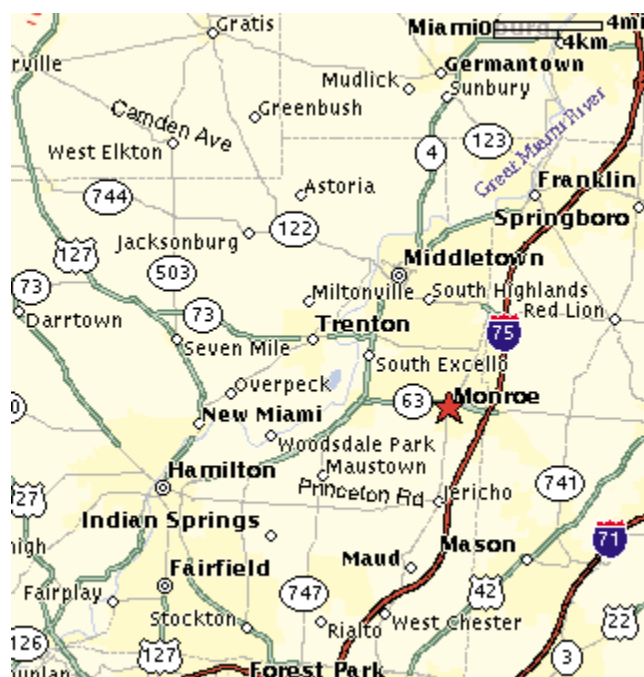
ECONOMIC FACTORS

The District has operated solely in Southwestern Butler County since its 1994 formation. The District is currently looking at opportunities for expanding north to the Monroe/Middletown area, west to Trenton/Oxford part of the County and is heavily pursuing the extension of the Michael A. Fox Highway eastward into Liberty Township with Cox Road being a parallel connector running with Interstate 75 from the Michael A. Fox Highway to north of Princeton Road.

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

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 315 S. High Street, BCTID, Hamilton, Ohio 45011.



STATISTICAL SECTION

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

STATEMENT OF NET ASSETS DECEMBER 31, 2000

Assets:

Current Assets:

Cash and Cash Equivalents	\$	5,193,275
Restricted Cash and Cash Equivalents		1,133,052
Cash with Fiscal Agent		14,857,226
Accounts Receivables (net)		100
Intergovernmental Receivables		1,657,597
Current Portion of Long Term Receivables		5,280,000
<i>Subtotal Current Assets</i>		28,121,250

Noncurrent Assets:

Long term Receivables		133,570,000
Net Capital Assets		43,783,628
<i>Subtotal Noncurrent Assets</i>		177,353,628
Total Assets	\$	205,474,878

Liabilities:

Current Liabilities:

Accounts Payable	\$	45,142
Contracts Payable		469,627
Accrued Wages and Benefits		12,862
Intergovernmental Payable		8,000
Accrued Interest Payable		1,834,044
Current Portion of Long Term Debt		5,280,000
<i>Subtotal Current Liabilities</i>		7,649,675

Noncurrent Liabilities:

Special Obligation Bonds Payable		133,570,000
Total Liabilities	\$	141,219,675

Net Assets:

Invested in Capital Assets	\$	43,783,628
Restricted for:		
Capital Projects		1,133,052
Debt Service		14,857,226
Unrestricted		4,481,297
Total Net Assets	\$	64,255,203

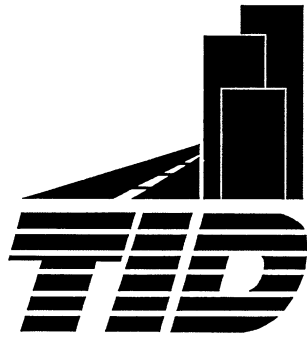
See accompanying notes to the basic financial statements

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2000**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Capital Grants and Contributions	Primary Government Governmental Activities
Primary Government:				
Governmental Activities:				
General government	\$ 6,510,583	\$ 191,612	\$ 8,912,869	\$ 2,593,898
Interest on long-term debt	7,428,450		7,428,450	-
Total Primary Government	\$ 13,939,033	\$ 191,612	\$ 16,341,319	2,593,898
General Revenues:				
Grants and contributions not restricted to specific programs				7,929,894
Unrestricted investment earnings				1,811,459
Change in Fair Value of Investments				16,673
Miscellaneous				576,523
Total general revenues				10,334,549
Changes in net assets				12,928,447
Net Assets - beginning				51,326,756
Net Assets - ending				\$ 64,255,203

See accompanying notes to the basic financial statements



TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**BALANCE SHEET -
GOVERNMENTAL FUNDS
DECEMBER 31, 2000**

	General	Debt Service	Union Centre Boulevard	Michael A. Fox Highway	State Route 747
Assets:					
Cash and cash equivalents	\$ 1,953,722	\$ -	\$ -	\$ 522,096	\$ 575,525
Investments	954,795	-	-	-	-
Accounts Receivable, net	100	-	-	-	-
Lease Receivable	-	138,850,000	-	-	-
Receivables from other governments	-	-	170,205	-	1,034,277
Interfund Loan Receivable	584,551	-	-	-	-
Restricted Assets:					
Cash and Cash Equivalents	-	-	-	-	-
Investments	-	-	-	-	-
Cash with Fiscal Agent	-	378,359	-	14,460,820	-
Total Assets	\$ 3,493,168	\$ 139,228,359	\$ 170,205	\$ 14,982,916	\$ 1,609,802
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$ 3,923	\$ -	\$ 3,110	\$ 22,376	\$ 8,368
Contracts Payable	-	-	42,251	333,981	-
Accrued Wages and Benefits Payable	12,862	-	-	-	-
Intergovernmental Payable	8,000	-	-	-	-
Interfund Loan Payable	-	-	130,885	-	-
Deferred Revenue	-	138,850,000	-	-	-
Total Liabilities	24,785	138,850,000	176,246	356,357	8,368
Fund Balances					
Reserved for:					
Encumbrances	-	-	-	564,226	-
Debt Service	-	378,359	-	13,708,888	-
Unreserved (Deficit)	3,468,383	-	(6,041)	353,445	1,601,434
Unreserved, reported in nonmajor:					
Capital Projects	-	-	-	-	-
Total Fund Balances (Deficit)	3,468,383	378,359	(6,041)	14,626,559	1,601,434
Total Liabilities and Fund Balances	\$ 3,493,168	\$ 139,228,359	\$ 170,205	\$ 14,982,916	\$ 1,609,802

