

# Transportation Improvement District of Butler County, Ohio.



Comprehensive Annual Financial Report  
For the Year Ended December 31, 2001





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  
\_\_\_\_\_  
JIM PETRO, AUDITOR OF STATE

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Board of Trustees  
Transportation Improvement District of Butler County

We have reviewed the Independent Auditor's Report of the Transportation Improvement District of Butler County prepared by BKD, LLP for the audit period January 1, 2001 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Transportation Improvement District of Butler County is responsible for compliance with these laws and regulations.

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

JIM PETRO  
Auditor of State

July 18, 2002

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# *Transportation Improvement District of Butler County, Ohio*



## **Comprehensive Annual Financial Report**

For the Year Ended December 31, 2001

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

**Transportation Improvement District of Butler County, Ohio**  
**Comprehensive Annual Financial Report**  
**For the Year Ended December 31, 2001**

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# **INTRODUCTORY SECTION**



## BUTLER COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

April 26, 2002

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, 2001. 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 2001.

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 for 2000 and organizational charts for the TID staff and Board of Trustees.
2. *The Financial Section* contains the independent auditors' report; management's discussion and analysis; basic financial statements; notes to the basic financial statements, and the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.
3. *The Statistical Section* includes selective financial, economic, and demographic information about the TID and Butler County, which may be used to extrapolate trends in comparison to other fiscal years.

## FORM OF GOVERNMENT AND REPORTING ENTITY

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

The TID is a jointly governed organization — both corporate and politic — given the powers to finance, construct, maintain, repair, and operate transportation systems. The TID is governed by a Board of Trustees which acts as the authoritative and legislative body. The Board of Trustees currently is comprised of eighteen members, of which, thirteen are voting and five are non voting. Of the eighteen, 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 Butler County Engineer is designated by law as a member.

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 legislative 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 Basic Financial Statements.

## MAJOR INITIATIVES

### *Union Centre Boulevard Extension*

The Union Centre Boulevard Extension (formerly Symmes Road Extension) from State Route 747 to Seward Road was opened for traffic on December 10, 2001. As one of the original projects, funding became finalized in 2000. Funding was initially estimated at \$13 million dollars but by the time the project was finished, the total cost was slightly over \$8 million. Right-of-way donations and a lower than estimated contract price helped get the project started. On February 16, 2001, the project became tangible when the John R. Jurgensen Company started clearing the area for the roadway.



The project is a 1.7 mile, four lane roadway with eight foot paved berms. The roadway has additional turn lanes at the intersections with State Route 747 and Seward Road. The project involved two other significant elements.

First, the project had to cross the Norfolk Southern Railroad, the old Miami-Erie Canal and part of the Mill Creek. This involved building a large bridge over the area. The second was wetland mitigation and conservation along the southside of the roadway in West Chester Township. This involved creating and restoring over fifteen acres of wetlands.

The project was submitted for the TRIKO Valley Section of the American Society of Highway Engineer's Donald Schramm Award for construction projects over two million dollars in December 2001. The project was winner of the award in February 2002.

With the extension completed, the areas located in West Chester Township and the City of Fairfield will see prosperous economic development. Schumacher Dugan Construction Company has already started construction of a facility on the southwestern side of the extension and Industrial Development Industries is expecting to start construction on their property next year.



### *West Chester Road*

Towards the end of 2000, West Chester Township asked the TID to manage the West Chester Road project. The project was to widen the existing road to include a turn lane, curbs and gutters, and paved six foot berms. The project was completed in two separate phases.



The contract for the Phase B project got underway during 2000. Several problems with utilities delayed the job getting finished until the spring of 2001. SK Construction was the contractor for this project which extended from the bridge over Interstate 75 to the West Chester Road/Union Centre Boulevard intersection. The Muhlhauser/Lakota West/West Chester Road intersection needed new signalization to accommodate the West Chester Road turn lanes. A major addition to the project was the I75 bridge paving. The West Chester Road Phase B project cost \$1,969,768.



Phase A continued the widening from Union Centre Boulevard to Beckett Road and part of the western portion of Beckett Road. The project was similar to Phase B with the addition of a turn lane and curbs, gutters, and sidewalks. LP Cavett started the work in the early spring of 2001 and completed the project in October 2001. The West Chester Road Phase A project cost \$850,523.

With both phases complete, West Chester Road provides another access to the rapidly growing Union Centre area. Schumacher Dugan has nearly finished construction of their third centre point building with the other two buildings being rented to capacity.

### ***Princeton Road @ State Route 4 Bypass***

The Princeton Road at State Route 4 Bypass project was initiated by Fairfield Township to improve infrastructure to service this developing area. Even before construction was started on the project, a Home Depot was built and construction of a Wal-Mart was underway. The Township undertook the improvement to accommodate the traffic generated by the new development and thereby eliminating traffic congestion.

The construction on the project started in early October 2001 with Don S. Cisle performing the work. The project consisted of widening Princeton Road and Bypass State Route 4 including installing a new signal at the Winford Drive intersection and revising the signalization at State Route 4 Bypass to meet Ohio Department of Transportation guidelines. The contract amount for the project is \$1,068,737, with \$940,916 expended in 2001.



### ***Michael A. Fox Highway Extension/Cox Road***

Liberty Township has experienced substantial economic development from the Michael A. Fox Highway at Cincinnati-Dayton Road and would like to capitalize on that success by utilizing over three hundred acres of prime developable land to the north of the Michael A. Fox Highway. The Township approached the TID to manage a feasibility study for changing the Michael A.

Fox Highway into a full interchange at Interstate 75. The Highway would then extend east to Cox Road and possibly further east depending on the desires of Warren County and other local governments affected.

The Township and Butler County would like to extend Cox Road from Hamilton-Mason, where it currently ends, north through the Township as a parallel connector to Interstate 75. The ultimate destination point would be to intersect State Route 63 at Union Road.

The TID and Liberty Township are initiating a major study to assess the interchange modification. The modification must be approved by ODOT and the Federal Highway Administration and get accepted in OKI's North-South Initiative study for the Interstate 75 corridor.

### ***Michael A. Fox Highway***

The highway has been open for over two years and Butler County continues to reap additional economic benefits from the 10.7 mile interstate connector. The financial side of the project is ninety-nine percent complete with only a couple of details remaining but the impact that the highway has on Hamilton, Liberty Township and the rest of Butler County can not be measured. Economic development continues throughout the County at an alarming pace since the highway opened. Commuter and commercial usage continues to surpass all expectations as the highway has proven over these two years what everyone knew for the previous thirty - an outlet like this would be used to maximum potential.

## FACTORS AFFECTING FINANCIAL CONDITION

The TID operates from four financial sources: a state bi-annual operating grant, interest revenue, local government contributions and a three percent administration charge on construction projects the TID manages. Butler County Commission has initiated the passage of a one half percent increase in the sales tax which would fund additional capital improvement projects. The TID would receive several of those earmarked improvement projects. For additional information on the financial condition of the TID, please review the Management Discussion and Analysis starting on page 3 of the report.

## CASH MANAGEMENT

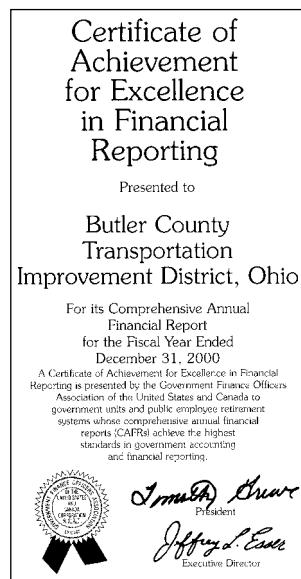
Cash temporarily idle during the year was invested in obligations of the U.S. Treasury, commercial paper, and repurchase agreements. The maturities range from thirty days to three years, with an average maturity of one year. The average yield on investments was 4.30 percent for the government with the money management account averaging 5.65 percent for the year. Overall, the higher than average interest rate for the investments relates to the need for more liquid cash as construction projects progress.

## RISK MANAGEMENT

The TID maintains control over insurance through the Selective Insurance Company. The TID has had no settlements that exceeded the insurance coverage for the past six years. The TID maintains workers' compensation coverage by paying premiums to the State Bureau of Workers' Compensation. The TID has not incurred a claim in six years.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the TID for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2000. This was the sixth consecutive year that the TID has received this award for excellence and the first year reporting under the guidelines of GASB Statement No. 34. In order to be awarded a Certificate of Achievement, the TID published a clear and effective CAFR.



The TID staff works to develop a level of professionalism and sound financial reporting. The preparation and publication of this CAFR serves as a cornerstone for the TID's efforts. 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 presentation of the financial condition of the TID as of and for the year ended December 31, 2001.

