

**Butler County
Transportation Improvement District**

**Comprehensive Annual
Financial Report**

For the Year Ended December 31, 1999



Butler County Transportation Improvement District



Comprehensive Annual Financial Report

For the Year Ended December 31, 1999

Issued by: Sean Fraunfelder, CPA, Director of Finance and Administration

Comprehensive Annual Financial Report

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INTRODUCTORY SECTION



BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

May 15, 2000

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, 1999. 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 1999.

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 into three sections:

1. *The Introductory Section* contains a letter of transmittal, our GFOA Certificate of Achievement and organizational charts for the TID Board of Trustees and staff.
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, 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.

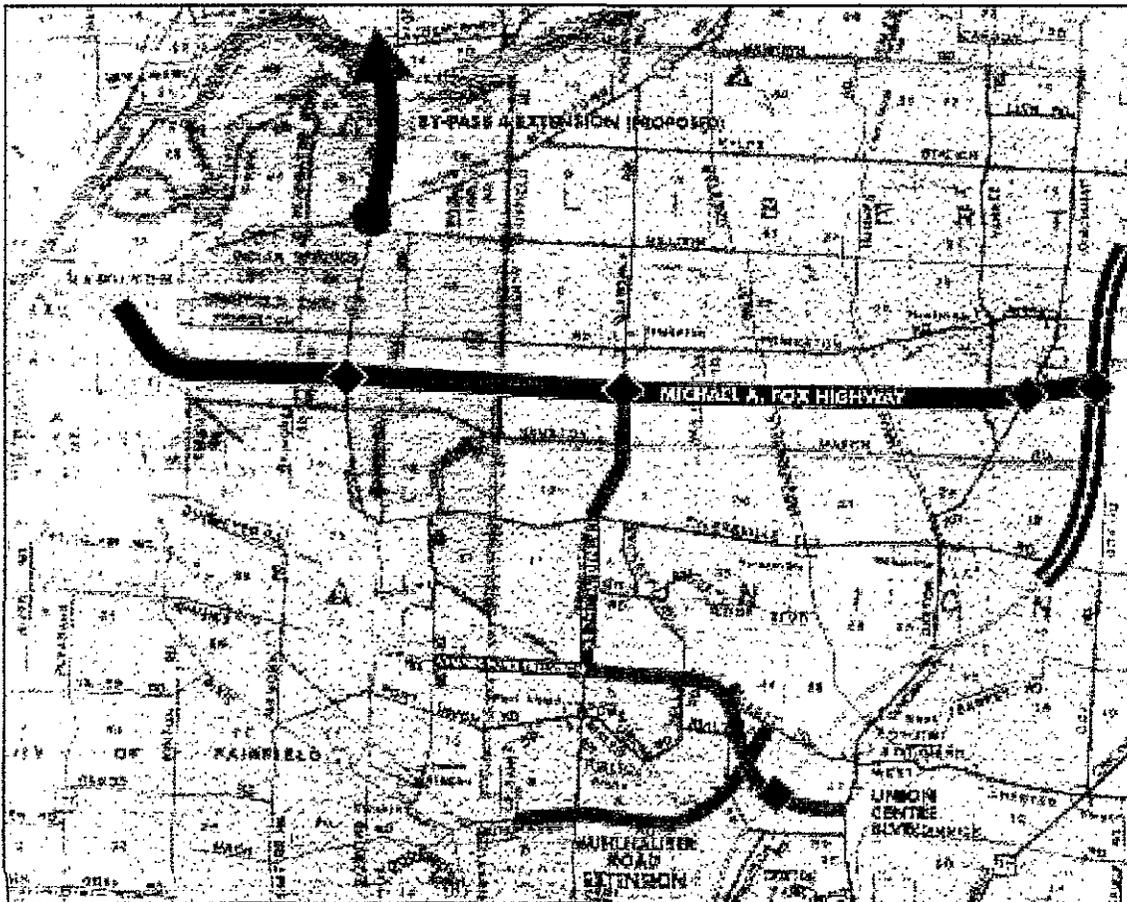
ECONOMIC CONDITION AND OUTLOOK

The economic outlook for the Butler County area continues to be optimistic and favorable. Geographic proximity to efficient and reliable transportation, the interstate system, 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 keeping and attracting business and industry, and the TID's many road improvement projects have been factors in those decisions!

Road construction continues to be prevalent all over Butler County. The TID completed the Union Centre Interchange in 1997 and the widening and extension of Muhlhauser Road and the Michael A. Fox Highway in 1999. The Bypass 4/State Route 4 improvements, Creekside Drive signalization, first phase of the State Route 747 widening project, and extension of Union Centre Boulevard are scheduled for completion in 2000! These projects will greatly enhance transportation in Butler County. And the Symmes Road extension could possibly get underway in 2000 as well, with construction expected to be complete in 2001.

This increased activity coupled with the increased visibility of the projects strengthened the TID's support from its member communities and of the economic condition of the TID in 1999. The future outlook for the economic condition of the TID continues to be favorable as the TID moves ahead with planned road improvements.

TID Projects



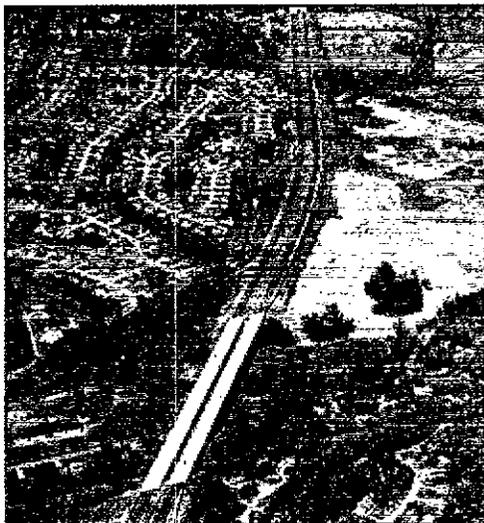
MAJOR INITIATIVES

*The Butler County TID had an incredible and unforgettable 1999...tolls were removed from the Butler Regional Highway; the highway was renamed the Michael A. Fox Highway; and after more than 30 years of discussion, the entire highway opened to the traveling public **eight months ahead of schedule**. And that was just the beginning! The TID had many other highlights on the Michael A. Fox Highway and also completed several other road improvement projects to make 1999 a fantastic year.*

Since opening its door in January 1993, the TID certainly has proven that it's a successful mechanism for expediting transportation improvement projects and financing those projects in innovative ways.

The Michael A. Fox Highway

In May 1998, after more than 30 years of discussion, the TID started down a long and winding path to build the Michael A. Fox Highway, formerly the Butler Regional Highway. Amazingly, after only 19 months of construction,



The Michael A. Fox Highway, including the bridge over the Maud-Hughes Road valley.

the Michael A. Fox Highway opened to the traveling public on December 13, 1999 – **eight months ahead of schedule!**

One-mile sections at the east and west ends of the highway opened in October 1999. Outstanding teamwork and great weather helped ensure the success of the project!

Although it slowed a bit, construction continued throughout the winter. Even a little snow didn't hamper Kokosing's efforts to get the project completed ahead of schedule.

It's a massive bridge

The first beams for the bridge — which is a pair of side-by-side bridges — that stretches over the Maud-Hughes Road valley were erected on February 10.

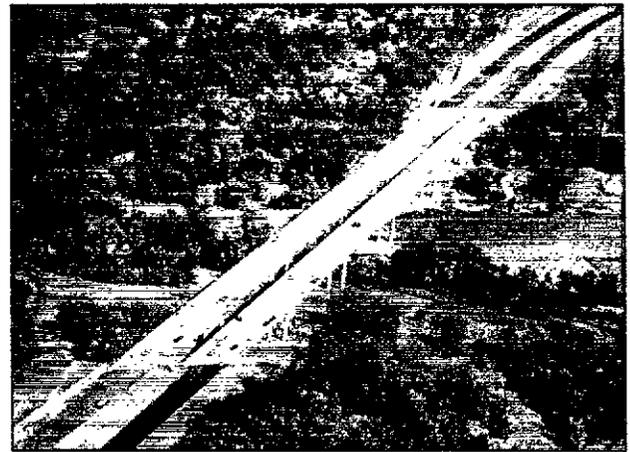
The valley contains Gregory Creek, Maud-Hughes Road and two railroad lines.

It was an amazing sight as workers hoisted the 7.5-foot-high beams on the 1,400-foot bridge, which stands 80 feet off the ground and is one of the largest bridges in southwest Ohio. The beams were bolted together with large steel plates while being positioned high in the air.

It took the entire 19 months of construction to complete the bridges.

Team work

Team work and creative approaches to solving potential traffic problems definitely contributed to the success and early opening of the highway.



Bridge over the Maud-Hughes Road valley.

The TID, Kokosing Construction, ME Companies, and Resource International worked closely together to make this project such a success!

Many times during construction it was necessary to close roads and detour traffic. To make this potential inconvenience as smooth as possible on the traveling public, the team worked together to come up with the best possible plan.

For example, during reconstruction of the highway's Fair Avenue intersection, significant changes were made to the plans which resulted in creative ways to ensure that the temporary road, which was specifically constructed to maintain traffic, would remain open to the public. Traffic on the temporary road was diverted south of the Fair Avenue intersection for 30 days and then to the north of the intersection for 15 days. And during these closings, additional adjustments were made to the schedule so the Fair Avenue intersection could be temporarily reopened during the week of the Butler County Fair.

Concrete paving train

In April 1999 Kokosing began placing the concrete roadway between

Hampshire Drive and SR 4 using a "concrete paving train," which is made up of several large machines that work together to place large amounts of concrete in a continuous pour.

It's not that often that you see a paving train of this magnitude in this area. The concrete roadway was designed and utilized due to the grade of the hill



Concrete paving train in Hamilton

and because the concrete paving train operation has many advantages. It provides for a more consistent concrete mix, which adds to the longevity of the pavement, and it creates a smoother pavement. This in turn creates a pavement that rides better and is much quieter under traffic, also adding to its longevity.

No tolls on the highway

In June 1999 the TID cinched a deal with ODOT to strike tolls from the highway. This decision came after discussions arose on how to maximize usage of the highway and



relieve additional congestion on secondary routes. Obviously when you toll a roadway, you aren't alleviating as much traffic off alternative routes as you would if it were toll free, so the TID and ODOT came to a new agreement which maximized usage of the new, state-of-the-art highway. Even though a revenue study supported the toll concept and the resulting revenue it would generate, the toll was removed so the highway would serve an optimum number of travelers. This new agreement with ODOT relinquished the TID of its original lease obligations, and ODOT also agreed to take over maintenance of the highway and fund the first phase of the SR 747 widening project.