See accompanying notes to the basic financial statements

Transportation Improvement District of Butler County, Ohio

Reconciliation of Total Governmental Fund Balances to

Net Assets of Governmental Activities
December 31, 2000

Muhlhauser Road	Other Governmental Funds	Total Governmental Funds		
			Total Governmental Fund Balances	\$ 22,305,619
			<i>Amounts reported in governmental activities in the statement of net assets are different because:</i>	
\$ 880,004	\$ 325,180	\$ 4,256,527	Capital Assets used in the governmental activities are not financial resources and therefore are not reported in the funds	43,783,628
-	-	954,795		
-	-	100		
-	-	138,850,000		
-	453,115	1,657,597	Long term receivables are not available to pay for current period expenditures and therefore are deferred in the funds	138,850,000
-	-	584,551		
178,258	-	178,258		
954,794	-	954,794	Accrued interest on long-term bonds are not accounted for under modified accrual and therefore are not reported in the funds	(1,834,044)
-	-	14,839,179		
<u>\$ 2,013,056</u>	<u>\$ 778,295</u>	<u>\$ 162,275,801</u>		
\$ -	\$ 7,365	45,142	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(138,850,000)
-	93,395	469,627		
-	-	12,862		
-	-	8,000		
-	453,666	584,551	Net Assets of Governmental Activities	<u>\$ 64,255,203</u>
-	-	138,850,000		
-	554,426	139,970,182		
-	2,498	566,724		
-	-	14,087,247		
2,013,056	-	7,430,277		
-	221,371	221,371		
<u>2,013,056</u>	<u>223,869</u>	<u>22,305,619</u>		
<u>\$ 2,013,056</u>	<u>\$ 778,295</u>	<u>\$ 162,275,801</u>		

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>General</u>	<u>Debt Service</u>	<u>Union Centre Boulevard</u>	<u>Michael A. Fox Highway</u>	<u>State Route 747</u>
Revenues					
Intergovernmental Revenues	\$ 713,600	\$ -	\$ 5,027,205	\$ 17,479,489	\$3,233,499
Charges for Services	191,612	-	-	-	-
Investment Earnings	297,039	14,523	-	1,499,897	-
Change in Fair Value of Investments	16,673	-	-	-	-
All Other Revenues	372,730	-	-	195,425	1,500
Total Revenues	<u>1,591,654</u>	<u>14,523</u>	<u>5,027,205</u>	<u>19,174,811</u>	<u>3,234,999</u>
Expenditures					
Current:					
General Government	557,999	-	-	-	-
Capital Outlay	-	-	2,883,543	5,947,904	3,352,746
Debt Service:					
Principal	-	5,040,000	-	-	-
Interest and Other Charges	-	7,455,875	-	-	-
Total Expenditures	<u>557,999</u>	<u>12,495,875</u>	<u>2,883,543</u>	<u>5,947,904</u>	<u>3,352,746</u>
Excess (deficiency) of revenues over expenditures	<u>1,033,655</u>	<u>(12,481,352)</u>	<u>2,143,662</u>	<u>13,226,907</u>	<u>(117,747)</u>
Other Financing Sources (Uses)					
Operating Transfers In	130,734	12,463,305	641	448,930	-
Operating Transfers Out	(16,607)	-	(89,535)	(12,463,306)	-
Total Other Financing Sources (Uses)	<u>114,127</u>	<u>12,463,305</u>	<u>(88,894)</u>	<u>(12,014,376)</u>	<u>-</u>
Net Change in Fund Balances	1,147,782	(18,047)	2,054,768	1,212,531	(117,747)
Fund Balances (Deficit) - beginning	2,320,601	396,406	(2,060,809)	13,414,028	1,719,181
Fund Balances (Deficit) - ending	<u>\$ 3,468,383</u>	<u>\$ 378,359</u>	<u>\$ (6,041)</u>	<u>\$ 14,626,559</u>	<u>\$ 1,601,434</u>

See accompanying notes to the basic financial statements

Transportation Improvement District of Butler County, Ohio

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended December 31, 2000

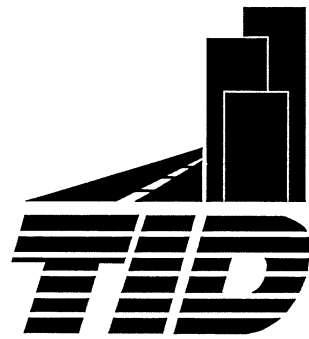
Muhlhauser Road	Other Governmental Funds	Total Governmental Funds		
			Net Change in Governmental Fund Balances	\$ 4,993,369
\$ 1,133,052	\$ 1,724,368	\$ 29,311,213	Amount reported for the governmental activities	
-	-	191,612	in the statement of activities are different because:	
-	-	1,811,459	Governmental funds report capital outlays as expenditures.	
-	-	16,673	However, in the statement of activities, the cost of those	
-	6,868	576,523	assets is allocated to the projects as construction in progress	7,907,653
1,133,052	1,731,236	31,907,480	Collection of long term receivables are not reflected in	
			the statement of activities, whereas in	
-	-	557,999	governmental funds it is reported as revenue	(5,040,000)
1,369	1,674,675	13,860,237	Repayment of bond principal is an expenditure in the	
			governmental funds, but the repayment reduces the long-	
-	-	5,040,000	term liabilities in the statement of net assets.	5,040,000
-	-	7,455,875	In the statement of activities, interest is accrued on	
1,369	1,674,675	26,914,111	outstanding bonds, whereas in governmental funds, an	
			interest expenditure is reported when due.	27,425
1,131,683	56,561	4,993,369	Change in Net Assets of Governmental Activities	\$ 12,928,447
-	16,607	13,060,217		
-	(490,769)	(13,060,217)		
-	(474,162)	-		
1,131,683	(417,601)	4,993,369		
881,373	641,470	17,312,250		
\$ 2,013,056	\$ 223,869	\$ 22,305,619		

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**STATEMENT OF FIDUCIARY NET ASSETS -
FIDUCIARY FUNDS
DECEMBER 31, 2000**

	<u>Agency Fund</u>
Assets:	
Cash and cash equivalents	\$ 12,637
	<u>12,637</u>
Liabilities	
Refunds Payable	<u>12,637</u>
Total Liabilities	<u>\$ 12,637</u>

See accompanying notes to the basic financial statements



TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

The accompanying general purpose financial statements comply with the provisions of GASB Statement No. 14, “*The Financial Reporting Entity*,” in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization’s governing body and either (1) the District’s ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation – Fund Accounting

The accounting system is organized and operated on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its fund equity, revenues and expenditures.

The various funds are grouped into generic fund types and three broad fund categories for presentation purposes. Governmental funds include the general, special revenue, debt service, and capital projects funds. Fiduciary funds include agency funds.