Respectfully submitted,

Sean Fraunfelter, CPA  
Finance Director

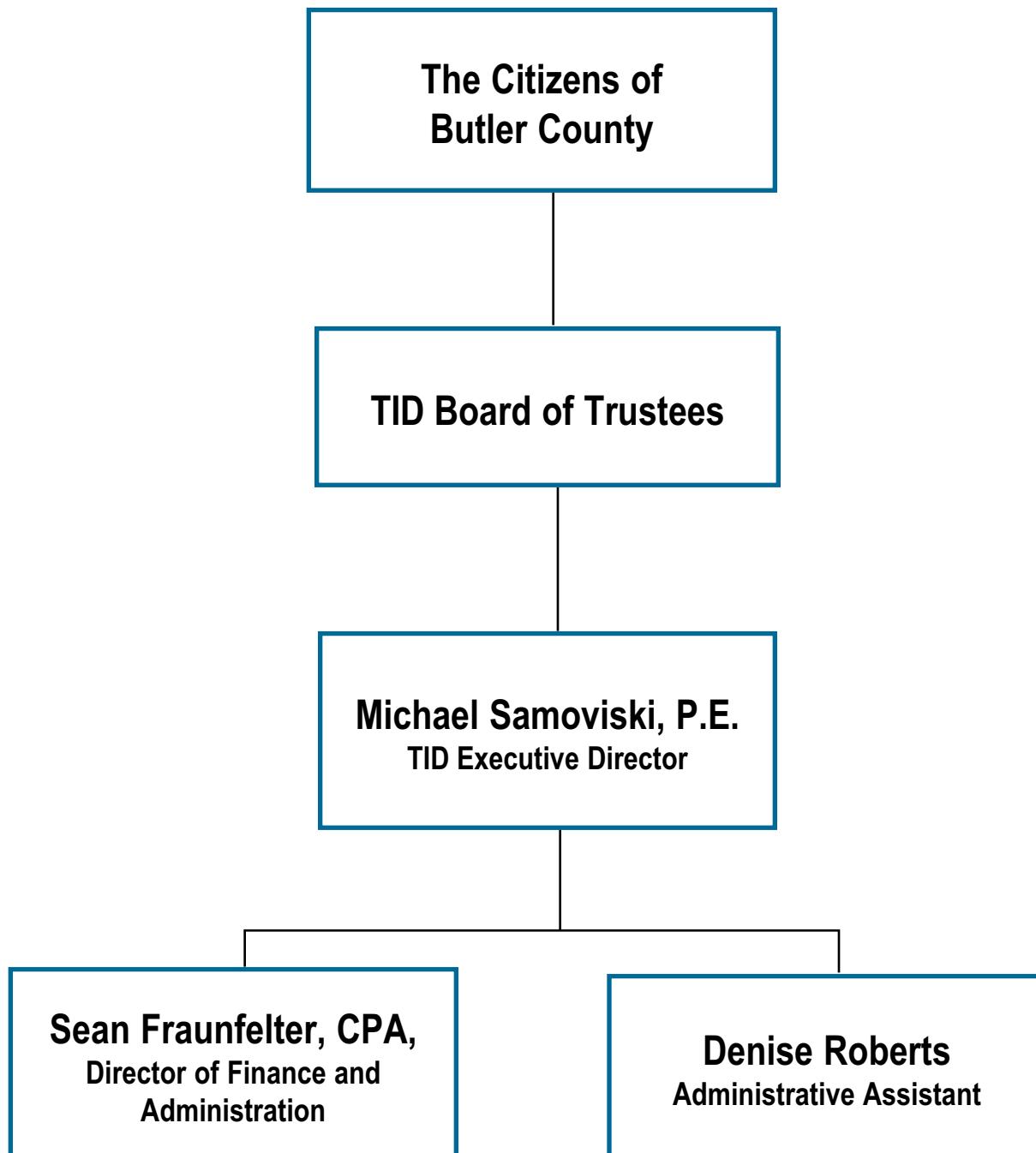
David Gully  
Secretary/Treasurer - TID Board of Trustees

Michael Samoviski, PE  
Executive Director



**BUTLER COUNTY, OHIO  
TRANSPORTATION IMPROVEMENT DISTRICT**

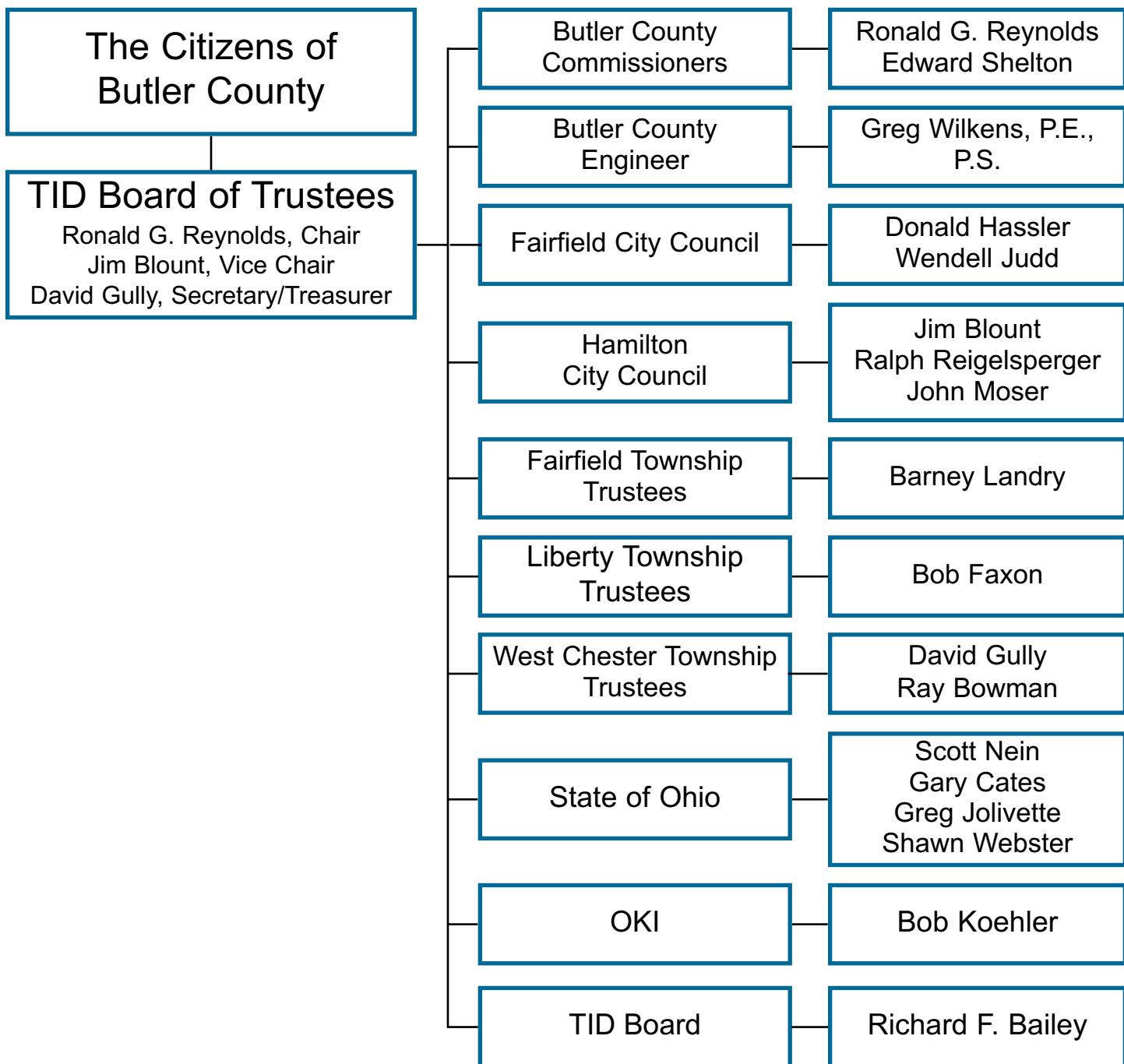
**Staff Organizational Chart**





## BUTLER COUNTY, OHIO TRANSPORTATION IMPROVEMENT DISTRICT

### 2001 Board of Trustees Organizational Chart



# **FINANCIAL SECTION**

## Independent Accountants' Report on Financial Statements and Supplementary Information

Board of Trustees  
Transportation Improvement District of Butler County, Ohio  
Hamilton, Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Transportation Improvement District of Butler County, Ohio (the "District") as of and for the year ended December 31, 2001, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Transportation Improvement District of Butler County, Ohio as of December 31, 2001, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2002, 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.

The accompanying management's discussion and analysis and budgetary information as listed in the table of contents are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, consisting of combining and individual fund statements and schedules and the statistical section, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The information in the statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*BKD, LLP*

April 26, 2002

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

Our discussion and analysis of the Butler County Transportation Improvement District's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2001. Please review it in conjunction with the transmittal letter and District's basic financial statements, which begin on page 11.

## **FINANCIAL HIGHLIGHTS**

- Total net assets increased \$6.9 million which represents a 10.7 percent increase from 2000.
- General Revenues accounted for \$1.6 million in revenues or 9.37 percent of all revenues. Program specific revenues in the form of charges for services and capital grants accounted for \$15.4 million or 90.63 percent of all revenues.
- The District expended \$10.9 million on infrastructure during the current year.
- The District had \$10.1 million in expenses related to governmental activities with \$15.4 million in program revenues to cover the cost of those programs. The excess revenues were used to pay for increased capital assets during the year.
- Among the major funds, the Union Centre Extension, Michael A. Fox Highway, West Chester Road and Princeton Road at State Route Bypass 4 funds had expenses of \$7.2 million, \$.9 million, \$1.8 million and \$1.1 million, respectively, as the District completed the Union Centre Extension and West Chester Road projects and wrapping up utility issues on the Michael A. Fox Highway. Princeton Road at State Route Bypass 4 was started in the fall of 2001.

## **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 11-12) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 13. These statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most financially significant funds.

### **Reporting the District as a Whole**

#### **The Statement of Net Assets and the Statement of Activities**

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

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

## Reporting the District's Most Significant Funds

### Fund Financial Statements

Our analysis of the District's major funds begins on page 7. The fund financial statements begin on page 14 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State law. However, the Board of Trustees establishes many other funds to help control and manage money for particular purposes (ex. various capital projects funds). The District only has governmental funds.

### Major Funds

- General
- Debt Service
- Union Centre Extension
- Michael A. Fox Highway
- West Chester Road
- Princeton Road at State Route Bypass 4

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

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements can be found on pages 18-35 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules which can be found on pages 39-50 of this report.

## THE DISTRICT AS A WHOLE

The District's total net assets changed from a year ago, increasing from \$64.3 million to \$71.2 million. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the District's governmental activities.