Cincinnati-Dayton Road reopens after construction of interchange

On June 24 Cincinnati-Dayton Road, north of Hamilton-Mason Road, reopened to the traveling public. To construct an interchange at this location, Cincinnati-Dayton Road was closed in late November 1998. Traffic was diverted to existing Yankee Road and a temporary road constructed just north of the highway.

This temporary road later became permanent, relocated Yankee Road.

Another interesting event at the Cincinnati-Dayton Road interchange occurred in July 1999 when the

Michael A. Fox Highway had its first traveler. With construction workers looking on in disbelief, a woman driving westbound from I-75 jumped a 20-foot gap between the roadway and the bridge. She drove her Jeep Cherokee nearly 191 feet from the edge of the structure and lodged herself onto the unfinished bridge — dangling above traffic on Cincinnati-Dayton Road. Word of the incident quickly spread all over and it even made national news.

Opening the highway one section at a time

Both ends of the highway were opened much earlier than expected. While the entire highway opened eight months ahead of schedule, one-mile sections at the east and west ends opened nearly 10 months ahead of schedule.



Hamilton opening

The Hamilton end opens

The Hamilton end — from SR 4 to Hampshire Drive — opened on October 9, 1999, after a ribbon cutting and celebration with community members and local officials. Thankfully the rain and cool weather didn't deter people from the event, which turned out to be a great celebration. More than 60 people witnessed and participated in the opening of the first section of the highway, which was

well attended by local media and featured on channels 5, 9, 12 and 19 and in the *Journal-News* and *The Cincinnati Enquirer*. McDonalds and the City of Hamilton sponsored the event.

Cincinnati-Dayton Road to I-75 opens

The section from Cincinnati-Dayton Road to I-75 opened on October 29, 1999. It was a beautiful, sunny day and a fantastic celebration! More than 150 people witnessed the opening of this portion of the highway, which will significantly reduce traffic congestion in this area.

McDonalds graciously sponsored the event and served lunch to everyone who attended. The event was well attended by local media and was featured on channels 5, 9, 12 and 19 and in the *Journal-News*, *The Cincinnati Enquirer* and the *Pulse-Journal*.

The highway gets a new name

Also on October 29 a new name was announced for the Butler Regional Highway — the Michael A. Fox Highway.

In March 1999 the TID Board of Trustees voted to rename the Butler Regional Highway the Michael A. Fox Highway to honor the Butler County Commissioner for all his contributions to the TID. While a State of Ohio Representative, Mike Fox sponsored legislation which created the TID program. And he also served as a member and chair of the TID Board of Trustees from January 1994 to July 1998, excluding a few months in

1997, and has supported the TID from its inception.

Butler County opens its

present early
This festive day of celebrations to mark the opening of the highway kicked off with a luncheon, which included comments from Governor Bob Taft, TID Executive Director Greg Wilkens, ODOT Director Gordon Proctor, County Commissioner



Mike Fox and Governor Bob Taft

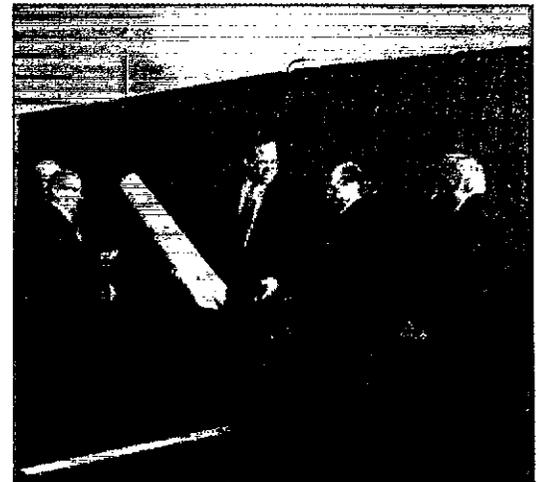
Mike Fox, County Commissioner Courtney Combs, City of Hamilton Mayor Tom Nye, Fairfield Township Trustee Joe McAbee, Liberty Township Trustee Bob Shelley, and Senator Scott Nein, who introduced the governor.

Following comments, the ribbon was cut on the biggest, most long-awaited present Butler County has ever received — the Michael A. Fox Highway. As the ribbon was cut on the huge present that crossed two lanes of the highway, hundreds of balloons emerged from the package.



The Grand Opening Celebration for the Michael A. Fox Highway

An evening celebration also was held to mark the opening of the highway. TID Executive Director Greg Wilkens, ME Companies Regional Manager Jeff Koehn, Resource International Project Engineer Joe Cron, and Kokosing Project Manager Ken Lake commented on the project, the tremendous amount of teamwork it took to complete the highway, and about everyone involved who helped make this project a huge success. The evening was complete with food, fun and fireworks.



Governor Taft prepares to cut the ribbon.

More than 700 people attended the grand opening events and watched

Butler County history take place. The event and opening was well attended by local media and was featured extensively on channels 5, 9, 12 and 19; in the *Journal-News*,

The Cincinnati Enquirer, the Pulse-Journal and The Cincinnati Post, and on WMOH and WLW, just to name a few. Financial and in-kind sponsors of both events included Kokosing Construction Company, Resource International, John R. Jurgensen Company, Seasongood & Mayer, ME Companies, Cinergy, LJB, Norvell's Landscaping, Balke Engineering, KZF, First Southwestern, Cincinnati Bell, Fifth Third, Unicustom, Contech Construction Products, the Butler County RTA, Champion International Corporation, the Greater Hamilton Chamber of Commerce, and Fairfield Township.

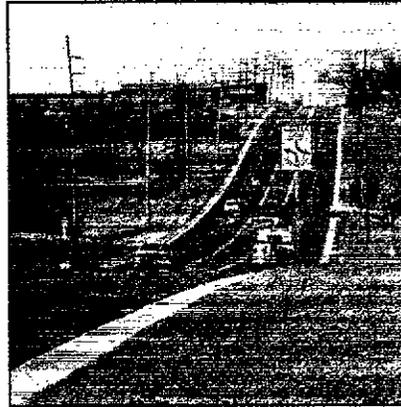
Safer Travel and Economic Development

The project team used many innovations during the design and planning stages that helped compress the overall schedule and provide a safe, efficient design. The Michael A. Fox Highway will make Butler County travel much safer by alleviating traffic congestion on many secondary routes, such as Princeton, Hamilton-Mason, Cincinnati-Dayton and Tylersville roads. It also is expected to have a huge impact on economic development in the area. Although most of the land along the Michael A. Fox Highway is residential, there is some land available near the Cincinnati-Dayton Road and Bypass 4 interchanges. Based on available land, estimates have identified more than 700 acres available for economic development and investment. This translates to more than \$245 million in real property investment (buildings and land) and roughly 4,000 jobs. Many businesses have already chosen to stay or relocate to the Hamilton area and have identified the highway and other TID planned projects as major factors in their decisions.

Muhlhauser Road

On December 23, 1998, the TID hosted a ribbon cutting to celebrate the opening of Muhlhauser Road from Allen Road to International Boulevard.

And in October 1999 the TID completed the improvements to Muhlhauser Road by widening the stretch between International Boulevard and SR 747 to five lanes. These much-needed improvements created a major link between SR 747 and the Union Centre



Muhlhauser Road widening

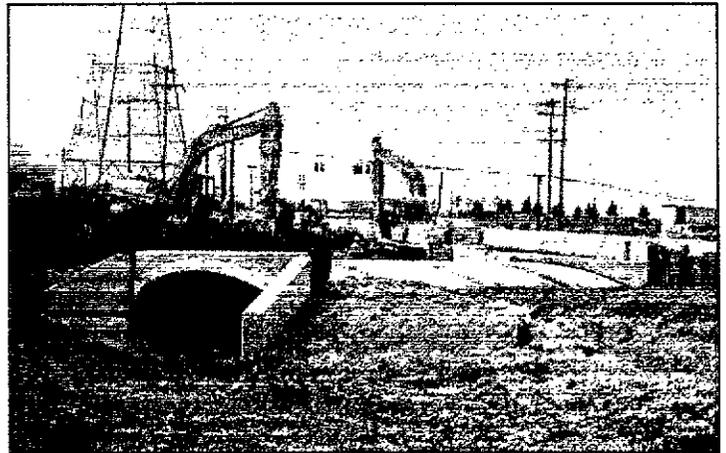
Interchange with I-75, which will give motorists another route to I-75 and help alleviate traffic congestion at the SR 747/I-275 interchange.

Union Centre Boulevard

The extension of Union Centre Boulevard is occurring in three phases. Phase II is complete and phases I and III are underway.

Phase I consists of widening Union Centre Boulevard to five lanes between West Chester Road and Beckett Road. Construction is underway and is expected to be complete in summer 2000.

Phase II, which widened 900 feet of existing roadway and then extended Union Centre Boulevard an additional 1,268 feet west of Beckett Road, was completed in June 1999.



Union Centre Boulevard Phase I

Phase III construction is expected to be complete in spring 2000 and will extend Union Centre Boulevard to SR 747. Initially, the road will stop just short of SR 747 until the widening of

SR 747 is underway and the intersection of Union Centre Boulevard and SR 747 can be constructed.

State Route 747

The widening of SR 747 has been divided into three phases. With the

removal of tolls on the Michael A. Fox Highway, funding for phases II and III of the widening of SR 747 is being investigated. ODOT agreed to fund phase I of the project and to request approval from the Transportation Review Advisory Council (TRAC) to fund the remainder of the widening project from south of Smith Road to the Michael A. Fox Highway.

Phase I will widen SR 747 from north of Port Union Road to just south of Smith Road. Construction is underway, and the project is expected to be complete in September 2000.

Phase II will widen SR 747 from south of Smith Road to north of Tylersville Road. This widening 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. And its new intersection with Union Centre Boulevard will create another direct route to I-75. The TID has applied to TRAC for 2005 funding of phases II and III.

State Route 4 and 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.



SR 747 widening project

The addition of turn lanes to Bypass 4 and SR 4 will allow traffic to move more smoothly, and the relocation of Reigart Road will make it easier for motorists to turn onto SR 4. Although the project was completed in December 1999, final line striping and clean up is taking place and will be complete in spring 2000.

The Butler County Engineer's Office currently is

constructing the Millikin Road bridge over Bypass 4. This project is expected to be complete in spring 2000. At the same time the Engineer's Office is completing this project, the TID will signalize the Creekside Drive/SR 4 intersection to make that intersection safer as well. Once complete, motorists turning onto SR 4 from Millikin Road will take the bridge to Creekside Drive and to SR 4. This will greatly improve traffic safety!



Relocation of Reigart Road

Lakota West Drive

In June 1999 the TID completed the relocation of Lakota West Drive, drastically improving the safety of its intersection with West Chester Road. By moving Lakota West Drive south, a signalized intersection was created with Muhlhauser Road and West Chester Road, therefore creating a much safer roadway for the public.