Governmental Funds – Governmental funds are those funds through which most government functions typically are financed. The acquisition, use and balances of the District’s expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of “financial flow” (sources, uses and balances of financial resource.) The following are the District’s major governmental funds:

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

Debt Service Fund – The Debt Service Fund accounts for the servicing of general long-term debt.

Union Centre Boulevard Capital Projects Fund – The Union Centre Boulevard capital projects fund accounts for the TID’s construction of the four lane boulevard from Interstate 75 to State Route 747 and the surrounding areas.

Michael A. Fox Highway Capital Projects Fund – The Michael A. Fox Highway capital projects fund accounts for the TID’s construction of the Michael A. Fox Highway from Interstate 75 to the City of Hamilton, Ohio.

State Route 747 Capital Projects Fund – The State Route 747 capital projects fund accounts for the TID’s widening to State Route 747 from Muhlhauser Road to the Michael A. Fox Highway.

Muhlhauser Road Capital Projects Fund – To account for the TID’s improvements to and extension of Muhlhauser Road from State Route 747 to Union Centre Boulevard.

Fiduciary Fund – Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. The only fiduciary fund for the District is an agency fund, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District, the primary government, as a whole. These statements include financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

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. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and liabilities, and a statement of revenues, expenditures and changes in fund balances, which report the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary funds are reported using the economic resources measurement focus.

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. Fiduciary funds also use the accrual basis of accounting.

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 thirty-one days of fiscal year-end. Under the modified accrual basis, only interest is considered to be both measurable and available at fiscal year-end.

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

Expenses/Expenditures

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

D. Budgetary Process

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

1. Estimated Resources

As part of the District's budgetary process, the Board approves the official estimated resources. The official estimated resources states the projected revenue of each fund. Prior to December 31, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the official estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the estimated resources is amended to include any unencumbered balances from the preceding year. The estimated resources may be further amended during the year if the Board determines that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2000.

2. Appropriations

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, under the accounting principles generally accepted under the United States of America (GAAP) basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying general purpose financial statements.

4. Lapsing of Appropriations

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

5. Budgetary Basis of Accounting

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the governmental funds:

Net Change in Fund Balance Major Government Funds						
	General	Debt Service	Union Centre Boulevard	Michael A. Fox Highway	State Route 747	Muhlhauser
GAAP Basis	\$1,147,782	(\$18,047)	\$2,054,768	\$1,212,534	(\$117,747)	\$1,131,683
Accrued Revenues	110,821	0	(56,955)	0	(1,034,277)	0
Accrued Expenditures	(3,565)	0	(738,739)	(1,299,601)	189	(42,719)
Encumbrances	0	0	0	(171,956)	0	0
Budget Basis	<u>\$1,255,308</u>	<u>(\$18,047)</u>	<u>\$1,259,074</u>	<u>(\$259,023)</u>	<u>(\$1,151,835)</u>	<u>\$1,088,964</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents

Cash received by the District is pooled for investment purposes. Equity interest in the pool is presented as “Cash and Cash Equivalents” on the financial statements by activity or fund. The District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the financial statements as “Restricted Assets: Cash with Fiscal Agent.”

During fiscal year 2000, investments were limited to Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Bonds, Federal Farm Credit Bank Discount Notes, Federal National Mortgage Notes, overnight Repurchase Agreements, Firststar Money Market mutual funds, Guaranteed Investment Contracts and State Treasury Asset Reserve of Ohio (STAR Ohio).

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

STAR Ohio is an investment pool managed by the State Treasurer’s Office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price, which is the price the investment could be sold for on December 31, 2000.

Following Ohio statutes, the Board of Directors has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2000 amount to \$297,039, which includes \$157,556 assigned from other District funds.

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

F. Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements. Restricted cash with fiscal agent represents amounts required by debt covenant to be segregated for final year debt payment and accrued interest on the bonds. Restricted cash and cash equivalents represents special assessment proceeds restricted for completion of the Muhlhauser Road project.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Interfund Transactions

During the course of normal operations, the District has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Operating transfers are reported as “Other Financing Sources and Uses” in the governmental funds, as “Operating Transfers In” by the recipient fund, and “Operating Transfers Out” by the disbursing fund.

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loan receivables/payables.” These amounts are eliminated in the governmental column of the statement of net assets.

H. Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not.

I. Compensated Absences

The District does not accrue compensatory time on exempt employees. Sick and vacation time must be used in the year earned or all unused time expires.

J. Intergovernmental Revenues

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

K. Reservations of Fund Balance

The District records reservations for portions of fund equity which are legally segregated for specific future uses or which do not represent available, spendable resources and therefore, are not available for appropriations for expenditures. Undesignated fund balance indicates that portion of fund equity which is available for appropriations in future periods. Fund equity reserves have been established for encumbrances in the capital projects funds and for debt service in the Debt Service Fund.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Net Assets

Net Assets is the difference between assets and liabilities. Net assets invested in capital assets are net of any outstanding debt related to the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by other governments, creditors or grantors.

NOTE 2 - ACCOUNTABILITY

Fund Deficits

As of December 31, 2000, the Union Centre Boulevard Special Revenue Fund had a deficit fund balance of \$6,041. The deficit was created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 3 – DEPOSIT AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds. Statutes require the classification of funds held by the District into three categories.

Category 1 consists of “active” funds – those funds required to be kept in “cash” or “near cash” status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds – those funds not required for use within the current two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds – those funds not needed for immediate use, but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 3 – DEPOSIT AND INVESTMENTS (Continued)

- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- The State Treasury Asset Reserve of Ohio (STAR Ohio);
- Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
- Under limited circumstances, corporate debt interest rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 3 – DEPOSIT AND INVESTMENTS (Continued)

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, “*Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements.*”

A. Deposits

At year end the carrying amount of the District’s deposits was \$522,309 and the bank balance was \$1,130,294. Federal depository insurance coverage did not apply to the bank balance. The deposits were classified as Category 2, collateralized, as defined by GASB (securities are pledged with the pledging financial institution’s trust department or agent in the District’s name).

B. Investments

- Category 1 Insured or registered, with securities held by the District or its agent in the District’s name.

- Category 2 Uninsured and unregistered, with securities held by the counterparty’s trust department or agent in the District’s name.

- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the District’s name.

The District has investments of \$14,460,820 in a Guaranteed Investment Contract (GIC), with an insurance company, MBIA Inc. These investments are not categorized under the GASB 3 credit risk categories for investments because the GIC is not evidenced by securities that exist in physical or book entry form. This GIC bears a yield between 5.87% and 6.4%. Withdrawals on the GIC require seven days notice and may be made for paying project costs, to fund a bond reserve account and pay costs of issuance of certain Bonds.