Table 1  
Net Assets (in millions)

	2000	2001		2000	2001
Current and other assets	\$ 28.1	\$ 25.6	Net assets:		
Long term receivables	133.6	128.0	Invested in capital assets, net of related debt	\$ 43.8	\$ 54.6
Capital assets	43.8	54.7	Restricted	16.0	14.7
Total Assets	<u>205.5</u>	<u>208.3</u>	Unrestricted	4.5	1.8
Long-term obligations	(138.8)	(133.5)	Total net assets	<u>\$ 64.3</u>	<u>\$ 71.1</u>
Other liabilities	(2.4)	(3.7)			
Total Liabilities	<u>(141.2)</u>	<u>(137.2)</u>			

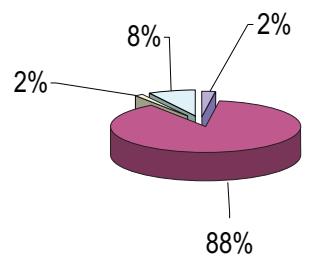
Net assets of the District's activities increased 10.7 percent or \$6.9 million. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased from \$4.5 million to \$1.8 million at the end of 2001. The decrease can be attributed to the District paying for utility relocation costs relating to the Michael A. Fox Highway that are not reimbursable and also for engineering costs associated with new projects in 2001.

Table 2 compares the 2001 change in net assets to the 2000 change in net assets.

**Table 2**  
**Changes in Net Assets for 2001**  
**Compared with 2000 activity**  
(in millions)

	2000	2001	Change
Program Revenues:			
Charges for Services	\$ 0.2	\$ 0.4	\$ 0.2
Capital Grants	21.3	15.0	(6.3)
General Revenues:			
Operating Grants	3.1	0.3	(2.9)
Other	2.4	1.3	(1.1)
Total Revenues	<u>\$ 27.0</u>	<u>\$ 17.0</u>	<u>\$ (10.0)</u>
Program Expenses			
General Government	6.6	3.0	(3.6)
Interest of Long-Term Debt	7.4	7.1	(0.3)
Total Expenses	<u>14.0</u>	<u>10.1</u>	<u>(3.9)</u>
Increase in Net Assets	<u><u>\$ 13.0</u></u>	<u><u>\$ 6.9</u></u>	<u><u>\$ (6.1)</u></u>

### 2001 Governmental Activities Revenues



### 2001 Governmental Activities Expenses

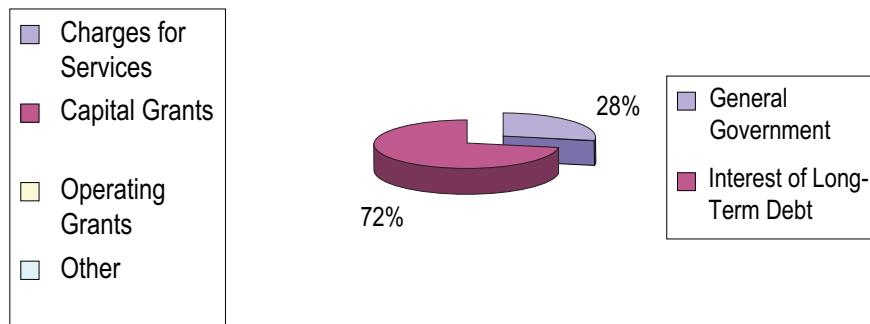


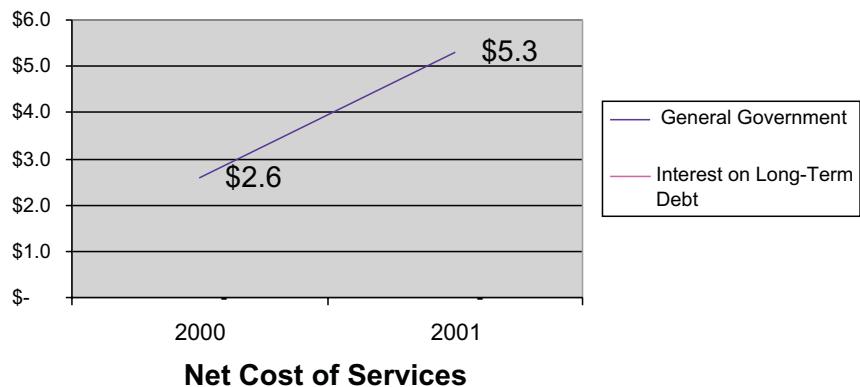
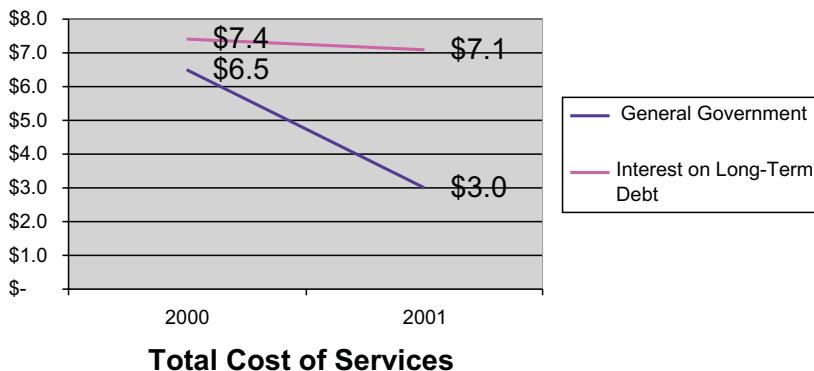
Table 3 presents the cost of each of the District's programs as well as each program's net cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the District by each of these functions

**Table 3**  
**Governmental Activities**  
(in millions)

	Total Cost of Services 2000	Total Cost of Services 2001	Net Cost of Services 2000	Net Cost of Services 2001
General Government	\$ 6.5	\$ 3.0	\$ 2.6	\$ 5.3
Interest on Long-Term Debt	<u>7.4</u>	<u>7.1</u>	-	-
<b>Total Expenses</b>	<b>\$ 13.9</b>	<b>\$ 10.1</b>	<b>\$ 2.6</b>	<b>\$ 5.3</b>

The decrease in general government from 2000 to 2001 for \$3.5 million can be attributed to more capital assets being constructed in 2001 than 2000. This is the main reason why the general government was able to generate such a large excess of program revenues over program expenses for both years. The District also reduced general operating expenses during the year by moving into a shared county facility and reducing operating expenses by almost fifty percent.

The graphs below depict the change in cost of services for the program expenses from 2000 to 2001 and also show the net cost of services for those expenses in the two years.



## THE DISTRICT'S FUNDS

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

**Table 4**  
**Changes in Year End Fund Balance**  
**in (Millions)**

	2000	2001	% Change
General	\$ 3.5	\$ 3.9	11.4%
Debt Service	0.4	0.1	-75.0%
Union Centre Extension	0.2	0.2	0.0%
Michael A. Fox Highway	14.6	13.8	-5.5%
West Chester Road	-	0.5	100.0%
Princeton Road at State			
Route Bypass 4	-	(0.3)	0.0%
Nonmajor Funds	<u>3.6</u>	<u>0.7</u>	<u>-80.6%</u>
Total Governmental Balances	<u><u>\$ 22.3</u></u>	<u><u>\$ 18.9</u></u>	<u><u>-15.2%</u></u>

The 11.4% increase in the **General Fund** can be attributed to the District reducing general operating costs by moving offices into the shared county facility during 2001. The District also collected a larger administration fee than anticipated with the additional phase on West Chester Road and Princeton Road at State Route Bypass 4 projects

The 75% decrease in the **Debt Service Fund** is attributed to a large amount of the balance at the end of 2000 being used for interest payments during 2001.

The 100% increase in the **West Chester Road Fund** is attributed to the project being completed in October 2001. Final costs of the project were completely wrapped up and the remaining fund balance is minimal.

The 80% decrease in the **Nonmajor Funds** can be attributed to several of the projects that were classified as major funds for 2000 that their completion and lack of activity caused to become nonmajor funds this year. Of these funds, the Muhlhauser Road fund saw the most activity as the District is responsible for a portion of the current road widening project through previously issued special assessment monies.

Table 5 presents a summary of governmental fund revenues for the 2001 fiscal year and the amounts and percentages of increases and decreases in relation to the prior year.

**Table 5**  
**Total Governmental Fund Revenues**

<b>Revenue Source</b>	2001 Amount	Percent of Total	Increase (Decrease) Over 2000	Percent Increase (Decrease)
Intergovernmental	\$ 19,793,111	92.7%	\$ (9,518,102)	-32.5%
Charges for Services	86,202	0.4%	(105,410)	-55.0%
Investment Earnings	1,201,655	5.6%	(609,804)	-33.7%
Change in Fair Value	23,909	0.1%	7,236	43.4%
Other	<u>253,803</u>	1.2%	(322,720)	-56.0%
<b>Total</b>	<b><u>\$ 21,358,680</u></b>	<b>100.0%</b>	<b>\$ (10,548,800)</b>	<b>-33.1%</b>

The 32.5% decrease in **intergovernmental revenues** and 55% decrease in **charges for services** can be attributed to the District only having three active projects during the 2001 year compared with five for 2000. All the District's projects are funded through local government participation contracts. With less projects in 2001, the District received less revenues.

The 33.7% decrease in **investment earnings** is attributed the Federal Reserve reducing interest rates to a very low percentage causing the District's overall return on investment to be reduced by almost three percent between the two years.

The 56% decrease in **other revenues** is attributed to the sales of property in 2000. The District only had sales of construction plans, a few property sales and rent for fiscal year 2001.

Table 6 presents the General Fund budget and the difference between the original budget and final budget for fiscal year 2001. Table 7 discusses the variance between the final budget and the actual results for the fiscal year.