Symmes Road

The TID is working aggressively with the City of Fairfield, West Chester Township, the City of Hamilton, and the Butler County Commissioners toward a financing package.

In 1999 the TID reviewed the cost effectiveness of a grade-separated railroad crossing versus an at-grade crossing. The TID decided to make the crossing grade separated, and the environmental issues and preliminary designs currently are being addressed. Design is approximately 40 percent complete, and construction is expected to begin in 2001 — possibly in 2000 if the financing package is finalized.

This extension of Symmes Road from Seward Road to SR 747 will create a signalized, four-way intersection with SR 747 and Union Centre Boulevard. It will be a huge boost for economic development in the area, opening up 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 Future

The TID is a proven mechanism for expediting road improvement projects. The TID will face new challenges in the future and must seek out new projects and funding sources.

FINANCIAL INFORMATION

Financing

As a vehicle for the innovative financing of transportation improvements, the TID received the first, second and fourth loans from the State Infrastructure Bank (SIB). Established in 1996, the State Infrastructure Bank loan program is a national pilot project designed to enable local governments to expedite transportation projects through low interest loans leveraging state and federal funds. Under the State Infrastructure Bank concept, a revolving loan fund is established and capitalized with \$70 million dollars in state general revenue funds and \$30 million dollars in federal transportation funds. Ohio is one of only 10 states selected by the U.S. Department of Transportation to participate in this innovative financing program. The TID was the first organization in the nation to receive a State Infrastructure Bank loan.

In 1996, the TID entered into a Master Lease Agreement with ODOT. This guarantees the repayment of the Construction Bonds issued by the TID. The TID issued \$158,485,000 in

Construction Bonds in November 1997. Through this bond issuance, the TID repaid \$35,000,000 in loans obtained from the SIB. As of December 31, 1999, the TID has repaid \$14,595,000 of the bonds.

Basis of Accounting

The TID's records are maintained on a cash basis for all fund types. At year end, adjusting entries are prepared to convert the cash basis records to the modified accrual basis of accounting. Modified accrual accounting requires that revenue be recognized when both measurable and available. Expenditures, other than interest and principal on long-term debt, are recorded when liabilities are incurred.

Internal Control

The TID's system of internal accounting controls is designed to provide reasonable, but not absolute, assurance that financial transactions are processed in accordance with management's authorization, transactions comply with the TID's policies and Ohio law, and financial records are reliable for

preparing financial statements and maintaining accountability for assets and obligations. The concept of reasonable assurance recognizes the cost of internal control should not exceed the benefits likely to be derived from their implementation, and the evaluation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

Each year the Board of Trustees adopts the annual appropriation measure. All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled within each fund, and all project budgets must be approved by Board majority. As contracts and purchase orders are issued to vendors, corresponding appropriation amounts are reserved by the use of encumbrances to ensure that appropriations are not overspent. A description of the various funds and account groups and the basis of accounting are included in Note 1 of the general purpose financial statements.



The Cincinnati-Dayton Road Interchange
October 1998



The Cincinnati-Dayton Road Interchange
May 2000

Government Funds

The following schedule presents a summary of revenues for the general fund, debt service fund, and capital project funds for the year ended December 31, 1999, and the amount and percentage of increases and decreases in relation to prior year revenues.

<i>Revenues by Source</i>	<i>1999 Amount</i>	<i>Percentage of Total</i>	<i>Increase (Decrease) Amount</i>	<i>Percentage of Increase (Decrease)</i>
Intergovernmental	\$25,544,670	83.90%	\$5,614,503	28.17%
Charges for Service	\$1,686,630	5.54%	\$56,197	3.45%
Interest	\$2,782,484	9.14%	(\$3,282,663)	(54.12%)
Other	\$434,061	1.42%	(\$428,590)	(49.68%)
Total	\$30,447,845	100.00%	\$1,959,447	6.88%

Intergovernmental receipts were higher as the result of lease payments received from the Ohio Department of Transportation for the Michael A. Fox Highway. Charges for services increased over the previous year due to the collection of construction management fees for the Union Centre Boulevard, Muhlhauser Road and State Route 4/Bypass 4 projects.

Interest earnings decreased due to less money in the construction maintenance account and the bond principal being reduced during the year. The other revenue category decreased due to the fact that the TID sold some of the overbuy properties it previously owned.

The following schedule presents a summary of expenditures for the general fund, debt service fund and capital project funds for the fiscal year ended December 31, 1999, and the percentage of increases and decreases in relation to prior year amounts.

<i>Expenditures by Function</i>	<i>1999 Amount</i>	<i>Percentage of Total</i>	<i>Increase (Decrease) Amount</i>	<i>Percentage of Increase (Decrease)</i>
General Government	\$1,019,865	1.32%	\$238,267	30.48%
Capital Outlay	\$63,420,783	82.14%	\$958,519	1.53%
Debt Service Principal	\$5,080,000	6.58%	(\$4,435,000)	(46.61%)
Debt Service Interest	\$7,696,225	9.96%	(\$406,100)	(5.01%)
Total	\$77,216,873	100.00%	(\$3,644,314)	(4.51%)

The General Government expenditures increased due to increased spending in salaries and contracted services. Capital outlay increased because several new capital projects started in 1999.

Principal Retirement and Interest and Fiscal Charges decreased based on the debt amortization schedule of amounts due during 1999.

Significant activity in the major funds of each governmental fund type is highlighted below.

General Fund

In 1999 revenues and other financing sources of \$6,774,421 were less than expenditures and other financing uses of \$7,935,223. This resulted in a \$1,160,802 decrease in the fund balance to \$2,320,601 on December 31, 1999.

Debt Service Fund

In 1999 revenues and other financing sources of \$13,170,038 were more than expenditures and other financing uses of \$12,778,725. This resulted in a \$391,313 increase in the fund balance to \$396,406 on December 31, 1999.

Capital Project Fund

In 1999 revenues and other financing sources of \$31,059,939 were less than expenditures and other financing uses of \$77,059,478. This resulted in a \$45,999,539 decrease in the fund balance to \$14,595,243 on December 31, 1999. This decrease was the result of expending the remainder of the bond proceeds collected in 1997.

Significant activity in the fiduciary fund type is as follows.

Agency Funds

Agency Funds are custodial in nature and as such do not involve the measurement of results of operations. In 1999 the TID had one agency fund, the License Tag Refund Fund. This fund accounts for the assets of the refund of motor vehicle license tag fees.

Debt Administration

At year end, the TID had \$143,890,000 in special obligation debt outstanding. The special obligation debt is insured by Financial Security Assurance, Inc. The TID has received an AAA rating from the Standard & Poor Rating Group and Fitch Investor Service, Inc., and an Aaa rating from the Moody's Investors Service for the special obligation debt.

The TID entered into a Master Lease Agreement with ODOT and the TID will receive lease payments equal to the debt service requirements on the special obligation debt for 20 years. In return, the TID will lease the Michael A. Fox Highway to ODOT. A complete discussion of the TID's Debt Administration and related Lease with ODOT is provided in Notes 10 and 11.

Cash Management

Active TID funds were invested in commercial bank accounts bearing interest. Cash with fiscal agent was held in trust by Firststar Bank and MBIA Inc. Deposits with Firststar Bank were invested in short-term treasury bills. Deposits with MBIA Inc. were invested in a Guaranteed Investment Contract for the TID. Investment of TID funds is made in order to seek preservation of capital in the overall portfolio and to ensure sufficient liquidity to enable the TID to meet reasonably anticipated operating requirements.

Risk Management

By statute and court decision, Ohio retains only limited tort immunity for local government. In addition to potential tort liabilities, the TID is liable for employees' workers' compensation claims and is exposed to the risk of casualty losses to real and personal property owned by the TID. The TID

has purchased insurance to minimize these risks. The TID also provides faithful performance bonds for certain TID officials.

The TID 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 1999 the TID contracted with the Personal Service Insurance Co. for liability, property and crime damage.

The TID has workers' compensation coverage for all employees. Workers' compensation premiums are paid to the state agency, the Ohio Bureau of Workers Compensation. The TID is a member of a group insurance program for 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. The County entered into a contract with United Healthcare to provide a premium based health care insurance plan. Monies paid into the Employee Health Benefit internal service fund is available to pay for premiums and administrative costs of the plan.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The firm Deloitte & Touche LLP, was selected by the state government's audit committee. Included in this report is the Deloitte & Touche LLP unqualified opinion rendered on the TID's general purpose financial statements as of and for the year ended December 31, 1999. An independent audit of the TID's financial statements is part of the annual preparation of a CAFR. This annual independent audit will continue

to review, comment on, and thereby strengthen the TID's accounting and budgetary controls.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Transportation Improvement District of Butler County, Ohio, for its comprehensive annual financial report for the fiscal year ended December 31, 1998. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, an entity must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is only valid for a period of one year. The Butler County TID has received a Certificate of Achievement for the last four consecutive years (fiscal years ended 1995-1998).

We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Transportation Improvement District of Butler County, Ohio

For its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Greg Brubaker
President
Jeffrey L. Esser
Executive Director

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, 1999.