The GIC is not required to be collateralized except in the event that the ratings of MBIA by either S&P or Moody’s fall below “AA-“ or “Aa3”, respectively. MBIA Inc., at its option, within 10 days of receipt of publication of such downgrade, may either (A) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws to the District, the Trustee or a third party acting solely as agent therefore collateral free and clear of any third-party liens or claims, the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody’s to maintain an “A” rating in an “A” rated structured financing; or (B) repay the principal of and accrued unpaid interest on the investment.

The moneys invested in the GIC are from bond proceeds, and invested in eligible investments as set forth in the general bond resolution. Section 5540.12 of the Ohio Revised Code (ORC) states, that moneys received as proceeds from the sale of bonds are to be held and applied as provided in this chapter and in any applicable bond proceedings. Such moneys shall be kept in depositories as selected by the board in the manner provided in ORC sections 135.01 to 135.21.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 3 – DEPOSIT AND INVESTMENTS (Continued)

The District's Investments at December 31, 2000 are summarized below:

Categorized Investments	Category 2	Category 3	Fair Value/ Contract Value
Repurchase Agreement	\$4,107,304	\$0	\$4,107,304
Federal Home Loan Mortgage Corp	0	453,946	453,946
Federal Home Loan Bank	0	1,313,059	1,313,059
Federal Farm Credit Bank	0	251,012	251,012
Federal National Mortgage Association	0	199,941	199,941
Firststar Money Market Mutual Fund	0	56,948	56,948
Noncategorized Investments			
STAR Ohio	N/A	N/A	12,637
Guaranteed Investment Contract	N/A	N/A	14,279,034
Total Investments	\$4,107,304	\$2,274,906	\$20,673,881

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between classifications of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	\$19,286,601	\$1,909,589
Investments:		
Repurchase Agreements	(4,107,304)	4,107,304
Federal Home Loan Bank	(308,369)	308,369
Firststar Money Market Mutual Fund	(56,948)	56,948
STAR Ohio	(12,637)	12,637
Guaranteed Investment Contract	(14,279,034)	14,279,034
GASB Statement No. 3	\$522,309	\$20,673,881

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 4 – INTERFUND BALANCES

The composition of interfund balances as of December 31, 2000, is as follows:

A. Interfund Loan Receivable/Payable

Fund	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$584,551	\$0
Capital Projects Funds:		
Union Center Boulevard Fund	0	130,885
West Chester Road Fund	0	453,666
Total Capital Projects Funds	0	584,551
Totals	\$584,551	\$584,551

NOTE 5 – OPERATING TRANSFERS

The following is a summary of operating transfers in and out for all funds for 2000:

Fund	Transfer In	Transfer Out
General Fund	\$130,734	\$16,607
Debt Service Fund	12,463,305	0
Capital Projects Funds		
Bypass 4 Improvement Fund	16,607	25,286
Union Centre Interchange Fund	641	89,535
Michael A. Fox Highway Fund	448,930	12,463,306
Interstate 75 Fund	0	448,930
Lakota West Drive Fund	0	640
West Chester Road Fund	0	15,913
Total Capital Projects Funds	466,178	13,043,611
Totals	\$13,060,217	\$13,060,217

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 6 – INTERGOVERNMENTAL REVENUES AND CHARGES FOR SERVICE

The following entities, which are a part of the District, have contributed the following funds during 2000.

Member Name	Contribution (Budgetary Basis)
Butler County	\$5,631,251
West Chester Township	1,671,294
Fairfield Township	656,382

Charges for service recorded in the general fund, represent Ohio Department of Transportation's reimbursement of certain administrative project costs of the Butler Regional Highway and have ceased with completion of the project and also the administrative project cost related to the Fairfield Township and West Chester Township's projects.

NOTE 7 – CAPITAL ASSETS

Summary by category of changes in general fixed assets:

Category	December 31, 1999	Additions	Deletions	December 31, 2000
Construction in Progress	\$35,875,975	\$7,907,653	\$0	\$43,783,628
Totals	\$35,875,975	\$7,907,653	\$0	\$43,783,628

NOTE 8 – DEFINED BENEFIT PENSION PLANS

The following information was provided by the PERS of Ohio, a cost-sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. Compared to the 1999 employer contribution rate of 13.55%, the 2000 employer contribution rate was rolled back for local government employer units to 10.84%, of covered payroll, 6.54% to fund the pension and 4.30% to fund health care. The contribution requirements of plan members and the District are established and may be amended by the Public Employees Retirement Board. The District's contributions to the PERS of Ohio for the years ending December 31, 2000, 1999 and 1998 were \$14,510, \$36,173, and \$33,542, respectively, 85 percent has been contributed for fiscal year 2000 and 100 percent for fiscal year 1999 and 1998.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

The PERS of Ohio provides postemployment health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage to be provided by the retirement system is considered Other Postemployment Benefits as described in GASB Statement No. 12. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the 2000 employer contribution rate (identified above) that was used to fund health care for the year 2000 was 4.30% of covered payroll which amounted to \$9,795.

Other Postemployment Benefits (OPEB) are advanced-funded on an actuarially determined basis. The assumption and calculation below were based on the systems latest actuarial review performed as of December 31, 1999. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. As of December 31, 1999, the actuarial value of net assets available for future OPEB payments was \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively. The number of active contributing participants for OPEB at December 31, 2000 was 401,339.

NOTE 9 – LEASES

In 1996, the District entered into a Master Lease Agreement with the Ohio Department of Transportation (ODOT). The District will receive lease payments equal to the debt service requirements on the 1997 Highway Improvement Bonds for twenty years. In return the District will lease the Michael A. Fox Highway to the ODOT. The Lease will expire on June 30, 2001 and is renewable for successive terms not to exceed two years upon appropriation by the Ohio General Assembly to ODOT of the amounts required for lease payments for each successive term.

After twenty years, the ODOT holds a bargain purchase option on the Michael A. Fox Highway for one dollar plus any outstanding liabilities and contractual obligations. If the ODOT declines to exercise this option, the District will retain ownership and continue to retain all responsibility for the highway.