**Table 6**  
**Original and Final Budget - General Fund**

	Budgeted Amounts		
	Original	Final	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 250,000	\$ 250,000	\$ -
Charges for Services	60,000	75,000	15,000
Investment Earnings	48,720	345,000	296,280
All Other	-	10,200	10,200
<b>Expenditures:</b>			
Total General Government	2,361,472	2,208,296	(153,176)
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	185,027	2,625,007	2,439,980
Operating Transfers Out	-	(125,000)	(125,000)

**Table 7**  
**Final Budget versus Actual Results**  
**General Fund**

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 250,000	\$ 250,000	\$ -
Charges for Services	75,000	68,367	(6,633)
Investment Earnings	345,000	307,074	(37,926)
Change in Fair Value of Investments	-	23,909	23,909
All Other	10,200	10,224	24
<b>Expenditures:</b>			
Total General Government	2,208,296	415,931	(1,792,365)
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	2,625,007	2,624,497	(510)
Operating Transfers Out	(125,000)	(2,297,556)	(2,172,556)

### Original versus Final Budget

The large variance between original and final budgeted amounts for **Investment Earnings** relates to the District not knowing the Federal Reserve policy relating to interest rates and the availability of cash and cash equivalents that could be invested.

The difference in **General Government** can be attributed to the additional cost savings that the District encountered with moving into shared county offices. The District was not aware of all the costs associated with the move when the original budget was prepared.

The difference in **Operating Transfers In** can be attributed to the capital projects funds repaying initial monies after the District had received reimbursement by the participating governments. The original budget did not anticipate these projects being completed during 2001.

### Final Budget versus Actual Results

The large variance in **General Government** is attributed to the District budgeting the contingency payment to the Ohio Department of Transportation (ODOT) in fiscal year 2001 but the monies were not paid as of December 31, 2001 and are recorded as a liability on the statement on net assets.

The variance in **Operating Transfers Out** is partially attributed to the District transferring monies at the end of the 2001 to eliminate negative fund balances in the Michael A. Fox Highway of nearly \$1.2 million. This deficit is used to offset the full amount of the contingency payment to ODOT for administration fee reimbursement.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At year-end, the District had \$54.6 million invested in construction in progress assets. This amount represents a net increase (including additions and deletions) of \$10.8 million, or 24.8%, over the last year. The amount of construction can be attributed to the local governments continued use of the District's ability to process and complete road improvement and construction projects in an efficient manner. The major construction projects that attributed to the fiscal year 2001 increase are Union Centre Extension (formerly Symmes Road Extension), Muhlhauser Road, West Chester Road Phases A and B and Princeton Road at State Route Bypass 4. The construction in progress is recorded on the financial statements until a dedication plat is recorded with Butler County even if the project is completed.

### Debt Administration

At year-end, the District had \$133.6 million in outstanding special obligation bonds payable versus \$138.8 million last year, a decrease of 3.7%. The fiscal year 2001 interest rate was 4.75% with the interest rate graduating to 6.00% in the year of maturity 2017. For a breakdown of the interest payment schedule refer to Note 10 of the the basic financial statements.

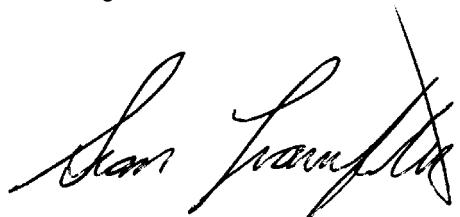
### ECONOMIC FACTORS

The District has operated solely in Southeastern Butler County since its 1994 formation. The District is currently looking at opportunities for expanding north of Hamilton, west to the Trenton/Oxford part of the County with a current study looking at alternatives around the City of Hamilton. The District is also working on a justification study for the extension of the Michael A. Fox Highway eastward into Liberty Township with Cox Road being a parallel connector running with Interstate 75 from the Michael A. Fox Highway to north of Princeton Road.

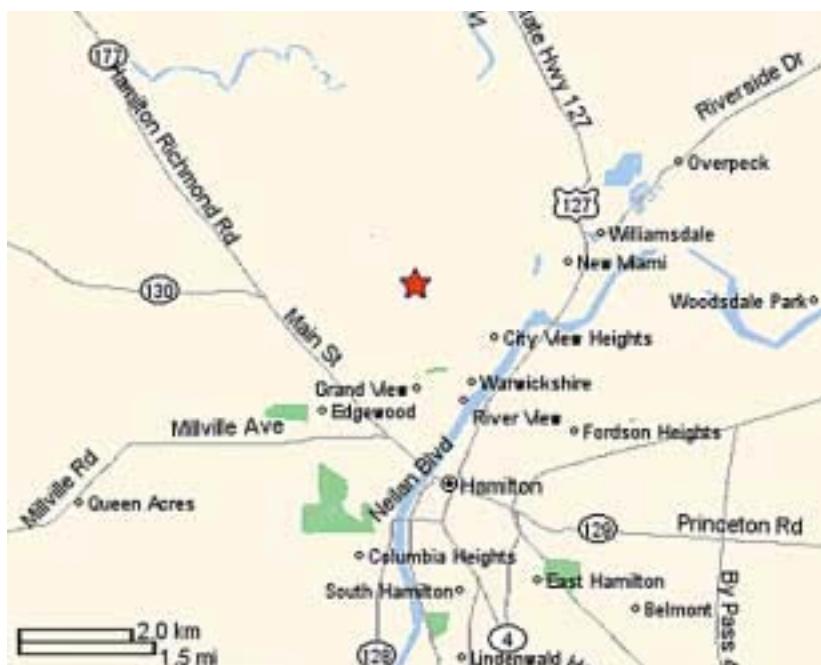
It is important that the District is able to succeed in the development of these projects not only for Butler County and its residents but also for the longevity of the District. The District has no continued revenue source except an administration fee charged on the various projects that it conducts.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

### REQUEST FOR INFORMATION

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



Sean Fraunfelter, CPA  
Director of Finance and Administration



**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2001**

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**Assets:**

**Current Assets:**

Cash and Cash Equivalents	\$ 3,082,439
Restricted Cash and Cash Equivalents	918,479
Cash with Fiscal Agent	13,890,369
Accounts Receivable (net)	3,698
Intergovernmental Receivables	2,177,776
Current Portion of Long Term Receivable	5,530,000
<i>Total Current Assets</i>	<u>25,602,761</u>
<b>Noncurrent Assets:</b>	
Long Term Receivable	128,040,000
Capital Assets - Construction in Progress	54,652,188
<i>Total Noncurrent Assets</i>	<u>182,692,188</u>
<b>Total Assets</b>	<u>208,294,949</u>

**Liabilities:**

**Current Liabilities:**

Accounts Payable	180,736
Contracts Payable	34,705
Accrued Wages and Benefits	7,420
Intergovernmental Payable	2,992
Accrued Interest Payable	1,756,079
Accrued Liability	1,627,934
Current Portion of Long Term Debt	5,530,000
<i>Total Current Liabilities</i>	<u>9,139,866</u>
<b>Noncurrent Liabilities:</b>	
Special Obligation Bonds Payable	128,040,000
<b>Total Liabilities</b>	<u>137,179,866</u>

**Net Assets:**

Invested in Capital Assets, Net of Related Debt	54,652,188
Restricted for:	
Capital Projects	918,479
Debt Service	13,771,807
Unrestricted	1,772,609
<b>Total Net Assets</b>	<u>\$ 71,115,083</u>

See accompanying notes to the financial statements

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

<b>Functions/Programs</b>	<b>Program Revenues</b>			<b>Net Revenue and Change in Net Assets</b>	
	<b>Charges for Services</b>		<b>Capital Grants and Contributions</b>	<b>Primary Government</b>	
	<b>Expenses</b>			<b>Governmental Activities</b>	
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ 3,005,859	\$ 370,668	\$ 7,902,350	\$	5,267,159
Interest on Long-Term Debt	7,132,810	-	7,132,810		-
Total Primary Government	<u>\$ 10,138,669</u>	<u>\$ 370,668</u>	<u>\$ 15,035,160</u>		<u>5,267,159</u>
General Revenues:					
Grants and Contributions not Restricted to Specific Programs					250,000
Unrestricted Investment Earnings					1,201,655
Change in Fair Value of Investments					23,909
Miscellaneous					117,157
Total General Revenues					<u>1,592,721</u>
Change in Net Assets					<u>6,859,880</u>
Net Assets - Beginning					64,255,203
Net Assets - Ending					<u>\$ 71,115,083</u>

See accompanying notes to the financial statements



**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**BALANCE SHEET -  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2001**

	<b>General</b>	<b>Debt Service</b>	<b>Union Centre Extension</b>	<b>Michael A. Fox Highway</b>	<b>West Chester Road</b>
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 1,586,386	\$ -	\$ -	\$ -	\$ 215,737
Investments	1,277,419	-	-	-	-
Receivables:					
Accounts, net	153	-	-	-	-
Interest	3,545	-	-	-	-
Intergovernmental	34,787	-	676,064	-	234,864
Interfund Loan	1,071,088	-	-	-	-
Lease	-	133,570,000	-	-	-
Restricted Assets:					
Cash with Fiscal Agent	-	62,919	-	13,827,450	-
Investments	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 3,973,378</b>	<b>\$ 133,632,919</b>	<b>\$ 676,064</b>	<b>\$ 13,827,450</b>	<b>\$ 450,601</b>
<b>Liabilities and Fund Balances</b>					
Liabilities					
Payable:					
Accounts	\$ 3,788	\$ -	\$ 23,837	\$ 1,731	\$ -
Contracts	-	-	-	-	-
Accrued Wages and Benefits	7,420	-	-	-	-
Intergovernmental	2,992	-	-	-	-
Interfund Loan	-	-	385,660	35,481	-
Deferred Revenue	17,105	133,570,000	60,024	-	-
<b>Total Liabilities</b>	<b>31,305</b>	<b>133,570,000</b>	<b>469,521</b>	<b>37,212</b>	<b>-</b>
<b>Fund Balances</b>					
Reserved for:					
Encumbrances	14,189	-	26,753	-	-
Debt Service	-	62,919	-	13,708,888	-
Unreserved, reported in:					
General	3,927,884	-	-	-	-
Capital Projects (Deficit)	-	-	179,790	81,350	450,601
<b>Total Fund Balances (Deficit)</b>	<b>3,942,073</b>	<b>62,919</b>	<b>206,543</b>	<b>13,790,238</b>	<b>450,601</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,973,378</b>	<b>\$ 133,632,919</b>	<b>\$ 676,064</b>	<b>\$ 13,827,450</b>	<b>\$ 450,601</b>