Sincerely,

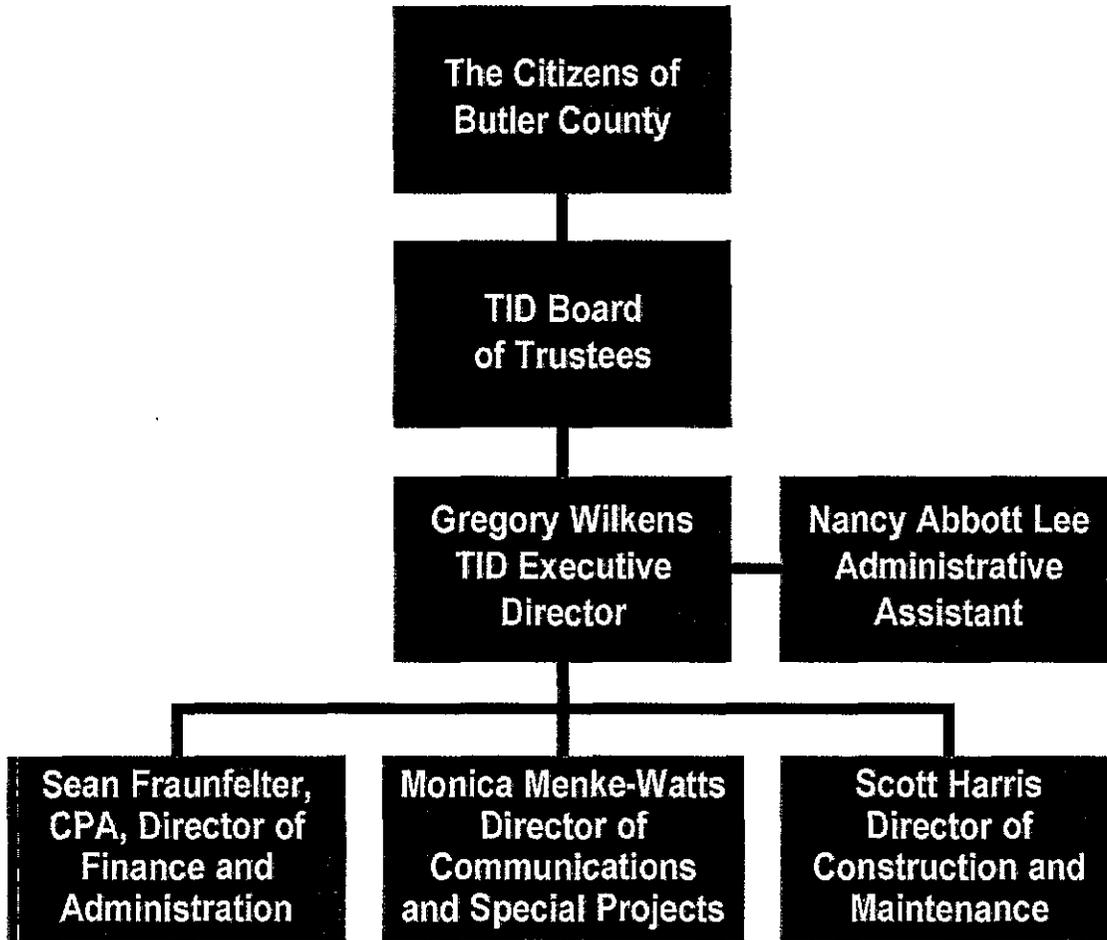
Sean Fraunfelder, CPA
TID Director of Finance
and Administration

David Gully
TID Board of Trustees
Secretary/Treasurer



**BUTLER COUNTY
TRANSPORTATION IMPROVEMENT DISTRICT**

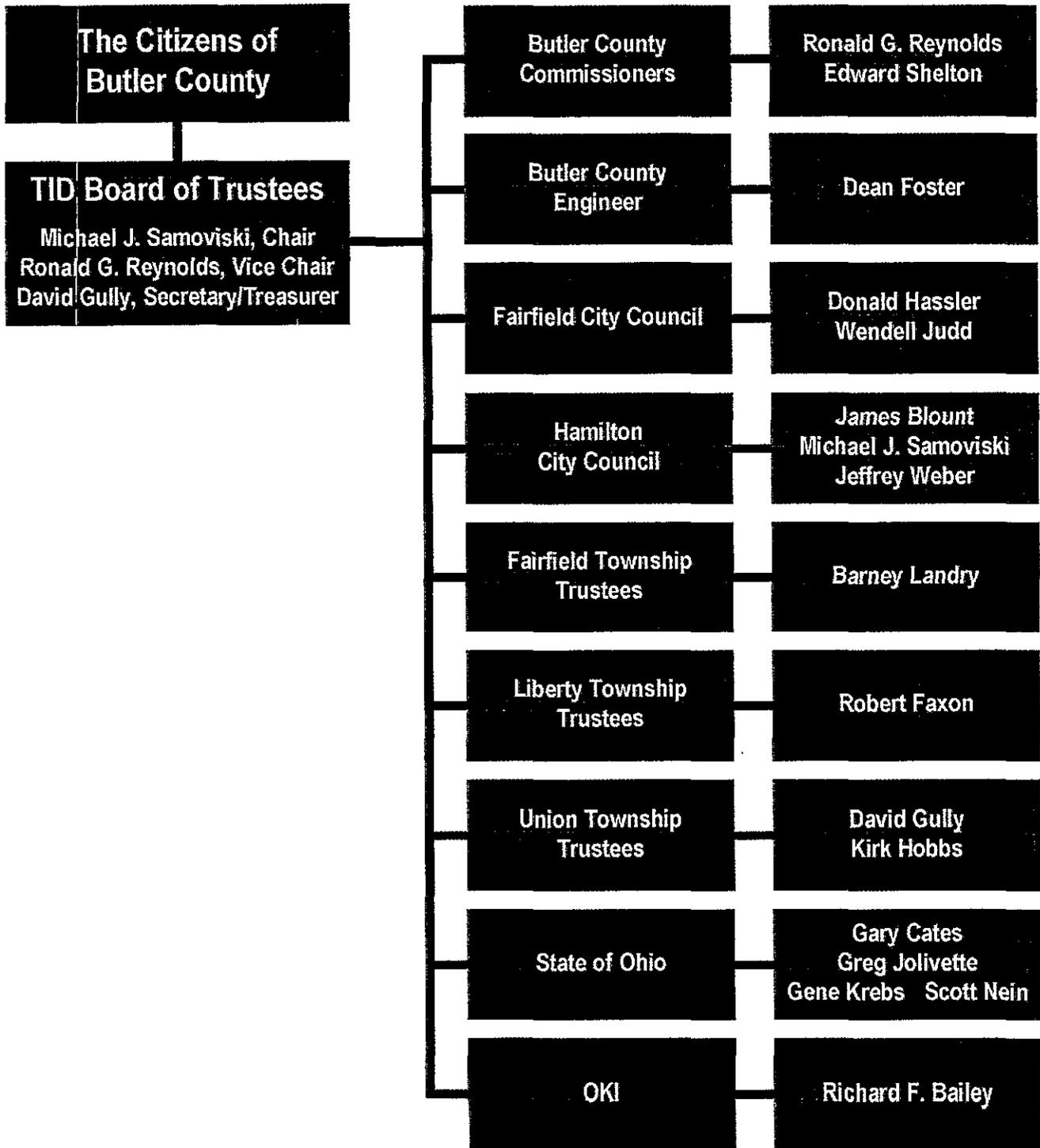
Staff Organizational Chart





**BUTLER COUNTY
TRANSPORTATION IMPROVEMENT DISTRICT**

**1999 Board of Trustees
Organizational Chart**



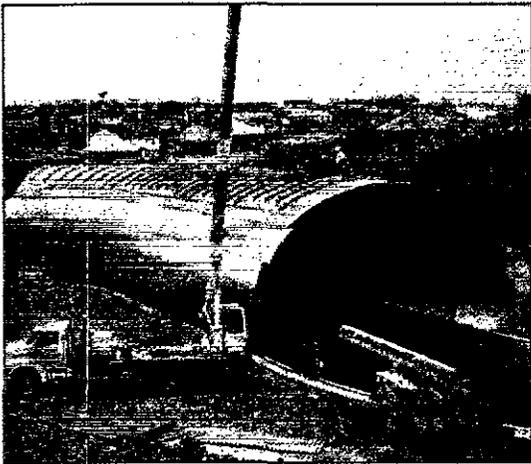
The Michael A. Fox Highway



Michael A. Fox Highway Demolition



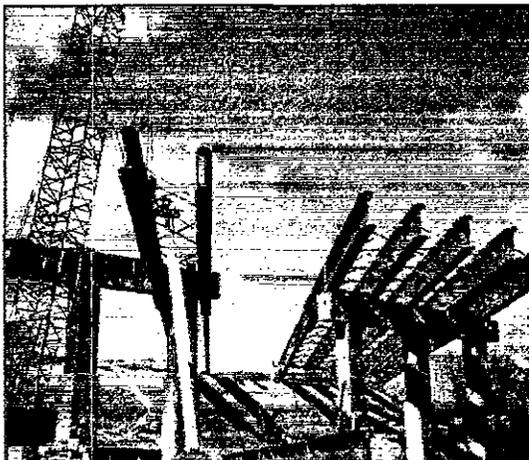
Michael A. Fox Highway Groundbreaking



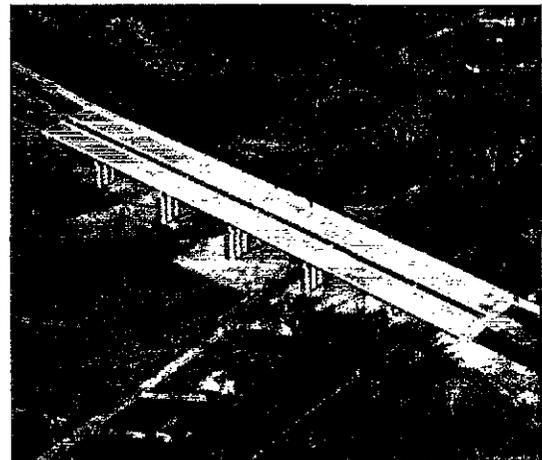
Michael A. Fox Highway - arch culvert under construction east of Liberty-Fairfield Road



Michael A. Fox Highway - arch culvert east of Liberty-Fairfield Road



Workers erect beams for the bridge that spans the Maud-Hughes Road valley.



Michael A. Fox Highway bridge crossing the Maud-Hughes Road valley.

FINANCIAL SECTION



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

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, 1999 through December 31, 1999. 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.



JIM PETRO
Auditor of State

May 26, 2000



INDEPENDENT AUDITORS' REPORT

Board of Directors

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

We have audited the accompanying general purpose financial statements of the Transportation Improvement District of Butler County (the "District"), as of December 31, 1999, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 general purpose financial statements present fairly, in all material respects, the financial position of the District as of December 31, 1999, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

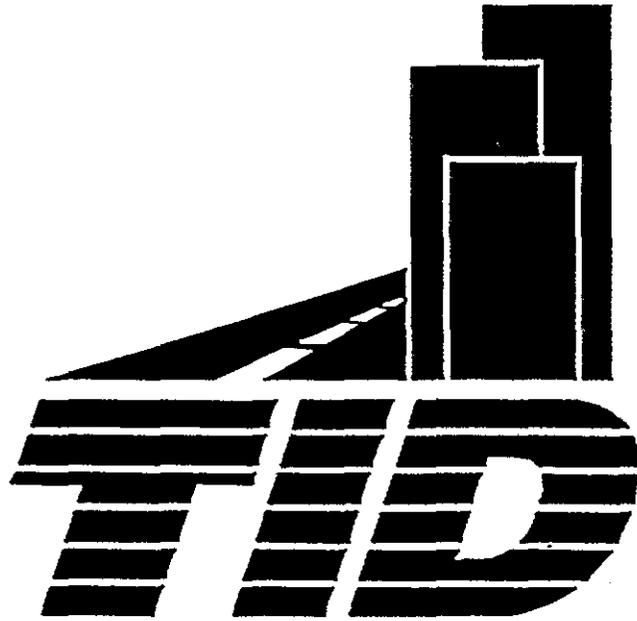
Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the foregoing table of contents, are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the District. These financial statements and schedules 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 general purpose financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