This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded as a receivable in the Debt Service Fund as the present value of the future minimum lease payments as of the inception date.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 9 – LEASES (Continued)

The following is a summary of future annual lease payments:

Year	Principal	Interest	Total
2001	\$5,280,000	\$7,210,775	\$12,490,775
2002	5,530,000	6,947,125	12,477,125
2003	5,810,000	6,663,625	12,473,625
2004	6,100,000	6,365,875	12,465,875
2005	6,405,000	6,053,250	12,618,375
2006-2010	37,270,000	24,804,788	62,074,788
2011-2015	49,035,000	12,715,024	61,750,024
2016-2017	23,420,000	1,215,394	24,635,394
	<u>\$138,850,000</u>	<u>\$71,975,856</u>	<u>\$210,825,856</u>

NOTE 10 – LONG-TERM OBLIGATIONS

	Balance December 31, 1998	Issued (Retired)	Balance December 31, 1999
General Long-Term Debt:			
Special Obligation Bonds:			
4.75-6.00% 1997 Highway Improvement	\$143,890,000	(\$5,040,000)	\$138,850,000
 Total Long-Term Obligations	<u>\$143,890,000</u>	<u>(\$5,040,000)</u>	<u>\$138,850,000</u>

The following is a summary of the District's future annual debt service requirements for the 1997 Highway Improvement special obligation bonds:

Special Obligation Bonds

Year	Principal	Interest	Total
2001	\$5,280,000	\$7,210,775	\$12,490,775
2002	5,530,000	6,947,125	12,477,125
2003	5,810,000	6,663,625	12,473,625
2004	6,100,000	6,365,875	12,465,875
2005	6,405,000	6,053,250	12,618,375
2006-2010	37,270,000	24,804,788	62,074,788
2011-2015	49,035,000	12,715,024	61,750,024
2016-2017	23,420,000	1,215,394	24,635,394
	<u>\$138,850,000</u>	<u>\$71,975,856</u>	<u>\$210,825,856</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 11 – CONSTRUCTION COMMITMENTS

The District has several outstanding contracts for professional and contract services. The following amounts remain on these contracts as of December 31, 2000:

Project and Contractor	Outstanding Balance
Michael A. Fox Highway –Kokosing Construction Co.	\$325,726
Michael A. Fox Highway-Cincinnati Gas & Electric	441,122
Michael A. Fox Highway-Sprint	75,584
Michael A. Fox Highway-Balke Engineers	82,830
Michael A. Fox Highway-ME Companies, Inc.	19,000
Union Centre Boulevard – TC Signal	161,759
West Chester Road – LP Cavett	891,604
West Chester Road – SK Construction	738,419
Symmes Road – John R Jurgenson	7,120,454
Symmes Road – BHE Environmental	38,000
Symmes Road – Cinergy	78,000
TOTAL	\$9,972,498

NOTE 12 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees and natural disaster. During 2000, the District contracted with the Personal Service Insurance Co. for liability, property, and crime damage. Coverages provided by the company are as follows:

Public Official Errors and Omissions Liability (Per occurrence)	\$1,000,000
Business Auto Coverage Liability Combined	1,000,000
Commercial General Liability	2,000,000
Commercial Property	1,000,000
Personal and Advertising Injury	1,000,000
Valuable Papers	50,000
Crime Insurance:	
Forgery or Alteration	25,000
Employee Dishonesty (Per occurrence)	100,000
Surety Bond (David Gully, Secretary/Treasurer)	100,000

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 12 – RISK MANAGEMENT (Continued)

The District has had no significant reduction in insurance coverage from prior years. The District has had no settlements exceed insurance coverage for the past six years.

The District is a member of the group health insurance program for the Butler County Government employees. Premiums are paid into Butler County's internal service fund by all funds having compensated employees, calculated solely on the demographics of the group. On January 1, 1996, the County entered into a contract with Aetna Healthcare to provide a premium based health care insurance plan. The monies paid into the Employee Health Benefit internal service fund are available to pay for premiums and administrative costs of the plan.

Workers' compensation coverage is maintained by paying premiums to the State Bureau of Workers' Compensation. The premium is calculated based upon accident history and administrative costs.

NOTE 13 – CHANGE IN ACCOUNTING PRONOUNCEMENTS

In 2000, the District implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement No. 34, "Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments." Statement No. 34 established new financial reporting requirements for all state and local governments and consists of the following:

Management Discussion and Analysis;

Basic Financial Statements

Government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting;

Fund financial statements, consisting of a series of statements that focus on a government's major governmental funds;

Notes to the financial statements

Required supplementary information, which requires budgetary comparison schedules to be presented.

Additionally, this new statement narrowed the definition for the fiduciary fund types and required the recording of infrastructure assets. The District has no trust funds that would need to be reclassified and the District does not maintain infrastructure assets.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 13 – CHANGE IN ACCOUNTING PRONOUNCEMENTS (Continued)

The impact of these restatements on the governmental funds is as follows:

	Total
Fund Balances 12/31/99	\$17,312,250
Capital Assets	35,875,975
Accrued Expenses	(1,861,469)
Governmental Activities Net Assets 12/31/99	\$51,326,756

NOTE 14 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS

Long term liabilities applicable to the District’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net assets.

Balances at December 31, 2000 were:

Special Obligation Bonds Payable	\$138,850,000
Accrued Interest Payable	1,834,044
Combined Adjustment	\$140,684,044

NOTE 15 – CONTIGENCIES

During 2000, the Ohio Department of Transportation performed a construction audit in relation to the Michael A. Fox Highway project. The purpose of the audit was to determine that all expenditures incurred were applicable for reimbursement under Federal Highway regulation. The main concern related to the administration fee charged by the TID. After the review, it was determined that the TID will be required to refund a portion of the administration charge. That amount is not known at this date as other financing issues are being addressed.

Litigation is in process and pending against the TID. Based upon review of open matters with legal counsel, management believes that the outcome of such matters will not have a material effect upon the TID’s financial statements.