See accompanying notes to the financial statements

**Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities**  
**December 31, 2001**

Princeton Road at State Route Bypass 4	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 2,897	\$ 1,805,020
-	-	1,277,419
-	-	153
-	-	3,545
1,109,959	122,102	2,177,776
-	-	1,071,088
-	-	133,570,000
-	-	13,890,369
-	918,479	918,479
<b>\$ 1,109,959</b>	<b>\$ 1,043,478</b>	<b>\$ 154,713,849</b>
\$ -	\$ 151,380	180,736
19,750	14,955	34,705
-	-	7,420
-	-	2,992
649,947	-	1,071,088
720,638	122,102	134,489,869
<b>1,390,335</b>	<b>288,437</b>	<b>135,786,810</b>
-	-	40,942
-	-	13,771,807
(280,376)	755,041	3,927,884
<b>(280,376)</b>	<b>755,041</b>	<b>1,186,406</b>
<b>\$ 1,109,959</b>	<b>\$ 1,043,478</b>	<b>\$ 154,713,849</b>

<b>Total Governmental Fund Balances</b>	\$ 18,927,039
<b><i>Amounts reported in governmental activities in the statement of net assets are different because:</i></b>	
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds	54,652,188
Long-term receivables are not available to pay for current period expenditures and therefore are deferred in the funds	919,869
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds	133,570,000
Accrued interest on long-term bonds is not accounted for under modified accrual and therefore is not reported in the funds	(1,756,079)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(135,197,934)
<b><i>Net Assets of Governmental Activities</i></b>	<b><u>\$ 71,115,083</u></b>

## **TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

### **STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2001**

	General	Debt Service	Union Centre Extension	Michael A. Fox Highway	West Chester Road
<b>Revenues:</b>					
Intergovernmental	\$ 250,000	\$ -	\$ 7,216,040	\$ 9,857,737	\$ 1,794,814
Charges for Services	86,202	-	-	-	-
Investment Earnings	279,110	18,554	-	903,991	-
Change in Fair Value of Investments	23,909	-	-	-	-
All Other	10,250	40,387	-	181,841	21,325
<b>Total Revenues</b>	<b>649,471</b>	<b>58,941</b>	<b>7,216,040</b>	<b>10,943,569</b>	<b>1,816,139</b>
<b>Expenditures:</b>					
Current:					
General Government	389,346	-	-	-	-
Capital Outlay	-	-	7,234,892	925,584	1,814,012
Debt Service:					
Principal	-	5,280,000	-	-	-
Interest	-	7,210,775	-	-	-
<b>Total Expenditures</b>	<b>389,346</b>	<b>12,490,775</b>	<b>7,234,892</b>	<b>925,584</b>	<b>1,814,012</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	260,125	(12,431,834)	(18,852)	10,017,985	2,127
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In	2,624,371	12,417,480	-	1,563,174	450,000
Operating Transfers Out	(2,410,806)	(301,086)	-	(12,417,480)	-
<b>Total Other Financing Sources (Uses)</b>	<b>213,565</b>	<b>12,116,394</b>	<b>-</b>	<b>(10,854,306)</b>	<b>450,000</b>
Net Change in Fund Balances	473,690	(315,440)	(18,852)	(836,321)	452,127
Fund Balances (Deficit) - beginning	3,468,383	378,359	225,395	14,626,559	(1,526)
<b>Fund Balances (Deficit) - ending</b>	<b>\$ 3,942,073</b>	<b>\$ 62,919</b>	<b>\$ 206,543</b>	<b>\$ 13,790,238</b>	<b>\$ 450,601</b>

See accompanying notes to the financial statements

Princeton Road at State Route Bypass 4	Other Governmental Funds	Total Governmental Funds
\$ 389,321	\$ 285,199	\$ 19,793,111
-	-	86,202
-	-	1,201,655
-	-	23,909
-	-	253,803
<u>389,321</u>	<u>285,199</u>	<u>21,358,680</u>
1,130,145	752,506	389,346
-	-	11,857,139
-	-	5,280,000
-	-	7,210,775
<u>1,130,145</u>	<u>752,506</u>	<u>24,737,260</u>
<u>(740,824)</u>	<u>(467,307)</u>	<u>(3,378,580)</u>
460,448	238,250	17,753,723
-	(2,624,351)	(17,753,723)
<u>460,448</u>	<u>(2,386,101)</u>	<u>-</u>
<u>(280,376)</u>	<u>(2,853,408)</u>	<u>(3,378,580)</u>
-	3,608,449	22,305,619
<u>\$ (280,376)</u>	<u>\$ 755,041</u>	<u>\$ 18,927,039</u>

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities**  
**For the Year Ended December 31, 2001**

<b>Net Change in Governmental Fund Balances</b>	<b>\$ (3,378,580)</b>
<i>Amounts reported for the governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated to the projects as construction in progress	
	10,868,560
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	919,869
Collection of long-term receivables is not reflected in the statement of activities, whereas in governmental funds it is reported as revenue	(5,280,000)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces the long- term liabilities in the statement of net assets.	5,280,000
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds	(1,627,934)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	77,965
<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ 6,859,880</u></b>

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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

The Board of Trustees annually appoints the Chair(person) of the Board from existing board members. The Chair responsibilities are to preside at all meetings of the Board; 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 exercise supervision over the business of the District, its officers and employees.

The Board of Trustees 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 Trustees.

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

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty-one days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Grants and entitlements and interest associated with the current fiscal period are all considered being susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the District receives cash.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Fund Accounting*

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

*Governmental Funds*

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

The District reports the following major governmental funds:

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

Debt Service Fund – The Debt Service fund accounts for the servicing of general long-term debt and revenues generated by the Michael A. Fox Highway that are required to be used in payment of long-term debt.

Union Centre Extension Capital Projects Fund - Formerly known as Symmes Road Extension, the fund is used to account for the TID's improvements and construction of a five lane road from State Route 747 to Seward Road.

Michael A. Fox Highway Capital Projects Fund – The fund accounts for the TID's construction of a 10.7 mile divided above graded interstate like roadway from the City of Hamilton to Interstate 75.

West Chester Road Capital Projects Fund - To account for the widening of West Chester Road from the Interstate 75 bridge to Beckett Road.

Princeton Road at State Route Bypass 4 Capital Projects Fund – This project involved the widening of Princeton Road and State Route Bypass 4 including installing a new signal at the Winford Drive intersection and revising the signalization at State Route Bypass 4.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Revenues - Exchange and Non-Exchange Transactions***

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

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

***Expenses/Expenditures***

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

**D. Cash and Cash Equivalents**

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

During fiscal year 2001, investments were limited to Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Bonds, Federal Farm Credit Bank Discount Notes, Overnight Repurchase Agreements, Firstar Money Market Mutual Funds and Guaranteed Investment Contracts.

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

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Following Ohio statutes, the Board of Trustees has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2001 amount to \$279,110, which includes \$73,509 assigned from other District funds.

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

**E. Restricted Assets**

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

**F. Interfund Transactions**

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

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

On the governmental funds balance sheet, receivables and payables resulting from short-term interfund loans are classified as “interfund loan receivables/payables.” These amounts are eliminated on the statement of net assets.

**G. Capital Assets**

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

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

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. 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 unless the Executive Director grants remaining vacation balances to be carried over to the next year on an individual basis.

**I. 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.

**J. Reservations of Fund Balance**

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore, are not available for appropriations or expenditure in the governmental fund balance sheet. Unreserved 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 general and capital projects funds and for future debt service in the Debt Service Fund. If restricted and unrestricted assets are available for the same purpose, then restricted assets will be used before unrestricted assets.

**K. Net Assets**

Net assets present the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

**L. Estimates**

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

**M. Deferred Revenues**

The District reports unearned deferred revenue in the governmental fund balance sheet. Deferred and unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In general, monies received within thirty-one days after year-end are considered to have been for prior year services.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Accrued Liability**

The District reports an accrued liability on the statement of net assets. The liability arose based upon an intergovernmental agreement between the District and the Ohio Department of Transportation (ODOT). The District received an administration fee related to the construction of the Michael A. Fox Highway. The liability is the portion of that fee collected the District is refunding based on a supplemental agreement.

**O. Reconciliation of Government-Wide and Fund Financial Statements**

*Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets*

The governmental fund balance sheet includes a reconciliation between *total governmental fund balances* and *net assets of governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$135,197,934 are as follows:

Accrued Liability	\$1,627,934
Special Obligation Bonds Payable	<u>133,570,000</u>
Net Adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$135,197,934</u>

**NOTE 2 - ACCOUNTABILITY**

**Fund Deficits**

As of December 31, 2001, the Princeton Road at State Route Bypass 4, Union Centre Boulevard and State Route 747 Capital Projects Funds had deficit fund balances of \$280,376, \$14,955 and \$148,483, respectively. The deficits were created through recognition of amounts owed but not yet paid by the funds (accounts payable). The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**NOTE 3 – DEPOSITS 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.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)**

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

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)**

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

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

**A. Deposits**

At year-end the carrying amount of the District’s deposits was (\$365,195) and the bank balance was \$181,372. Federal depository insurance coverage did not apply to the bank balance. The deposits were classified as Category 2, collateralized, as defined by GASB (securities are pledged with the pledging financial institution’s trust department or agent in the District’s name).