The statistical data on pages 52 through 57 are presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the District. Such additional information has not been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2000, 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

May 8, 2000



GENERAL PURPOSE FINANCIAL STATEMENTS

THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE DISTRICT'S FINANCIAL POSITION AT DECEMBER 31, 1999 AND THE RESULTS OF OPERATIONS FOR THE YEAR THEN ENDED.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

COMBINED BALANCE SHEET

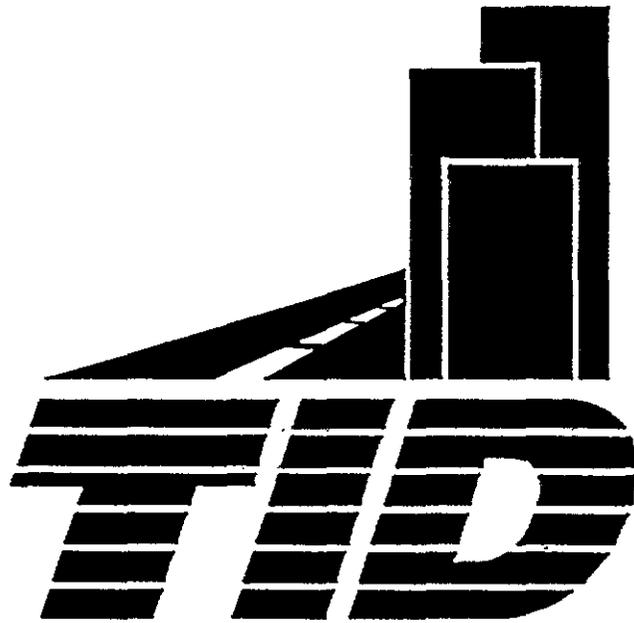
ALL FUND TYPES AND ACCOUNT GROUPS

DECEMBER 31, 1999

	<i>Governmental Fund Types</i>		
	General Fund	Debt Service Fund	Capital Projects Funds
<u>Assets and Other Debits:</u>			
Assets:			
Cash and Cash Equivalents	\$385,322	\$0	\$4,165,497
Receivables (net of allowance for doubtful accounts):			
Accounts	2,146	0	0
Interfund Receivable	279,298	0	0
Intergovernmental Receivable	0	0	420,495
Interfund Loan Receivable	1,679,941	0	0
Lease Receivable	0	143,890,000	0
Restricted Assets:			
Cash with Fiscal Agent	0	396,406	14,615,635
Fixed Assets	0	0	0
Other Debits:			
Amount Available in Debt Service Funds	0	0	0
Amount to be Provided for General Long-Term Obligations	0	0	0
Total Assets and Other Debits	\$2,346,707	\$144,286,406	\$19,201,627
<u>Liabilities, Equity and Other Credits:</u>			
Liabilities:			
Accounts Payable	\$8,079	\$0	\$139,641
Accrued Wages and Benefits Payable	18,027	0	0
Interfund Payable	0	0	279,298
Intergovernmental Payable	0	0	337
Interfund Loan Payable	0	0	1,679,941
Contracts Payable	0	0	2,507,167
Deferred Revenue	0	143,890,000	0
Refunds Payable	0	0	0
Special Obligation Bonds Payable	0	0	0
Total Liabilities	26,106	143,890,000	4,606,384
Equity and Other Credits:			
Investment in General Fixed Assets	0	0	0
Fund Balances:			
Reserved for Encumbrances	0	0	409,871
Reserved for Debt Service	0	396,406	0
Unreserved:			
Undesignated	2,320,601	0	14,185,372
Total Equity and Other Credits	2,320,601	396,406	14,595,243
Total Liabilities, Equity and Other Credits	\$2,346,707	\$144,286,406	\$19,201,627

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

<u>Fiduciary Fund Type</u>	<u>Account Groups</u>			
Agency Fund	General Fixed Assets	General Long-Term Obligations	Totals (Memorandum Only)	
\$12,372	\$0	\$0	\$4,563,191	
0	0	0	2,146	
0	0	0	279,298	
0	0	0	420,495	
0	0	0	1,679,941	
0	0	0	143,890,000	
0	0	0	15,012,041	
0	35,875,975	0	35,875,975	
0	0	396,406	396,406	
0	0	143,493,594	143,493,594	
<u>\$12,372</u>	<u>\$35,875,975</u>	<u>\$143,890,000</u>	<u>\$345,613,087</u>	
\$0	\$0	\$0	\$147,720	
0	0	0	18,027	
0	0	0	279,298	
0	0	0	337	
0	0	0	1,679,941	
0	0	0	2,507,167	
0	0	0	143,890,000	
12,372	0	0	12,372	
0	0	143,890,000	143,890,000	
<u>12,372</u>	<u>0</u>	<u>143,890,000</u>	<u>292,424,862</u>	
0	35,875,975	0	35,875,975	
0	0	0	409,871	
0	0	0	396,406	
0	0	0	16,505,973	
0	35,875,975	0	53,188,225	
<u>\$12,372</u>	<u>\$35,875,975</u>	<u>\$143,890,000</u>	<u>\$345,613,087</u>	



TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<i>Governmental Fund Types</i>			Totals (Memorandum Only)
	General Fund	Debt Service Fund	Capital Projects Funds	
Revenues:				
Intergovernmental Revenues	\$3,477,263	\$0	\$22,067,407	\$25,544,670
Charges for Services	1,686,630	0	0	1,686,630
Investment Earnings	414,822	17,920	2,349,742	2,782,484
All Other Revenues	235,590	0	198,471	434,061
Total Revenues	5,814,305	17,920	24,615,620	30,447,845
Expenditures:				
Current:				
General Government	1,019,865	0	0	1,019,865
Capital Outlay	6,272	0	63,414,511	63,420,783
Debt Service:				
Principal Retirements	0	5,080,000	0	5,080,000
Interest and Fiscal Charges	0	7,696,225	0	7,696,225
Total Expenditures	1,026,137	12,776,225	63,414,511	77,216,873
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,788,168	(12,758,305)	(38,798,891)	(46,769,028)
Other Financing Sources (Uses):				
Operating Transfers In	960,116	13,152,118	6,444,319	20,556,553
Operating Transfers Out	(6,909,086)	(2,500)	(13,644,967)	(20,556,553)
Total Other Financing Sources (Uses)	(5,948,970)	13,149,618	(7,200,648)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,160,802)	391,313	(45,999,539)	(46,769,028)
Fund Balance Beginning of Year	3,474,946	5,093	60,601,239	64,081,278
Residual Equity Transfer In (Out)	6,457	0	(6,457)	0
Fund Balance End of Year	\$2,320,601	\$396,406	\$14,595,243	\$17,312,250

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

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	General Fund			Debt Service Fund		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Intergovernmental Revenues	\$4,250,000	\$3,972,517	(\$277,483)	\$0	\$0	\$0
Charges for Services	1,630,000	1,380,552	(249,448)	0	0	0
Investment Earnings	387,808	414,822	27,014	16,000	17,920	1,920
All Other Revenues	241,260	238,653	(2,607)	0	0	0
Total Revenues	6,509,068	6,006,544	(502,524)	16,000	17,920	1,920
Expenditures:						
Current:						
General Government	1,176,711	1,111,857	64,854	0	0	0
Capital Outlay	13,411	12,411	1,000	0	0	0
Debt Service:						
Principal Retirement	0	0	0	5,080,000	5,080,000	0
Interest and Fiscal Charges	0	0	0	7,696,225	7,696,225	0
Total Expenditures	1,190,122	1,124,268	65,854	12,776,225	12,776,225	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,318,946	4,882,276	(436,670)	(12,760,225)	(12,758,305)	1,920
Other Financing Sources (Uses):						
Operating Transfers In	1,199,943	947,869	(252,074)	13,152,118	13,152,118	0
Operating Transfers Out	(7,630,537)	(7,404,340)	226,197	(2,500)	(2,500)	0
Total Other Financing Sources (Uses)	(6,430,594)	(6,456,471)	(25,877)	13,149,618	13,149,618	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,111,648)	(1,574,195)	(462,547)	389,393	391,313	1,920
Fund Balance at Beginning of Year	3,632,762	3,632,762	0	5,093	5,093	0
Residual Equity Transfers In (Out)	6,907	6,457	(450)	0	0	0
Prior Year Encumbrances	240	240	0	0	0	0
Fund Balance at End of Year	\$2,528,261	\$2,065,264	(\$462,997)	\$394,486	\$396,406	\$1,920

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

<i>Capital Projects Funds</i>			<i>Totals (Memorandum Only)</i>		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$29,055,536	\$21,646,912	(\$7,408,624)	\$33,305,536	\$25,619,429	(\$7,686,107)
0	0	0	1,630,000	1,380,552	(249,448)
2,900,000	2,349,742	(550,258)	3,303,808	2,782,484	(521,324)
101,680	198,471	96,791	342,940	437,124	94,184
32,057,216	24,195,125	(7,862,091)	38,582,284	30,219,589	(8,362,695)
0	0	0	1,176,711	1,111,857	64,854
70,244,767	65,024,697	5,220,070	70,258,178	65,037,108	5,221,070
0	0	0	5,080,000	5,080,000	0
0	0	0	7,696,225	7,696,225	0
70,244,767	65,024,697	5,220,070	84,211,114	78,925,190	5,285,924
(38,187,551)	(40,829,572)	(2,642,021)	(45,628,830)	(48,705,601)	(3,076,771)
7,386,447	6,939,573	(446,874)	21,738,508	21,039,560	(698,948)
(14,105,471)	(13,632,720)	472,751	(21,738,508)	(21,039,560)	698,948
(6,719,024)	(6,693,147)	25,877	0	0	0
(44,906,575)	(47,522,719)	(2,616,144)	(45,628,830)	(48,705,601)	(3,076,771)
19,335,428	19,335,428	0	22,973,283	22,973,283	0
(6,907)	(6,457)	(450)	0	0	(900)
44,420,640	44,420,640	0	44,420,880	44,420,880	0
\$18,842,586	\$16,226,892	(\$2,616,594)	\$21,765,333	\$18,688,562	(\$3,077,671)

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 1999

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 Director's that acts as the authoritative and legislative body of the entity. The Board is comprised of nineteen board members, of which thirteen are voting and six are non-voting appointed by the relative member governments. Of the nineteen, three are elected as officers of the District; Chair(person), Vice-Chair(person), and Secretary-Treasurer. Each Officer serves a term of one year; there are no term limits for reappointment. The member governments include the following political subdivisions: Butler County, the City of Hamilton, the City of Fairfield, Fairfield Township (Indian Springs), Union 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 the 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 Chair(person) is a non-voting member.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

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.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. 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. Account groups are established to maintain accountability over fixed assets not related to a specific fund and long-term obligations that are not a specific liability of a proprietary or trust fund. The following fund types and account groups are used by the District:

Governmental Funds - Governmental funds are those funds through which most governmental 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 resources). The following are the District's governmental fund types:

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.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Fund

Agency Fund - This fund is used to account for assets held by the District as an agent for individuals, private organizations, other governmental units, and/or other funds. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for fixed assets of the District. These assets do not represent financial resources available for expenditure.