REQUIRED SUPPLEMENTARY SECTION

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 250,000	\$ 250,000	\$ 713,600	\$ 463,600
Charges for Services	194,603	400,000	327,451	(72,549)
Investment Earnings	196,000	250,000	280,919	30,919
All Other Revenue	-	400,050	374,776	(25,274)
Total Revenues	<u>640,603</u>	<u>1,300,050</u>	<u>1,696,746</u>	<u>396,696</u>
Expenditures:				
Current:				
General Government				
Personal Services	372,909	372,909	362,333	10,576
Contractual Services	76,589	138,347	78,407	59,940
Materials and Supplies	122,372	90,000	99,255	(9,255)
Other	37,866	37,886	21,569	16,317
Total General Government	<u>609,736</u>	<u>639,142</u>	<u>561,564</u>	<u>77,578</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,867	660,908	1,135,182	474,274
Other Financing Sources (Uses):				
Operating Transfers In	2,190,879	2,080,225	136,463	(1,943,762)
Operating Transfers Out	-	-	(16,607)	(16,607)
Total Other Financing Sources (Uses)	<u>2,190,879</u>	<u>2,080,225</u>	<u>119,856</u>	<u>(1,960,369)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,221,746	2,741,133	1,255,038	(1,486,095)
Fund Balance Beginning of Year	2,065,264	2,065,264	2,065,264	-
Fund Balance End of Year	<u>\$ 4,287,010</u>	<u>\$ 4,806,397</u>	<u>\$ 3,320,302</u>	<u>\$ (1,486,095)</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Investment Earnings	\$ 15,000	\$ 25,000	\$ 14,524	\$ (10,476)
Total Revenues	15,000	25,000	14,524	(10,476)
Expenditures:				
Debt Service:				
Principal Retirement	5,040,000	5,040,000	5,040,000	-
Interest and Fiscal Charges	7,455,875	7,455,875	7,455,875	-
Total Expenditures	12,495,875	12,495,875	12,495,875	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,480,875)	(12,470,875)	(12,481,351)	(10,476)
Other Financing Sources:				
Operating Transfers In	12,480,875	12,480,875	12,463,304	17,571
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	10,000	(18,047)	(28,047)
Fund Balance Beginning of Year	393,932	396,406	396,406	-
Fund Balance End of Year	\$ 393,932	\$ 406,406	\$ 378,359	\$ (28,047)

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNION CENTRE INTERCHANGE CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 2,358,386	\$ 5,200,000	\$ 4,970,250	\$ (229,750)
Total Revenues	2,358,386	5,200,000	4,970,250	(229,750)
Expenditures:				
Capital Outlay	2,358,386	3,798,400	3,622,282	176,118
Total Expenditures	2,358,386	3,798,400	3,622,282	176,118
Excess of Revenues Over Expenditures	-	1,401,600	1,347,968	(53,632)
Other Financing Sources (Uses):				
Operating Transfers In	-	-	641	641
Operating Transfers Out	-	(100,000)	(89,535)	10,465
Total Other Financing Sources (Uses)	-	(100,000)	(88,894)	11,106
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	1,301,600	1,259,074	(42,526)
Fund Balance (Deficit) Beginning of Year	(1,276,709)	(1,276,709)	(1,276,709)	-
Fund Balance (Deficit) End of Year	\$ (1,276,709)	\$ 24,891	\$ (17,635)	\$ (42,526)

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MICHAEL A. FOX HIGHWAY CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 14,402,148	\$ 17,150,000	\$ 17,479,490	\$ 329,490
Investment Earnings	-	800,000	1,499,896	699,896
All Other Revenue	770,000	566,000	195,425	(370,575)
Total Revenues	<u>15,172,148</u>	<u>18,516,000</u>	<u>19,174,811</u>	<u>658,811</u>
Expenditures:				
Capital Outlay	<u>6,742,387</u>	<u>7,581,000</u>	<u>7,419,458</u>	<u>161,542</u>
Total Expenditures	<u>6,742,387</u>	<u>7,581,000</u>	<u>7,419,458</u>	<u>161,542</u>
Excess of Revenues Over (Under) Expenditures	8,429,761	10,935,000	11,755,353	820,353
Other Financing Sources (Uses):				
Operating Transfers In	-	-	448,930	448,930
Operating Transfers Out	<u>(12,480,875)</u>	<u>(12,480,875)</u>	<u>(12,463,306)</u>	<u>17,569</u>
Total Other Financing Sources (Uses)	<u>(12,480,875)</u>	<u>(12,480,875)</u>	<u>(12,014,376)</u>	<u>466,499</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(4,051,114)	(1,545,875)	(259,023)	1,286,852
Fund Balance Beginning of Year	14,206,666	14,206,666	14,206,666	-
Prior Year Encumbrances	863,320	863,320	863,320	-
Fund Balance End of Year	<u>\$ 11,018,872</u>	<u>\$ 13,524,111</u>	<u>\$ 14,810,963</u>	<u>\$ 1,286,852</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE ROUTE 747 CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 4,452,879	\$ 3,213,222	\$ 2,199,222	\$ (1,014,000)
All Other Revenue	-	1,500	1,500	-
Total Revenues	<u>4,452,879</u>	<u>3,214,722</u>	<u>2,200,722</u>	<u>(1,014,000)</u>
Expenditures:				
Capital Outlay	<u>4,364,317</u>	<u>3,445,000</u>	<u>3,352,557</u>	<u>92,443</u>
Total Expenditures	<u>4,364,317</u>	<u>3,445,000</u>	<u>3,352,557</u>	<u>92,443</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	88,562	(230,278)	(1,151,835)	(921,557)
Other Financing Uses:				
Operating Transfers Out	-	1,497,082	-	(1,497,082)
Total Other Financing Uses	<u>-</u>	<u>1,497,082</u>	<u>-</u>	<u>(1,497,082)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	88,562	1,266,804	(1,151,835)	(2,418,639)
Fund Balance Beginning of Year	1,725,957	1,725,957	1,725,957	-
Prior Year Encumbrances	1,403	1,403	1,403	-
Fund Balance End of Year	<u>\$ 1,815,922</u>	<u>\$ 2,994,164</u>	<u>\$ 575,525</u>	<u>\$ (2,418,639)</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUHLHAUSER ROAD CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ -	\$ 1,133,052	\$ 1,133,052	\$ -
Total Revenues	-	1,133,052	1,133,052	-
Expenditures:				
Capital Outlay	-	56,500	44,088	12,412
Total Expenditures	-	56,500	44,088	12,412
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,076,552	1,088,964	12,412
Other Financing Uses:				
Operating Transfers Out	(1,421,734)	-	-	-
Total Other Financing Uses	(1,421,734)	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	(1,421,734)	1,076,552	1,088,964	12,412
Fund Balance Beginning of Year	924,092	924,092	924,092	-
Fund Balance (Deficit) End of Year	\$ (497,642)	\$ 2,000,644	\$ 2,013,056	\$ 12,412

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SUPPLEMENTAL SECTION

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GENERAL FUND

The General Fund is used to account for government resources not accounted for in any other fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the District by-laws and/or the general laws of the State of Ohio.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of transportation improvement

CAPITAL PROJECTS FUND

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

By Pass 4 Improvements Fund

To account for the TID's improvements to Millikin Road over By Pass 4 and the installation of signals at Creekside Drive.

Symmes Road Fund

To account for the TID's improvements and construction of a five lane road from Seward Road to State Route 747.

Union Centre Boulevard Fund

To account for the construction of a five-line road from the Union Centre Interchange at Interstate 75 to State Route 747. This fund also accounts for the landscaping and beautification of the Union Centre Interchange.

Michael A. Fox Highway

To account for the TID's construction of a five-line grade separated road from Interstate 75 to State Route 4 in the City of Hamilton, Ohio.