**B. Investments**

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

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

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

The District has investments of \$13,708,888 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.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 3 – DEPOSITS AND INVESTMENTS** (Continued)

The GIC is not required to be collateralized except in the event that the ratings of MBIA by either S&P or Moody's fall below "AA-" or "Aa3", respectively. MBIA Inc., at its option, within 10 days of receipt of publication of such downgrade, may either (A) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws to the District, the Trustee or a third party acting solely as agent therefor 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, 2001 are summarized below:

Categorized Investments	Category 2	Category 3	Fair Value/ Contract Value
Repurchase Agreement	\$1,127,601	\$0	\$1,127,601
Federal Home Loan Mortgage Corp	0	757,799	757,799
Federal Home Loan Bank	0	1,433,105	1,433,105
Federal Farm Credit Bank	0	204,874	204,874
Noncategorized Investments			
Fifth Third Money Market Mutual Fund	0	0	1,000,644
Firststar Money Market Mutual Fund	0	0	23,571
Guaranteed Investment Contract	N/A	N/A	13,708,888
Total Investments	<u>\$1,127,601</u>	<u>\$2,395,778</u>	<u>\$18,256,482</u>

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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**NOTE 3 – DEPOSITS 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. A reconciliation between classifications of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	\$15,700,383	\$2,190,904
<b>Investments:</b>		
Repurchase Agreement	(1,127,601)	1,127,601
Federal Farm Credit Bank	(204,874)	204,874
Fifth Third Money Market Mutual Fund	(1,000,644)	1,000,644
Firststar Money Market Mutual Fund	(23,571)	23,571
Guaranteed Investment Contract	<u>(13,708,888)</u>	<u>13,708,888</u>
GASB Statement No. 3	<u>(\$365,195)</u>	<u>\$18,256,482</u>

**NOTE 4 – INTERFUND BALANCES**

Interfund balances at December 31, 2001, consist of the following individual receivables and payables in the governmental fund balance sheet (such amounts are removed in the statement of net assets):

Fund	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$1,071,088	\$0
<b>Capital Projects Funds:</b>		
Union Centre Extension Fund	0	385,660
Michael A. Fox Highway Fund	0	35,481
Princeton Road at State		
Route Bypass 4 Fund	0	649,947
Total Capital Projects Funds	0	1,071,088
Totals	<u>\$1,071,088</u>	<u>\$1,071,088</u>

During the year the Capital Projects Funds expended moneys for construction projects that are defined through governmental reimbursement contracts. The reimbursements were not made before year-end and the General Fund transferred moneys to cover the deficits in the funds. The General Fund will be repaid within one year or less once the reimbursements are received.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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**NOTE 5 – OPERATING TRANSFERS**

The following is a summary of operating transfers in and out for all funds for 2001:

Fund	Transfer In	Transfer Out
General Fund	\$2,624,371	\$2,410,806
Debt Service Fund	12,417,480	301,086
Capital Projects Funds		
Michael A. Fox Highway Fund	1,563,174	12,417,480
West Chester Road Fund	450,000	0
Princeton Road at Bypass 4 Fund	460,448	0
Nonmajor Funds	238,250	2,624,351
Total Capital Projects Funds	2,711,872	15,041,831
Totals	<u>\$17,753,723</u>	<u>\$17,753,723</u>

The District completes construction projects on a reimbursement basis through participating local governments. The District must initially transfer moneys from the General Fund to the various Capital Projects Funds before the expenditures are made. Once the District receives reimbursement the Capital Projects Funds will refund the money to the General Fund. The transfer-in in the Debt Service Fund relates to the Ohio Department of Transportation's (ODOT) lease payment recognized into the Michael A. Fox Highway Capital Projects Fund and then moved into the Debt Service Fund for principal and interest payment. The transfer-out in the Debt Service Fund relates to a one-time movement of interest revenue into the Michael A. Fox Highway Capital Projects Fund which was used to reduce the lease payment by ODOT for that period.

**NOTE 6 – INTERGOVERNMENTAL REVENUES AND CHARGES FOR SERVICES**

The following entities, which are a part of the District, have contributed the following funds during 2001.

Member Name	Contribution
Butler County	\$1,962,596
Fairfield Township	1,067,498
West Chester Township	3,106,165
City of Fairfield	4,216,040

Charges for service recorded in the General Fund, represent the administrative project cost related to the Butler County and West Chester Township's projects.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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**NOTE 7 – CAPITAL ASSETS**

Summary by category of changes in general fixed assets:

Category	December 31, 2000	Additions	Deletions	December 31, 2001
Construction in Progress	\$43,783,628	\$10,868,560	\$0	\$54,652,188
Totals	<u>\$43,783,628</u>	<u>\$10,868,560</u>	<u>\$0</u>	<u>\$54,652,188</u>

**NOTE 8 – DEFINED BENEFIT PENSION AND POSTEMPLOYMENT BENEFITS PLANS**

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The employer contribution rate was 13.55%, 9.25% to fund the pension and 4.30% to fund health care. The contribution requirements of plan members and the District are established and may be amended by the Public Employees Retirement Board. The District's contributions to the PERS of Ohio for the years ending December 31, 2001, 2000, and 1999 were \$14,624, \$14,510, and \$36,173, respectively, 87.02 percent has been contributed for fiscal year 2001 and 100 percent has been contributed for fiscal years 2000 and 1999.

The PERS of Ohio provides postemployment health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage to be provided by the retirement system is considered Other Postemployment Benefits as described in GASB Statement No. 12. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the 2001 employer contribution rate (identified above) that was used to fund health care for the year 2001 was 4.30% of covered payroll which amounted to \$6,281.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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**NOTE 8 – DEFINED BENEFIT PENSION AND POSTEMPLOYMENT BENEFITS PLANS (Continued)**

Other Postemployment Benefits (OPEB) are advanced-funded on an actuarially determined basis. The assumption and calculation below were based on the System's latest actuarial review performed as of December 31, 2000. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. As of December 31, 2000, the actuarial value of net assets available for future OPEB payments was \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively. The number of active contributing participants for OPEB at December 31, 2001 was 411,076.

**NOTE 9 – LEASE**

In 1996, the District entered into a Master Lease Agreement with the Ohio Department of Transportation (ODOT). The District will receive lease payments equal to the debt service requirements on the 1997 Highway Improvement Bonds for twenty years. In return the District will lease the Michael A. Fox Highway to ODOT. The lease expired on June 30, 2001 and was renewed 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, ODOT holds a bargain purchase option on the Michael A. Fox Highway for one dollar plus any outstanding liabilities and contractual obligations. If 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 at the present value of the future minimum lease payments as of the inception date.

The following is a summary of future annual lease payments:

Year	Principal	Interest	Total
2002	\$5,530,000	\$7,085,375	\$12,615,375
2003	5,810,000	6,808,875	12,618,875
2004	6,100,000	6,518,375	12,618,375
2005	6,405,000	6,213,375	12,618,375
2006	6,725,000	5,893,125	12,618,125
2007-2011	39,290,000	23,793,700	63,083,700
2012-2016	51,705,000	11,379,687	63,084,687
2017	12,005,000	615,256	12,620,256
	<b>\$133,570,000</b>	<b>\$68,307,768</b>	<b>\$201,877,768</b>

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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**NOTE 10 – LONG-TERM OBLIGATIONS**

	Balance December 31, 2000	Issued (Retired)	Balance December 31, 2001	Due Within One Year
<b>Governmental Activities:</b>				
Special Obligation Bonds:				
4.75-6.00% 1997				
Highway Improvement	\$138,850,000	(\$5,280,000)	\$133,570,000	\$5,530,000
Governmental activity				
Long-term liabilities	\$138,850,000	(\$5,280,000)	\$133,570,000	\$5,530,000

On October 1, 1997, the District issued \$158,485,000 in bonds for the purpose of acquiring, design and construction of the Michael A. Fox Highway between State Route 4 and Interstate 75, including the interchange at Interstate 75 and the design and construction of any necessary modifications to Interstate 75 required by the Federal Highway Administration resulting from the construction of the Union Centre and Michael A. Fox Highway interchanges. The bonds are being repaid from the Debt Service Fund with a final maturity in 2017.

The following is a summary of the District's future annual debt service requirements for the 1997 Highway Improvement Special Obligation Bonds:

Special Obligation Bonds

Year	Principal	Interest	Total
2002	\$5,530,000	\$7,085,375	\$12,615,375
2003	5,810,000	6,808,875	12,618,875
2004	6,100,000	6,518,375	12,618,375
2005	6,405,000	6,213,375	12,618,375
2006	6,725,000	5,893,125	12,618,125
2007-2011	39,290,000	23,793,700	63,083,700
2012-2016	51,705,000	11,379,687	63,084,687
2017	12,005,000	615,256	12,620,256
	<b>\$133,570,000</b>	<b>\$68,307,768</b>	<b>\$201,877,768</b>

**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, 2001:

Project and Contractor	Outstanding Balance
Symmes Road – John R Jurgenson	\$330,041
Symmes Road – BHE Environmental	26,753
Princeton Road at Bypass 4 – Don S. Cisle	127,821
Total	<b>\$484,615</b>

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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 2001, the District contracted with the Personal Service Insurance Co. for liability, property, and crime damage. Coverages provided by the company are as follows:

Public Official Errors and Omissions Liability (Per occurrence)	\$1,000,000
Business Auto Coverage Liability Combined	1,000,000
Commercial General Liability	2,000,000
Commercial Property	1,000,000
Personal and Advertising Injury	1,000,000
Valuable Papers	75,000
Crime Insurance:	
Forgery or Alteration	25,000
Employee Dishonesty (Per occurrence)	500,000
Surety Bond (David Gully, Secretary/Treasurer)	500,000

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

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

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

**NOTE 13 – CHANGE IN ACCOUNTING PRONOUNCEMENTS**

In 2001, the District implemented the following GASB Statements

- ◆ GASB Statement No. 36, "*Recipient Reporting for Certain Shared Non Exchange Revenues*" an omnibus to Statement No. 33, "*Accounting and Financial Reporting for Nonexchange Transactions*."
- ◆ GASB Statement No. 37, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*."
- ◆ GASB Statement No. 38, "*Certain Financial Statement Note Disclosures*."
- ◆ GASB Interpretation No. 6, "*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

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**NOTE 13 – CHANGE IN ACCOUNTING PRONOUNCEMENTS** (Continued)

The implementation of these new pronouncements had no effect on the prior year's fund balances and net assets.