General Long-Term Obligations Account Group - This account group is established to account for all long-term debt of the District that is related to general government operations.

C. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds and the agency fund. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is 31 days after year-end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Revenue considered susceptible to accrual at year end includes interest on investments, and state levied locally shared taxes (including motor vehicle license fees). Other revenue, including licenses, permits, certain charges for services, and miscellaneous revenues are recorded as revenue when received in cash because generally these revenues are not measurable until received.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 statement reflect the amounts in the final amended official certificate of estimated resources issued during 1999.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

2. Appropriations

A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each 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 budgetary figures which appear in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-All Governmental Fund Types" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

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, on the 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 generally accepted accounting principles (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 when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS *December 31, 1999*

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgetary Process (Continued)

5. Budgetary Basis of Accounting (Continued)

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

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses		
	General Fund	Debt Service Fund	Capital Projects Funds
GAAP Basis (as reported)	(\$1,160,802)	\$391,313	(\$45,999,539)
Increase (Decrease):			
Accrued Revenues at December 31, 1999 received during 2000	(281,444)	0	(420,495)
Accrued Revenues at December 31, 1998 received during 1999	462,566	0	495,460
Accrued Expenditures at December 31, 1999 paid during 2000	26,106	0	2,926,443
Accrued Expenditures at December 31, 1998 paid during 1999	(620,621)	0	(3,650,289)
Outstanding Encumbrances	0	0	(874,299)
Budget Basis	<u>(\$1,574,195)</u>	<u>\$391,313</u>	<u>(\$47,522,719)</u>

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, repurchase agreements, guaranteed investment contracts and government securities with original maturity dates of three months or less. The guaranteed investment contracts are considered a cash equivalent because they are a highly liquid investment. See Note 3, "Cash, Cash Equivalents and Investments."

The District pools its cash, except for that held by fiscal agents for maximum investing efficiency. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 3, "Cash, Cash Equivalents and Investments."

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District reports its investments at fair value, except for nonparticipating investment contracts (repurchase agreements) which are reported at cost. See Note 3, "Cash, Cash Equivalents and Investments."

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.
- Residual equity transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance. The Interstate 71 Fund and the State Route 129 Fund (capital project funds) were closed and the residual fund balances were transferred to the General Fund.

Transactions that would be treated as revenues and expenditures/expenses if the transactions involved organizations external to the District are similarly treated when involving other funds of the District. The District also advances cash from one fund to another as necessary to meet current obligations.

H. Fixed Assets and Depreciation

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received. Assets valued at less than \$5,000 are not capitalized.

Assets in the general fixed assets account group are not depreciated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost in the general fixed assets account group.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Fixed Assets and Depreciation (continued)

In order to properly recognize the costs of constructing the various projects to which it has been charged, the District capitalizes all costs associated with the planning, development, engineering, and constructing of the construction projects. These specifically identifiable costs are shown as capital outlay in the Capital Projects Funds and are reported in the General Fixed Asset Account Group.

Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are capitalized and included in the General Fixed Assets Account Group.

I. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
Highway Improvement Bonds	Debt Service Fund

J. 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.

K. 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.

L. 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.

M. Total Columns on Combined Financial Statements - Overview

Total columns on the "Combined Financial Statements - Overview" are captioned "Memorandum Only" to indicate they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficits

The fund deficits at December 31, 1999 of \$413,848 in the Bypass 4 Improvements Fund and \$2,060,809 in the Union Center Interchange Fund (capital projects funds) arose from the recognition of expenditures on the modified accrual basis of accounting which are greater than expenditures recognized on the budgetary basis. The deficits do not exist under the budgetary/cash basis of accounting. The general fund provides operating transfers when cash is required, not when accruals occur.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 1999, expenditures exceeded appropriations at the object level (i.e., the legal level of budgetary control) in the General Fund, Personal Services object by \$3,720. The excess expenditures were funded from available fund balance.

NOTE 3 - CASH, CASH EQUIVALENTS 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;
- 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;

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

- 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, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 110% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, *"Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements,"* collateral held in single financial institution collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

The GASB has established risk categories for deposits and investments as follows:

Deposits:

- | | |
|------------|---|
| Category 1 | Insured or collateralized with securities held by the District or by its agent in the District's name. |
| Category 2 | Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name. |
| Category 3 | Collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. |

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. |

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits

At year end the carrying amount of the District's deposits was an overdraft of \$876,126 and the bank balance was \$719,556. 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

The District has investments of \$14,615,635 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 falls 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.

The District's investments at December 31, 1999 are summarized below:

<u>Categorized Investments</u>	<u>Category 2</u>	<u>Fair Value/ Contract Value</u>
Repurchase Agreement	\$5,835,723	\$5,835,723
 <u>Noncategorized Investments</u>		
Guaranteed Investment Contract	N/A	14,615,635
Total Investments	<u>\$5,835,723</u>	<u>\$20,451,358</u>

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

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. The repurchase agreement, the Federal National Mortgage Association (FNMA) with an original maturity of three months or less and the GIC are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

A reconciliation between classifications of cash and investments on the combined financial statements and the classifications per items A and B of this note are as follows:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Combined Balance Sheet	\$19,575,232	\$0
Investments:		
Repurchase Agreement	(5,835,723)	5,835,723
Guaranteed Investment Contract	(14,615,635)	14,615,635
Per GASB Statement No. 3	<u>(\$876,126)</u>	<u>\$20,451,358</u>

NOTE 4 - INTERFUND BALANCES

The composition of interfund balances as of December 31, 1999, is as follows:

A. Interfund Receivable/Payable

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$279,298	\$0
Capital Projects Funds:		
Bypass 4 Improvement Fund	0	12,247
Butler Regional Highway Fund	0	267,051
Total Capital Projects Funds	<u>0</u>	<u>279,298</u>
Totals	<u>\$279,298</u>	<u>\$279,298</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS *December 31, 1999*

NOTE 4 - INTERFUND BALANCES (Continued)

B. Interfund Loan Receivable/Payable

Fund	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$1,679,941	\$0
Capital Projects Funds:		
Bypass 4 Improvement Fund	0	403,232
Union Center Interchange Fund	0	1,276,709
Total Capital Projects Funds	0	1,679,941
Totals	\$1,679,941	\$1,679,941

NOTE 5 - OPERATING TRANSFERS

The following is a summary of operating transfers in and out for all funds for 1999:

Fund	Transfer In	Transfer Out
General Fund	\$960,116	\$6,909,086
Debt Service Fund	13,152,118	2,500
Capital Projects Funds		
Bypass 4 Improvement Fund	0	18,766
Symmes Road	600,000	0
Butler Regional Highway	2,500	13,616,672
State Route 747 Fund	1,900,000	0
Mulhauser Road	3,477,265	0
Interstate 75	464,554	0
Lakota West Drive Fund	0	9,529
Total Capital Projects Funds	6,444,319	13,644,967
Totals	\$20,556,553	\$20,556,553

NOTE 6 – INTERGOVERNMENTAL REVENUES AND CHARGES FOR SERVICE

The following entities, which are a part of the District, have contributed the following funds during 1999.

Member Name	Contribution (Budgetary Basis)
Butler County	\$5,459,020
Union Township	157,484

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 will cease when the project is completed.

NOTE 7 - FIXED ASSETS

Summary by category of changes in general fixed assets:

Category	December 31, 1998	Additions	Deletions	December 31, 1999
Construction in Progress	\$27,953,566	\$7,922,409	\$0	\$35,875,975
Totals	\$27,953,566	\$7,922,409	\$0	\$35,875,975

NOTE 8 – DEFINED BENEFIT PENSION PLANS

The following information was provided by the PERS of Ohio to assist the District in complying with GASB Statement No. 27, "Accounting for Pensions by State and Local Government Employers."

All employees of the District participate in 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%. The 1999 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.35% to fund the pension and 4.2% 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, 1999, 1998 and 1997 were \$36,173, \$33,542 and \$35,221, respectively, which were equal to the required contributions for each year.

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

The PERS of Ohio provides postemployment health care coverage to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability 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 1999 employer contribution rate (identified above) that was used to fund health care for the year 1999 was 4.2% of covered payroll which amounted to \$11,212.

Other Postemployment Benefits (OPEB) are financed through employer contributions and investment earnings thereon. Funding and accounting were on a pay-as-you-go basis. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. Expenditures for other postemployment benefits during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

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 Butler Regional 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 Butler Regional 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, 1999*

NOTE 9 - LEASES (Continued)

The following is a summary of future annual lease payments:

Year	Principal	Interest	Total
2000	\$5,040,000	\$7,455,875	\$12,495,875
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
2005-2009	35,425,000	26,739,588	62,164,588
2010-2014	46,425,000	15,354,912	61,779,912
2015-2017	34,280,000	2,693,956	36,973,956
	<u>\$143,890,000</u>	<u>\$79,431,731</u>	<u>\$223,321,731</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	\$148,970,000	(\$5,080,000)	\$143,890,000
Total General Long-Term Debt and Other Long-Term Obligations	<u>\$148,970,000</u>	<u>(\$5,080,000)</u>	<u>\$143,890,000</u>

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

Years	Special Obligation Bonds		
	Principal	Interest	Total
2000	\$5,040,000	\$7,455,875	\$12,495,875
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
2005-2009	35,425,000	26,739,588	62,164,588
2010-2014	46,425,000	15,354,912	61,779,912
2015-2017	34,280,000	2,693,956	36,973,956
Totals	<u>\$143,890,000</u>	<u>\$79,431,731</u>	<u>\$223,321,731</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS *December 31, 1999*

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, 1999:

Project and Contractor	Outstanding Balance
Symmes Road – Bayer Becker Engineers	\$2,498
Union Centre Interchange – Avenue Fabricating	3,251
Union Centre Interchange – Barbour Company	23,125
Union Centre Interchange – Resources International, Inc.	150,000
Union Centre Interchange – Lake Erie Construction	35,180
Union Centre Interchange – Cincinnati Gas & Electric	78,098
Union Centre Interchange – Lockwood, Jones & Beals, Inc.	3,792
Butler Regional Highway – Kokosing Construction Co.	3,549,656
Butler Regional Highway – Cincinnati Gas & Electric	441,122
Butler Regional Highway – Resources International, Inc.	290,032
Butler Regional Highway – Balke Engineers	171,136
Butler Regional Highway – ME Companies, Inc.	399,381
Butler Regional Highway – Consolidated Rail Corporation	81,126
State Route 747 – ME Companies, Inc.	29,032
Muhlhauser Road – DSD Consultants	2,200
Interstate 75 - - ME Companies, Inc.	4,331
Interstate 75 – KZF Engineering	7,078
Total	<u><u>\$5,271,038</u></u>

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 1999, 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	1,041,000
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

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 five 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 moneys 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.

*COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE GENERAL FUND, CAPITAL PROJECTS FUNDS, THE AGENCY FUND
AND THE GENERAL FIXED ASSETS ACCOUNT GROUP.*

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 Ohio.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$4,250,000	\$3,972,517	(\$277,483)
Charges for Services	1,630,000	1,380,552	(249,448)
Investment Earnings	387,808	414,822	27,014
All Other Revenues	241,260	238,653	(2,607)
Total Revenues	6,509,068	6,006,544	(502,524)
Expenditures:			
Current:			
General Government:			
Personal Services	362,938	366,658	(3,720)
Contractual Services	681,239	636,438	44,801
Materials and Supplies	96,365	82,318	14,047
Other Expenditures	36,169	26,443	9,726
Total General Government	1,176,711	1,111,857	64,854
Capital Outlay	13,411	12,411	1,000
Total Expenditures	1,190,122	1,124,268	65,854
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,318,946	4,882,276	(436,670)
Other Financing Sources (Uses):			
Operating Transfers In	1,199,943	947,869	(252,074)
Operating Transfers Out	(7,630,537)	(7,404,340)	226,197
Total Other Financing Sources (Uses)	(6,430,594)	(6,456,471)	(25,877)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,111,648)	(1,574,195)	(462,547)
Fund Balance at Beginning of Year	3,632,762	3,632,762	0
Residual Equity Transfers In	6,907	6,457	(450)
Prior Year Encumbrances	240	240	0
Fund Balance at End of Year	\$2,528,261	\$2,065,264	(\$462,997)

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for the financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary or trust funds.

Interstate 71 Fund

To account for the TID's extension of the Butler Regional Highway from Interstate 75 to Interstate 71. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

State Route 129 Fund

To account for the TID's extension of State Route 129 to Fair Avenue. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

ByPass 4 Improvements Fund

To account for the TID's improvements to the intersection of State Route 4 and ByPass 4.

Symmes Road Fund

To account for the TID's improvements to and extension of Symmes Road.

Union Centre Interchange Fund

To account for the TID's construction of the interchange on Interstate 75.

Butler Regional Highway Fund

To account for the TID's construction of the Butler Regional Highway from Interstate 75 to the City of Hamilton, Ohio.

State Route 747 Fund

To account for the TID's improvements to State Route 747.

Muhlhauser Road Fund

To account for the TID's improvements to and extension of Muhlhauser Road.

Interstate 75 Fund

To account for the TID's improvements to Interstate 75.

Lakota West Drive Fund

To account for the TID's improvements to Lakota West Drive.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED BALANCE SHEET
CAPITAL PROJECTS FUNDS
DECEMBER 31, 1999**

	Bypass 4 Improvements	Symmes Road	Union Centre Interchange	Butler Regional Highway
Assets:				
Cash and Cash Equivalents	\$0	\$605,306	\$0	\$1,329,513
Interfund Receivable	420,495	0	0	0
Restricted Assets:				
Cash and Investments with Fiscal Agent	0	0	0	14,292,486
Total Assets	\$420,495	\$605,306	\$0	\$15,621,999
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$3,884	\$0	\$79,856	\$5,426
Interfund Payable	12,247	0	0	267,051
Intergovernmental Payable	0	0	0	297
Interfund Loan Payable	403,232	0	1,276,709	0
Contracts Payable	414,980	45	704,244	1,383,184
Total Liabilities	834,343	45	2,060,809	1,655,958
Fund Equity:				
Reserve for Encumbrances	0	2,498	0	400,295
Unreserved	(413,848)	602,763	(2,060,809)	13,565,746
Total Fund Equity	(413,848)	605,261	(2,060,809)	13,966,041
Total Liabilities and Fund Equity	\$420,495	\$605,306	\$0	\$15,621,999

State Route 747	Mulhauser Road	Interstate 75	Lakota West Drive	Totals
\$1,727,360	\$924,092	\$453,748	\$640	\$5,040,659
0	0	0	0	420,495
0	0	0	0	14,292,486
<u>\$1,727,360</u>	<u>\$924,092</u>	<u>\$453,748</u>	<u>\$640</u>	<u>\$19,753,640</u>
\$5,196	\$42,719	\$2,560	\$0	\$139,641
0	0	0	0	279,298
40	0	0	0	337
0	0	0	0	1,679,941
2,943	0	1,771	0	2,507,167
<u>8,179</u>	<u>42,719</u>	<u>4,331</u>	<u>0</u>	<u>4,606,384</u>
0	0	7,078	0	409,871
<u>1,719,181</u>	<u>881,373</u>	<u>442,339</u>	<u>640</u>	<u>14,737,385</u>
<u>1,719,181</u>	<u>881,373</u>	<u>449,417</u>	<u>640</u>	<u>15,147,256</u>
<u>\$1,727,360</u>	<u>\$924,092</u>	<u>\$453,748</u>	<u>\$640</u>	<u>\$19,753,640</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Interstate 71	State Route 129	Bypass 4 Improvements	Symmes Road	Union Centre Interchange
Revenues:					
Intergovernmental Revenues	\$0	\$0	\$644,314	\$0	\$1,092,987
Investment Earnings	0	0	0	0	0
All Other Revenues	0	0	1,534	0	3,173
Total Revenues	0	0	645,848	0	1,096,160
Expenditures:					
Capital Outlay	0	450	1,042,730	12,532	3,260,587
Total Expenditures	0	450	1,042,730	12,532	3,260,587
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(450)	(396,882)	(12,532)	(2,164,427)
Other Financing Sources (Uses):					
Operating Transfers In	0	0	0	600,000	0
Operating Transfers Out	0	0	(18,766)	0	0
Total Other Financing Sources (Uses)	0	0	(18,766)	600,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	(450)	(415,648)	587,468	(2,164,427)
Fund Balance at Beginning of Year	992	5,915	1,800	17,793	103,618
Residual Equity Transfer Out	(992)	(5,465)	0	0	0
Fund Balance (Deficit) at End of Year	\$0	\$0	(\$413,848)	\$605,261	(\$2,060,809)

Butler Regional Highway	State Route 747	Mulhauser Road	Interstate 75	Lakota West Drive	Totals
\$20,002,925	\$0	\$0	\$0	\$327,181	\$22,067,407
2,901,755	0	0	0	0	2,901,755
190,938	0	2,186	0	640	198,471
23,095,618	0	2,186	0	327,821	25,167,633
55,489,946	183,038	2,767,073	340,503	317,652	63,414,511
55,489,946	183,038	2,767,073	340,503	317,652	63,414,511
(32,394,328)	(183,038)	(2,764,887)	(340,503)	10,169	(38,246,878)
2,500	1,900,000	3,477,265	464,554	0	6,444,319
(13,616,672)	0	0	0	(9,529)	(13,644,967)
(13,614,172)	1,900,000	3,477,265	464,554	(9,529)	(7,200,648)
(46,008,500)	1,716,962	712,378	124,051	640	(45,447,526)
59,974,541	2,219	168,995	325,366	0	60,601,239
0	0	0	0	0	(6,457)
<u>\$13,966,041</u>	<u>\$1,719,181</u>	<u>\$881,373</u>	<u>\$449,417</u>	<u>\$640</u>	<u>\$15,147,256</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

INTERSTATE 71 FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	992	992	0
Residual Equity Transfers Out	(992)	(992)	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

STATE ROUTE 129 FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay	450	450	0
Total Expenditures	450	450	0
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(450)	(450)	0
Fund Balance at Beginning of Year	5,915	5,915	0
Residual Equity Transfers Out	(5,915)	(5,465)	(450)
Fund Balance at End of Year	(\$450)	\$0	(\$450)

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

BYPASS 4 IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$1,150,000	\$223,819	(\$926,181)
All Other Revenues	36,600	1,534	(35,066)
Total Revenues	1,186,600	225,353	(961,247)
Expenditures:			
Capital Outlay	1,132,400	623,866	508,534
Total Expenditures	1,132,400	623,866	508,534
Excess (Deficiency) of Revenues Over (Under) Expenditures	54,200	(398,513)	(452,713)
Other Financing Sources (Uses):			
Operating Transfers Out	(35,000)	(6,519)	28,481
Total Other Financing Sources (Uses)	(35,000)	(6,519)	28,481
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	19,200	(405,032)	(424,232)
Fund Balance at Beginning of Year	1,800	1,800	0
Fund Balance (Deficit) at End of Year	\$21,000	(\$403,232)	(\$424,232)

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

SYMMES ROAD FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay	51,000	15,713	35,287
Total Expenditures	51,000	15,713	35,287
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(51,000)	(15,713)	35,287
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	600,000	600,000	0
Total Other Financing Sources (Uses)	600,000	600,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	549,000	584,287	35,287
Fund Balance at Beginning of Year	11,681	11,681	0
Prior Year Encumbrances	6,840	6,840	0
Fund Balance at End of Year	<u>\$567,521</u>	<u>\$602,808</u>	<u>\$35,287</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

UNION CENTRE INTERCHANGE FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$3,318,388	\$1,092,987	(\$2,225,401)
All Other Revenues	2,040	3,173	1,133
Total Revenues	3,320,428	1,096,160	(2,224,268)
Expenditures:			
Capital Outlay	3,670,394	2,613,112	1,057,282
Total Expenditures	3,670,394	2,613,112	1,057,282
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(349,966)	(1,516,952)	(1,166,986)
Fund Balance at Beginning of Year	25,903	25,903	0
Prior Year Encumbrances	214,340	214,340	0
Fund Balance (Deficit) at End of Year	(\$109,723)	(\$1,276,709)	(\$1,166,986)