State Route 747 Fund

To account for the widening of State Route 747 from Muhlhauser Road to north of Smith Road.

Muhlhauser Road Fund

To account for the construction of a five lane road from State Route 747 to West Chester Road.

Interstate 75 Fund

To account for the widening of Interstate 75 at the Michael A. Fox Highway interchange.

Lakota West Drive Fund

To account for the widening and relocation of Lakota West Drive.

FIDUCIARY FUND

The Fiduciary Fund type is used to account for assets held by the District as an agent for individuals, private organizations, other governmental units and/or other funds.

License Tag Refund Fund

This agency fund is used to account for the receipts and refunds of motor vehicle license tag fees. The remaining balance is fees that have yet to be refunded.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2000**

	Symmes Road	West Chester Road	Totals
<u>Assets and Other Debits:</u>			
Assets:			
Cash and Cash Equivalents	\$ 325,180	\$ -	\$ 325,180
Receivables from other governments	-	453,115	453,115
Total Assets and Other Debits	\$ 325,180	\$ 453,115	\$ 778,295
<u>Liabilities, Equity and Other Credits:</u>			
Liabilities:			
Accounts Payable	\$ 6,390	\$ 975	\$ 7,365
Contracts Payable	93,395	-	93,395
Interfund Loan Payable	-	453,666	453,666
Total Liabilities	99,785	454,641	554,426
<u>Equity and Other Credits:</u>			
Fund Balances:			
Reserved for Encumbrances	2,498	-	2,498
Unreserved:			
Undesignated (Deficit)	222,897	(1,526)	221,371
Total Equity (Deficit) and Other Credits	225,395	(1,526)	223,869
Total Liabilities, Equity and Other Credits	\$ 325,180	\$ 453,115	\$ 778,295

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	By Pass 4 Improvements	Symmes Road	Interstate 75	Lakota West Drive	West Chester Road	Totals
Revenues:						
Intergovernmental Revenue	\$ 656,382	\$ -	\$ -	\$ -	\$ 1,067,986	\$ 1,724,368
All Other Revenue	100	4,000	-	-	2,768	6,868
Total Revenues	<u>656,482</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>1,070,754</u>	<u>1,731,236</u>
Expenditures:						
Capital Outlay	<u>233,955</u>	<u>383,866</u>	<u>487</u>	<u>-</u>	<u>1,056,367</u>	<u>1,674,675</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	422,527	(379,866)	(487)	-	14,387	56,561
Other Financing Sources (Uses)						
Operating Transfers In	16,607					16,607
Operating Transfers Out	(25,286)	-	(448,930)	(640)	(15,913)	(490,769)
Total Other Financing Sources (Uses)	<u>(8,679)</u>	<u>-</u>	<u>(448,930)</u>	<u>(640)</u>	<u>(15,913)</u>	<u>(474,162)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	413,848	(379,866)	(449,417)	(640)	(1,526)	(417,601)
Fund Balance (Deficit) Beginning of Year	(413,848)	605,261	449,417	640	-	641,470
Fund Balance (Deficit) End of Year	<u>\$ -</u>	<u>\$ 225,395</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,526)</u>	<u>\$ 223,869</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	BYPASS 4 IMPROVEMENT FUND			Variance with Final Budget Favorable (Unfavorable)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 20,000	\$ 1,090,000	\$ 1,076,877	\$ (13,123)
Charges for Services	600	100	100	-
Total Revenues	<u>20,600</u>	<u>1,090,100</u>	<u>1,076,977</u>	<u>(13,123)</u>
Expenditures:				
Capital Outlay	20,000	653,400	652,819	581
Total Expenditures	<u>20,000</u>	<u>653,400</u>	<u>652,819</u>	<u>581</u>
Excess of Revenues Over Expenditures	600	436,700	424,158	(12,542)
Other Financing Sources (Uses):				
Operating Transfers In	-	-	16,607	16,607
Operating Transfers Out	(600)	(33,173)	(31,014)	2,159
Total Other Financing Sources (Uses)	<u>(600)</u>	<u>(33,173)</u>	<u>(14,407)</u>	<u>18,766</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	403,527	409,751	6,224
Fund Balance (Deficit) Beginning of Year	(409,751)	(409,751)	(409,751)	-
Fund Balance (Deficit) End of Year	<u>\$ (409,751)</u>	<u>\$ (6,224)</u>	<u>\$ -</u>	<u>\$ 6,224</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	SYMMES ROAD FUND			Variance with Final Budget Favorable (Unfavorable)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 345,000	\$ 345,000	\$ -	\$ (345,000)
All Other Revenue	-	-	4,000	4,000
Total Revenues	<u>345,000</u>	<u>345,000</u>	<u>4,000</u>	<u>(341,000)</u>
Expenditures:				
Capital Outlay	665,000	607,000	286,624	320,376
Total Expenditures	<u>665,000</u>	<u>607,000</u>	<u>286,624</u>	<u>320,376</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(320,000)	(262,000)	(282,624)	(20,624)
Fund Balance Beginning of Year	602,808	602,808	602,808	-
Prior Year Encumbrances	2,498	2,498	2,498	-
Fund Balance End of Year	<u>\$ 285,306</u>	<u>\$ 343,306</u>	<u>\$ 322,682</u>	<u>\$ (20,624)</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	INTERSTATE 75 FUND			Variance with Final Budget Favorable (Unfavorable)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay	-	5,500	4,818	682
Total Expenditures	-	5,500	4,818	682
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(5,500)	(4,818)	682
Other Financing Uses:				
Operating Transfers Out	-	(448,930)	(448,930)	-
Total Other Financing Uses	-	(448,930)	(448,930)	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	-	(454,430)	(453,748)	682
Fund Balance Beginning of Year	-	446,670	446,670	-
Prior Year Encumbrances	-	7,078	7,078	-
Fund Balance (Deficit) End of Year	\$ -	\$ (682)	\$ -	\$ 682

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

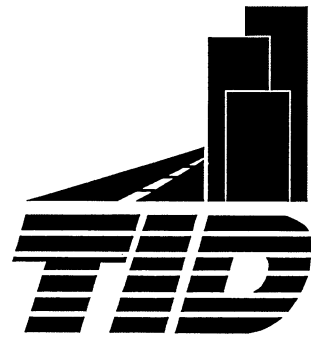
**COMBINED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	LAKOTA WEST DRIVE FUND			Variance with Final Budget Favorable (Unfavorable)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	-	-
Other Financing Uses:				
Operating Transfers Out	-	(640)	(640)	-
Total Other Financing Uses	-	(640)	(640)	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	-	(640)	(640)	-
Fund Balance Beginning of Year	640	640	640	-
Fund Balance End of Year	\$ 640	\$ -	\$ -	\$ -