**NOTE 14 – CONTIGENCIES**

As of December 31, 2001, the District did not have any pending litigation or potential undisclosed liabilities that management believes would have a material effect on the financial statements.

# **REQUIRED SUPPLEMENTARY INFORMATION**

# **TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001**

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	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Charges for Services	60,000	75,000	68,367	(6,633)
Investment Earnings	48,720	345,000	307,074	(37,926)
Change in Fair Value of Investments	-	-	23,909	23,909
All Other	-	10,200	10,224	24
Total Revenues	358,720	680,200	659,574	(20,626)
<b>Expenditures:</b>				
Current:				
General Government				
Personal Services	374,764	235,000	215,278	19,722
Contractual Services	85,425	110,665	92,407	18,258
Materials and Supplies	115,270	86,000	29,452	56,548
Other	1,786,013	1,776,631	78,794	1,697,837
Total General Government	2,361,472	2,208,296	415,931	1,792,365
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,002,752)	(1,528,096)	243,643	1,771,739
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	185,027	2,625,007	2,624,497	(510)
Operating Transfers Out	-	(125,000)	(2,297,556)	(2,172,556)
Total Other Financing Sources (Uses)	185,027	2,500,007	326,941	(2,173,066)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,817,725)	971,911	570,584	(401,327)
Fund Balance Beginning of Year	3,320,302	3,320,302	3,320,302	-
Fund Balance End of Year	\$ 1,502,577	\$ 4,292,213	\$ 3,890,886	\$ (401,327)
	Budget Basis	\$ 570,584		
	Revenue Accruals	(10,103)		
	Expenditure Accruals	10,585		
	Encumbrances	16,000		
	Transfer Accruals	(113,376)		
	GAAP Basis	\$ 473,690		

***TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2001***

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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 are required to be budgeted and appropriated. The level of budgetary control is at the object level for the District. Any budgetary modifications at this level may only be made by resolution of the District Board. Supplemental appropriations were necessary during the year which increased and decreased the original budget amounts.

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

**1. Estimated Resources**

As part of the District's budgetary process, the Board approves the official estimated resources. The official estimated resources states the projected revenue of each fund. Prior to December 31, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the official estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the estimated resources is amended to include any unencumbered balances from the preceding year. The estimated resources may be further amended during the year if the Board determines that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2001.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2001**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Appropriations**

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

**3. 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.

**4. Budgetary Basis of Accounting**

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

# **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **CAPITAL PROJECTS FUND**

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

#### **By Pass 4 Improvements Fund**

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

#### **Union Centre Boulevard Fund**

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

#### **State Route 747 Fund**

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

#### **Muhlhauser Road Fund**

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

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2001**

<b>CAPITAL PROJECTS</b>					
	Union Centre Boulevard	State Route 747	Muhlhauser Road	Total Nonmajor Governmental Funds	
<b>Assets:</b>					
Cash and Cash Equivalents	\$ -	\$ 2,897	\$ -	\$ 2,897	
Receivables from Other Governments	- -	122,102	- -	122,102	
Restricted Assets:					
Investments	- -	- -	918,479	918,479	
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 124,999</b>	<b>\$ 918,479</b>	<b>\$ 1,043,478</b>	
<b>Liabilities:</b>					
Accounts Payable	\$ - -	\$ 151,380	\$ - -	\$ 151,380	
Contracts Payable	14,955	- -	- -	14,955	
Deferred Revenue	- -	122,102	- -	122,102	
<b>Total Liabilities</b>	<b>14,955</b>	<b>273,482</b>	<b>- -</b>	<b>288,437</b>	
<b>Fund Balances:</b>					
Unrestricted:					
Unreserved (Deficit)	(14,955)	(148,483)	918,479	755,041	
<b>Total Fund Balances</b>	<b>(14,955)</b>	<b>(148,483)</b>	<b>918,479</b>	<b>755,041</b>	
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 124,999</b>	<b>\$ 918,479</b>	<b>\$ 1,043,478</b>	

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

**NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

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CAPITAL PROJECTS				
	Union Centre Boulevard	State Route 747	Muhlhauser Road	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Intergovernmental	\$ 285,199	\$ -	\$ -	\$ 285,199
Total Revenues	<u>285,199</u>	<u>-</u>	<u>-</u>	<u>285,199</u>
<b>Expenditures:</b>				
Capital Outlay	263,089	274,844	214,573	752,506
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>22,110</u>	<u>(274,844)</u>	<u>(214,573)</u>	<u>(467,307)</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	113,250	125,000	-	238,250
Operating Transfers Out	(144,274)	(1,600,073)	(880,004)	(2,624,351)
Total Other Financing Sources (Uses)	<u>(31,024)</u>	<u>(1,475,073)</u>	<u>(880,004)</u>	<u>(2,386,101)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,914)	(1,749,917)	(1,094,577)	(2,853,408)
Fund Balance (Deficit) Beginning of Year	(6,041)	1,601,434	2,013,056	3,608,449
Fund Balance (Deficit) End of Year	<u>\$ (14,955)</u>	<u>\$ (148,483)</u>	<u>\$ 918,479</u>	<u>\$ 755,041</u>

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE**

**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**

**DEBT SERVICE FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

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	<b>Budgeted Amounts</b>			Variance with Final Budget Positive (Negative)	
	<b>Original</b>	<b>Final</b>	<b>Actual</b>		
<b>Revenues:</b>					
Investment Earnings	\$ -	\$ 20,000	\$ 18,554	\$ (1,446)	
All Other	-	-	40,387	40,387	
Total Revenues	-	20,000	58,941	38,941	
<b>Expenditures:</b>					
Debt Service:					
Principal Retirement	5,280,000	5,280,000	5,280,000		-
Interest and Fiscal Charges	7,336,175	7,210,775	7,210,775		-
Total Expenditures	12,616,175	12,490,775	12,490,775		-
Deficiency of Revenues Under Expenditures	(12,616,175)	(12,470,775)	(12,431,834)	38,941	
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In	12,616,175	14,225,175	12,417,480	(1,807,695)	
Operating Transfers Out	-	(302,000)	(301,086)	914	
Total Other Financing Sources (Uses)	12,616,175	13,923,175	12,116,394	(1,806,781)	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	1,452,400	(315,440)	(1,767,840)	
Fund Balance Beginning of Year	378,359	378,359	378,359	-	
Fund Balance End of Year	\$ 378,359	\$ 1,830,759	\$ 62,919	\$ (1,767,840)	

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
UNION CENTRE EXTENSION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001**

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	<u>Budgeted Amounts</u>			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
<b>Revenues:</b>					
Intergovernmental	\$ 7,683,398	\$ 8,000,000	\$ 6,600,000	\$ (1,400,000)	
<b>Expenditures:</b>					
Capital Outlay	10,683,398	7,792,863	7,337,593	455,270	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,000,000)	207,137	(737,593)	(944,730)	
<b>Other Financing Sources:</b>					
Proceeds of Sale of Short-Term Notes	3,000,000	-	-	-	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	207,137	(737,593)	(944,730)	
Fund Balance Beginning of Year	322,682	322,682	322,682	-	
Prior Year Encumbrances	2,498	2,498	2,498	-	
Fund Balance (Deficit) End of Year	<u>\$ 325,180</u>	<u>\$ 532,317</u>	<u>\$ (412,413)</u>	<u>\$ (944,730)</u>	

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE**

**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**

**MICHAEL A. FOX HIGHWAY CAPITAL PROJECTS FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

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	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		
<b>Revenues:</b>					
Intergovernmental	\$ -	\$ 10,000,000	\$ 9,857,737	\$ (142,263)	
Investment Earnings	740,000	905,000	903,991		(1,009)
All Other	-	225,000	181,841		(43,159)
Total Revenues	740,000	11,130,000	10,943,569		(186,431)
<b>Expenditures:</b>					
Capital Outlay	200,000	1,367,000	1,280,210		86,790
Excess of Revenues Over Expenditures	540,000	9,763,000	9,663,359		(99,641)
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In	-	302,000	1,563,174		1,261,174
Operating Transfers Out	(12,616,175)	(12,418,000)	(12,417,480)		520
Total Other Financing Sources (Uses)	(12,616,175)	(12,116,000)	(10,854,306)		1,261,694
Deficiency of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(12,076,175)	(2,353,000)	(1,190,947)		1,162,053
Fund Balance Beginning of Year	14,810,963	14,810,963	14,810,963		-
Prior Year Encumbrances	171,956	171,956	171,956		-
Fund Balance End of Year	<u>\$ 2,906,744</u>	<u>\$ 12,629,919</u>	<u>\$ 13,791,972</u>		<u>\$ 1,162,053</u>

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
WEST CHESTER ROAD CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001**

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	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental	\$ 3,498,000	\$ 3,498,000	\$ 1,995,103	\$ (1,502,897)
All Other	-	-	21,325	21,325
Total Revenues	3,498,000	3,498,000	2,016,428	(1,481,572)
<b>Expenditures:</b>				
Capital Outlay	3,498,000	3,010,400	1,814,987	1,195,413
Excess of Revenues Over Expenditures	-	487,600	201,441	(286,159)
<b>Other Financing Sources:</b>				
Operating Transfers In	-	-	450,000	450,000
Excess of Revenues and Other Financing Sources Over Expenditures	-	487,600	651,441	163,841
Fund Balance (Deficit) Beginning of Year	(435,704)	(435,704)	(435,704)	-
Fund Balance (Deficit) End of Year	\$ (435,704)	\$ 51,896	\$ 215,737	\$ 163,841