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

BUTLER REGIONAL HIGHWAY FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$24,260,000	\$20,002,925	(\$4,257,075)
Investment Earnings	2,900,000	2,349,742	(550,258)
All Other Revenues	60,000	190,938	130,938
Total Revenues	27,220,000	22,543,605	(4,676,395)
Expenditures:			
Capital Outlay	59,412,000	57,523,823	1,888,177
Total Expenditures	59,412,000	57,523,823	1,888,177
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,192,000)	(34,980,218)	(2,788,218)
Other Financing Sources (Uses):			
Operating Transfers In	446,164	2,500	(443,664)
Operating Transfers Out	(13,616,672)	(13,616,672)	0
Total Other Financing Sources (Uses)	(13,170,508)	(13,614,172)	(443,664)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(45,362,508)	(48,594,390)	(3,231,882)
Fund Balance at Beginning of Year	19,010,438	19,010,438	0
Prior Year Encumbrances	43,790,618	43,790,618	0
Fund Balance at End of Year	\$17,438,548	\$14,206,666	(\$3,231,882)

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

STATE ROUTE 747 FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay	1,897,199	185,452	1,711,747
Total Expenditures	1,897,199	185,452	1,711,747
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,897,199)	(185,452)	1,711,747
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	1,900,000	1,900,000	0
Total Other Financing Sources (Uses)	1,900,000	1,900,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,801	1,714,548	1,711,747
Fund Deficit at Beginning of Year	(5,233)	(5,233)	0
Prior Year Encumbrances	16,642	16,642	0
Fund Balance at End of Year	<u>\$14,210</u>	<u>\$1,725,957</u>	<u>\$1,711,747</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

MUHLHAUSER ROAD FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$2,400	\$2,186	(\$214)
Total Revenues	2,400	2,186	(214)
<u>Expenditures:</u>			
Capital Outlay	3,220,643	3,219,608	1,035
Total Expenditures	3,220,643	3,219,608	1,035
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,218,243)	(3,217,422)	821
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	3,975,728	3,972,519	(3,209)
Total Other Financing Sources (Uses)	3,975,728	3,972,519	(3,209)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	757,485	755,097	(2,388)
Fund Balance at Beginning of Year	166,795	166,795	0
Prior Year Encumbrances	2,200	2,200	0
Fund Balance at End of Year	\$926,480	\$924,092	(\$2,388)

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

INTERSTATE 75 FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total Revenues	\$0	\$0	\$0
Expenditures:			
Capital Outlay	528,028	525,021	3,007
Total Expenditures	528,028	525,021	3,007
Excess (Deficiency) of Revenues Over (Under) Expenditures	(528,028)	(525,021)	3,007
Other Financing Sources (Uses):			
Operating Transfers In	464,555	464,554	(1)
Operating Transfers Out	(443,664)	0	443,664
Total Other Financing Sources (Uses)	20,891	464,554	443,663
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(507,137)	(60,467)	446,670
Fund Balance at Beginning of Year	117,137	117,137	0
Prior Year Encumbrances	390,000	390,000	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$446,670</u>	<u>\$446,670</u>

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

LAKOTA WEST DRIVE FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$327,148	\$327,181	\$33
All Other Revenues	640	640	0
Total Revenues	327,788	327,821	33
<u>Expenditures:</u>			
Capital Outlay	332,653	317,652	15,001
Total Expenditures	332,653	317,652	15,001
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,865)	10,169	15,034
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(10,135)	(9,529)	606
Total Other Financing Sources (Uses)	(10,135)	(9,529)	606
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(15,000)	640	15,640
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	(\$15,000)	\$640	\$15,640

FIDUCIARY FUND TYPE

Fiduciary fund types are used to account for assets held by the District as an agent for individuals, private organizations, other governmental units and/or other funds.

AGENCY FUND

License Tag Refund Fund

To account for the receipts and refund of motor vehicle license tag fees.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

DECEMBER 31, 1999

	Balance December 31, 1998	Additions	Deductions	Balance December 31, 1999
License Tag Refund Fund				
Assets:				
Cash and Cash Equivalents	\$12,707	\$0	(\$335)	\$12,372
Total Assets	<u>\$12,707</u>	<u>\$0</u>	<u>(\$335)</u>	<u>\$12,372</u>
Liabilities:				
Refunds Payable	\$12,707	\$0	(\$335)	\$12,372
Total Liabilities	<u>\$12,707</u>	<u>\$0</u>	<u>(\$335)</u>	<u>\$12,372</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group is used to account for fixed assets of the District.

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

GENERAL FIXED ASSETS

Schedule of General Fixed Assets by Source - December 31, 1999

General Fixed Assets:

Construction in Progress	\$35,875,975
Total General Fixed Assets	<u>\$35,875,975</u>

Investment in General Fixed Assets from:

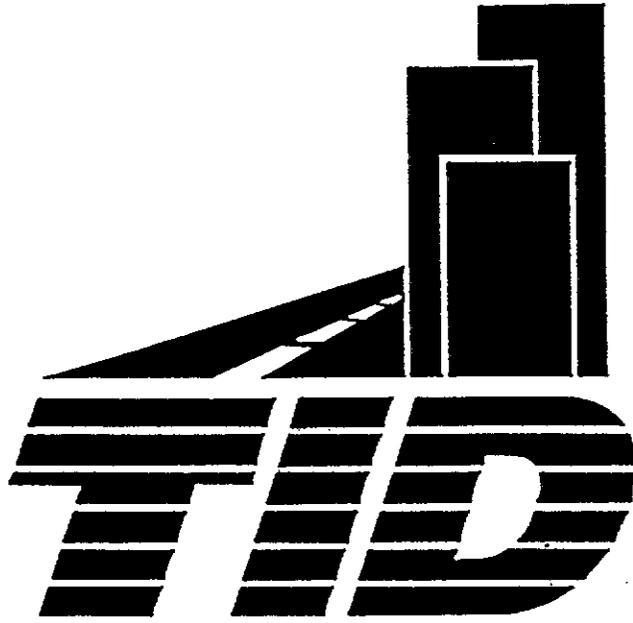
General Governmental Revenues	\$35,875,975
Total Investment in General Fixed Assets	<u>\$35,875,975</u>

Schedule of General Fixed Assets by Function - December 31, 1999

<u>Function and Activity:</u>	<u>Construction in Progress</u>
Transportation:	
Road Construction	<u>\$35,875,975</u>
Total General Fixed Assets	<u>\$35,875,975</u>

Schedule of Changes in General Fixed Assets for the Year Ended December 31, 1999

<u>Function and Activity:</u>	<u>December 31, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 1999</u>
Transportation:				
Construction in Progress	<u>\$27,953,566</u>	<u>\$7,922,409</u>	<u>\$0</u>	<u>\$35,875,975</u>
Total General Fixed Assets	<u>\$27,953,566</u>	<u>\$7,922,409</u>	<u>\$0</u>	<u>\$35,875,975</u>



**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 general purpose financial statements of the Transportation Improvement District of Butler County (the "District"), as of and for the year ended December 31, 1999, and have issued our report thereon dated May 8, 2000. 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 State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

May 8, 2000

STATISTICAL SECTION

STATISTICAL TABLES

***T**HE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE DISTRICT. THE DISTRICT HAS BEEN IN EXISTENCE FOR ONLY SIX YEARS; THEREFORE, ONLY SIX YEARS DATA ARE PRESENTED.*

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

GENERAL FUND EXPENDITURES BY FUNCTION

LAST SIX YEARS

<u>Year</u>	<u>General Government</u>	<u>Capital Outlay</u>	<u>Total Expenditures</u>
1994	\$54,256	\$0	\$54,256
1995	288,849	0	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

Source: Transportation Improvement District

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

GENERAL FUND REVENUES BY SOURCE

LAST SIX YEARS

<u>Year</u>	<u>Inter-Governmental</u>	<u>Charges for Service</u>	<u>Investment Earnings</u>	<u>All Other Revenues</u>	<u>Total Revenues</u>
1994	\$557,417	\$0	\$4,850	\$0	\$562,267
1995	2,800,000	0	49,439	41	2,849,480
1996	10,850,000	0	114,017	2,663	10,966,680
1997	7,110,000	1,357,665	482,073	359	8,950,097
1998	3,139,584	1,630,433	293,883	11,103	5,075,003
1999	3,477,263	1,686,630	414,822	235,590	5,814,305

Source: Transportation Improvement District

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

DEMOGRAPHIC STATISTICS

DECEMBER 31, 1999

Labor Force Statistics

	<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	3.4%	4.2%
1999	180,900	5,600	186,500	3.3%	4.2%

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

(Continued)

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

DEMOGRAPHIC STATISTICS

DECEMBER 31, 1999

Income Statistics

	Number	Percent
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%
	<u>123,730</u>	

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	28,800	20,629
1999	<i>NOT AVAILABLE</i>	21,144

General Statistics

Population		Retail Sales by Store Group - 1999	
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
		Automotive	553,584
		Total Retail Sales	<u>\$1,798,922</u>

Source: Butler County Auditor

TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO

CONSTRUCTION AND BANK DEPOSITS

LAST SIX YEARS

<u>Year</u>	<u>Agricultural/ Residential</u>	<u>Commercial/ 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

(1) Includes all Butler 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, 1999

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 (Indian Springs)

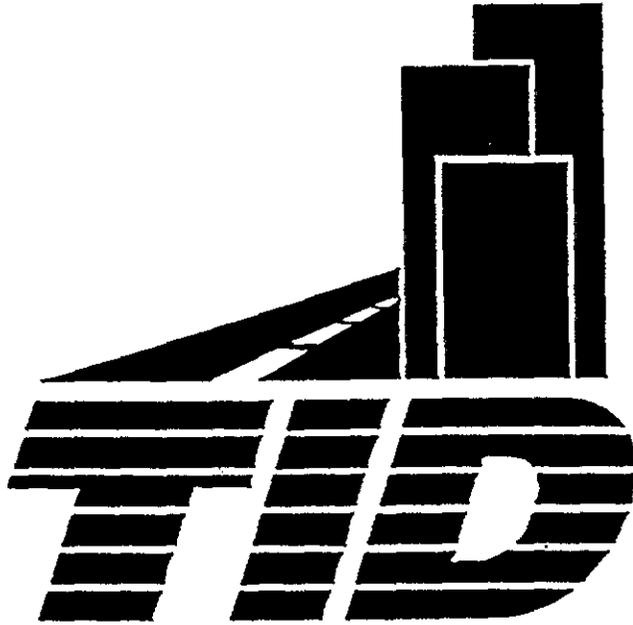
Union Township

Liberty Township

Number of Interstate

Highways inside the District: 1 (Interstate 75)

Source: Transportation Improvement District



This Comprehensive Annual
Financial Report was prepared by
the following individuals:

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Director of Finance and Administration

Monica Menke-Watts
Director of Communications and Special Projects

Roy O. Porter
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Additional copies of this report
may be obtained from:

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of Butler County
2816 Mack Road
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Phone: (513) 942-4700
World Wide Web: //www.bctid.org



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OFFICE OF THE AUDITOR

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TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY

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.

By: Susan Babbitt

Date: JUNE 13, 2000