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	WEST CHESTER ROAD FUND			Variance with Final Budget Favorable (Unfavorable)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ -	\$ 3,498,000	\$ 632,833	\$ (2,865,167)
All Other Revenue	-	3,000	2,768	(232)
Total Revenues	-	3,501,000	635,601	(2,865,399)
Expenditures:				
Capital Outlay	-	3,499,100	1,055,392	2,443,708
Total Expenditures	-	3,499,100	1,055,392	2,443,708
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,900	(419,791)	(421,691)
Other Financing Uses:				
Operating Transfers Out	-	-	(15,913)	(15,913)
Total Other Financing Uses	-	-	(15,913)	(15,913)
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	-	1,900	(435,704)	(437,604)
Fund Balance Beginning of Year	-	-	-	-
Fund Balance (Deficit) End of Year	\$ -	\$ 1,900	\$ (435,704)	\$ (437,604)



STATISTICAL SECTION

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

GENERAL FUND REVENUES BY SOURCE

LAST SEVEN YEARS

<u>Year</u>	<u>Inter-Governmental</u>	<u>Charges For Services</u>	<u>Investment Earnings</u>	<u>Change in Fair Value of Investments</u>	<u>All Other Revenues</u>	<u>Total Revenues</u>
1994	\$ 557,417	\$ -	\$ 4,850	NA	\$ -	\$ 562,267
1995	2,800,000	-	49,439	NA	41	2,849,480
1996	10,850,000	-	114,017	NA	2,663	10,966,680
1997	7,110,000	1,357,665	482,073	NA	359	8,950,097
1998	3,139,584	1,630,433	293,883	NA	11,103	5,075,003
1999	3,477,263	1,686,630	414,822	NA	235,590	5,814,305
2000	713,600	191,612	297,039	16,673	372,730	1,591,654

Source: Transportation Improvement District

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

GENERAL FUND EXPENDITURES BY FUNCTION

LAST SEVEN YEARS

<u>Year</u>	<u>General Government</u>	<u>Capital Outlay</u>	<u>Total Expenditures</u>
1994	\$ 54,256	\$ -	\$ 54,256
1995	288,849	-	288,849
1996	514,337	36,445	550,782
1997	786,091	41,858	827,949
1998	781,598	20,948	802,546
1999	1,019,865	6,272	1,026,137
2000	557,999	-	557,999

Source: Transportation Improvement District

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

DEMOGRAPHIC STATISTICS

DECEMBER 31, 2000

Labor Force Statistics

1999 (2000 unavailable)	<u>Male</u>	<u>Female</u>	<u>Total</u>
Persons 16 Years and Over	105,860	117,309	223,169
Number in Labor Force	79,420	65,820	145,240
Percentage in Labor Force	75.0%	56.1%	65.1%

	<u>Employment</u>	<u>Unemployment</u>	<u>Labor Force</u>	<u>Unemployment Rate</u>	
				<u>County</u>	<u>State</u>
1994	151,900	8,600	160,500	5.4%	5.5%
1995	155,700	6,880	162,580	4.2%	4.8%
1996	162,350	7,140	169,490	4.2%	4.9%
1997	167,900	6,100	174,000	3.5%	4.6%
1998	171,700	8,000	179,700	4.5%	4.2%
1999	180,900	5,600	186,500	3.0%	4.2%
2000	185,400	4,900	190,300	2.6%	3.7%

Source: Butler County Economic Development Department,
Ohio Labor Market Information Estimates,
Ohio Bureau of Employment Services

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

DEMOGRAPHIC STATISTICS

DECEMBER 31, 2000

Income Statistics

	Number	Percent
1999 (2000 unavailable)		
Under \$15,000	15,325	12.4%
15,000 - 24,999	13,965	11.3%
25,000 - 49,999	40,042	32.4%
50,000 - 99,999	41,772	33.8%
100,000 - 149,999	9,289	7.5%
150,000 or Over	3,337	2.7%
	123,730	

Average Persons per Household	2.63
Total Number of Families	123,730

	Average Employee Earnings per Annum (excluding federal employees)	Per Capita Personal Income per Annum
1994	\$ 26,615	\$ 16,046
1995	27,640	16,578
1996	27,436	16,115
1997	28,770	18,051
1998	28,880	20,629
1999	Unavailable	21,144
2000	Unavailable	Unavailable

General Statistics

Population		1999 (2000 unavailable) Retail Sales by Store Group	
1960	199,076	Food	\$ 549,657
1970	226,207	Restaurant/Bar	304,674
1980	258,787	General Merchandise	226,756
1990	291,479	Furniture/Appliance	164,251
2000	332,807	Automotive	553,584
		Total Retail Sales	\$ 1,798,922

Source: Butler County Auditor

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

CONSTRUCTION AND BANK DEPOSITS

DECEMBER 31, 2000

<u>Year</u>	<u>Agriculture/ Residential</u>	<u>Commerical/ Industrial</u>	<u>Total (1) New Construction</u>	<u>Bank Deposits (2)</u>
1994	\$ 83,458,740	\$ 14,725,690	\$ 98,184,430	\$ 737,683,000
1995	84,047,720	14,725,700	98,773,420	800,556,000
1996	91,862,030	38,145,360	130,007,390	783,398,000
1997	64,052,280	60,034,910	124,087,190	815,435,000
1998	86,138,060	46,200,480	132,338,540	864,105,000
1999	80,235,690	55,866,050	136,101,740	903,169,000
2000	111,540,820	87,998,480	199,539,300	1,152,810,000

(1) Includes all Bulter County new construction
Source: Butler County Auditor

(2) Source: Department of Data Services, Federal Reserve Bank of Cleveland

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

MISCELLANEOUS STATISTICS

DECEMBER 31, 2000

Date of Creation: 1993
The first Transportation Improvement District in Ohio.

County: Butler

County Seat: City of Hamilton, Ohio

Number of Political Subdivisions within the District: 6
Butler County
City of Hamilton
City of Fairfield
Fairfield Township
West Chester Township
Liberty Township

Number of Interstate Highways inside the District: 2 (Interstate 75)
(Michael A. Fox - 129)

Source: Transportation Improvement District



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
Transportation Improvement District of Butler County
and
Jim Petro, Auditor of State of Ohio

We have audited the basic financial statements of the Transportation Improvement District of Butler County (the "District"), as of and for the year ended December 31, 2000, and have issued our report thereon dated April 13, 2001. 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 *Governmental 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 consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management and the Auditor of the State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

April 13, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

BUTLER 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 14, 2001**