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**

**PRINCETON ROAD AT STATE ROUTE BYPASS 4 CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001**

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	<b>Budgeted Amounts</b>			Variance with Final Budget Positive (Negative)	
	<b>Original</b>	<b>Final</b>	<b>Actual</b>		
<b>Revenues:</b>					
Intergovernmental	\$ -	\$ 1,245,000	\$ -	\$	(1,245,000)
<b>Expenditures:</b>					
Capital Outlay	-	1,300,797	1,110,395		190,402
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(55,797)	(1,110,395)		(1,054,598)
<b>Other Financing Sources:</b>					
Operating Transfers In	-	-	460,448		460,448
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	(55,797)	(649,947)		(594,150)
Fund Balance Beginning of Year	-	-	-		-
Fund Balance (Deficit) End of Year	\$ -	\$ (55,797)	\$ (649,947)	\$	(594,150)

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

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

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**BYPASS 4 IMPROVEMENT FUND**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	-	-
<b>Other Financing Uses:</b>				
Operating Transfers Out	(5,000)	-	-	-
Excess of Revenues Under Expenditures and Other Financing Uses	(5,000)	-	-	-
Fund Balance Beginning of Year	-	-	-	-
Fund Balance (Deficit) End of Year	<u>\$ (5,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
NONMAJOR CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001**

**UNION CENTRE BOULEVARD FUND**

	<b>Budgeted Amounts</b>			Variance with Final Budget	
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>	<b>(Negative)</b>
<b>Revenues:</b>					
Intergovernmental	\$ -	\$ 455,000	\$ 455,404	\$ -	404
<b>Expenditures:</b>					
Capital Outlay		295,000	293,495		1,505
Excess of Revenues Over Expenditures	-	160,000	161,909		1,909
<b>Other Financing Uses:</b>					
Operating Transfers Out	(180,027)	(145,000)	(144,274)		726
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(180,027)	15,000	17,635		2,635
Fund Balance (Deficit) Beginning of Year	(17,635)	(17,635)	(17,635)		-
Fund Balance (Deficit) End of Year	<u>\$ (197,662)</u>	<u>\$ (2,635)</u>	<u>\$ -</u>		<u>\$ 2,635</u>

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
NONMAJOR CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001**

<b>STATE ROUTE 747 FUND</b>					
	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>	
	<b>Original</b>	<b>Final</b>	<b>Actual</b>		
<b>Revenues:</b>					
Intergovernmental	\$ -	\$ 1,034,277	\$ 1,034,277	\$ -	-
<b>Expenditures:</b>					
Capital Outlay	-	132,800	131,832		968
Excess of Revenues Over Expenditures	-	901,477	902,445		968
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In	-	125,000	125,000		-
Operating Transfers Out	-	(1,600,073)	(1,600,073)		-
Total Other Financing Sources (Uses)	-	(1,475,073)	(1,475,073)		-
Deficiency of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	-	(573,596)	(572,628)		968
Fund Balance Beginning of Year	575,525	575,525	575,525		-
Fund Balance (Deficit) End of Year	\$ 575,525	\$ 1,929	\$ 2,897	\$ 968	

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
NONMAJOR CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001**

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<b>MUHLHAUSER ROAD FUND</b>				Variance with Final Budget Positive (Negative)	
<b>Budgeted Amounts</b>					
	<b>Original</b>	<b>Final</b>	<b>Actual</b>		
<b>Revenues:</b>					
Total Revenues	\$ -	\$ -	\$ -	\$ -	
<b>Expenditures:</b>					
Capital Outlay	-	900,000	214,573	685,427	
Deficiency of Revenues Under Expenditures	-	(900,000)	(214,573)	(685,427)	
<b>Other Financing Uses:</b>					
Operating Transfers Out	-	(880,004)	(880,004)	-	
Deficiency of Revenues Under Expenditures and Other Financing Uses	-	(1,780,004)	(1,094,577)	685,427	
Fund Balance Beginning of Year	2,013,056	2,013,056	2,013,056	-	
Fund Balance End of Year	<u>\$ 2,013,056</u>	<u>\$ 233,052</u>	<u>\$ 918,479</u>	<u>\$ 685,427</u>	

# **STATISTICAL SECTION**

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**GENERAL FUND EXPENDITURES BY FUNCTION**

**LAST EIGHT YEARS**

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<u>Year</u>	<u>General Government</u>	<u>Capital Outlay</u>	<u>Total Expenditures</u>
1994	\$ 54,256	\$ -	\$ 54,256
1995	288,849	-	288,849
1996	514,337	36,445	550,782
1997	786,091	41,858	827,949
1998	781,598	20,948	802,546
1999	1,019,865	6,272	1,026,137
2000	557,999	-	557,999
2001	389,346	-	389,346

Source: Transportation Improvement District

Note: The District's first fiscal year was 1994.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**GENERAL FUND REVENUES BY SOURCE**

**LAST EIGHT YEARS**

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Year	Inter-Governmental	Charges For Services	Investment Earnings	Change in Fair Value of Investments	All Other Revenues	Total Revenues
1994	\$ 557,417	\$ -	\$ 4,850	NA	\$ -	\$ 562,267
1995	2,800,000	-	49,439	NA	41	2,849,480
1996	10,850,000	-	114,017	NA	2,663	10,966,680
1997	7,110,000	1,357,665	482,073	NA	359	8,950,097
1998	3,139,584	1,630,433	293,883	NA	11,103	5,075,003
1999	3,477,263	1,686,630	414,822	NA	235,590	5,814,305
2000	713,600	191,612	297,039	16,673	372,730	1,591,654
2001	250,000	86,202	279,110	23,909	10,250	649,471

Source: Transportation Improvement District

Note: The District's first fiscal year was 1994.

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**DEMOGRAPHIC STATISTICS**

**DECEMBER 31, 2001**

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**Labor Force Statistics**

EMPLOYMENT BY INDUSTRIAL SECTOR	1999	2000	Percentage Change
All Industries	122,377	126,649	3.49%
Agriculture, Forestry, Fishing	686	818	19.24%
Mining	184	156	-15.22%
Construction	7,903	7,873	-0.38%
Manufacturing	23,137	22,533	-2.61%
Transportation and Utilities	4,559	4,999	9.65%
Wholesale and Retail Trade	33,436	34,863	4.27%
Finance, Insurance, Real Estate	7,500	7,604	1.39%
Services	28,528	29,461	3.27%
Government	16,446	18,343	11.53%

	Employment	Unemployment	Labor Force	Unemployment Rate	
				County	State
1994	151,900	8,600	160,500	5.4%	5.5%
1995	155,700	6,880	162,580	4.2%	4.8%
1996	162,350	7,140	169,490	4.2%	4.9%
1997	167,900	6,100	174,000	3.5%	4.6%
1998	171,700	8,000	179,700	4.5%	4.2%
1999	180,900	5,600	186,500	3.0%	4.2%
2000	185,400	4,900	190,300	2.6%	3.7%
2001	192,400	6,400	198,800	3.2%	4.8%

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

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**DEMOGRAPHIC STATISTICS**

**DECEMBER 31, 2001**

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**Income Statistics**

AVERAGE ANNUAL EARNING BY SECTOR

	1998	1999	2000
All Industries	\$ 29,849	\$ 30,768	\$ 31,240
Agriculture, Forestry, Fishing	16,558	17,030	16,782
Mining	40,017	40,816	43,717
Construction	33,739	34,975	35,831
Manufacturing	45,195	46,636	48,153
Transportation and Utilities	32,835	35,200	34,951
Wholesale and Retail Trade	22,163	22,623	23,870
Finance, Insurance, Real Estate	35,935	37,633	38,063
Services	23,168	24,107	25,350
Government	31,218	30,640	28,661

**General Statistics**

Average Persons per Household	.....	2.61
Total Number of Families	.....	43,633

Population		Major Employers
1960	199,076	AK Steel Holding Corp.
1970	226,207	Cincinnati Insurance Co
1980	258,787	Fairfield Board of Education
1990	291,479	Fort Hamilton-Huges Memorial Hospital
2000	332,807	Hamilton Board of Education
		Lakota Board of Education
		Miami University
		Middletown City Board of Education
		Middletown Regional Health System
		Ohio Casualty Insurance Co.

Source: Ohio Department of Development

**TRANSPORTATION IMPROVEMENT DISTRICT OF BUTLER COUNTY, OHIO**

**ASSESSED VALUE, NEW CONSTRUCTION AND BANK DEPOSITS**

**LAST EIGHT YEARS**

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Year	Real Property (1)	Tangible Personal Property (1)	Total New Construction (1)	Bank Deposits (2)
1994	\$ 3,276,426,740	\$ 494,704,501	\$ 98,184,430	\$ 737,683,000
1995	3,372,641,010	498,412,670	98,773,420	800,556,000
1996	3,547,997,320	549,465,585	130,007,390	783,398,000
1997	3,939,072,770	618,825,072	124,087,190	815,435,000
1998	4,068,350,540	680,964,144	132,338,540	864,105,000
1999	4,199,464,910	659,774,662	136,101,740	903,169,000
2000	4,764,719,420	694,566,748	199,539,300	1,152,810,000
2001	4,993,119,330	722,971,490	204,171,630	1,136,994,000

(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, 2001**

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Date of Creation: 1993

The first Transportation Improvement District in Ohio.

County: Butler

County Seat: City of Hamilton, Ohio

Number of Political

Subdivisions within the District: 6

Butler County  
City of Hamilton  
City of Fairfield  
Fairfield Township  
West Chester Township  
Liberty Township

Number of Interstate

Highways inside the District:

2 (Interstate 75)  
(Michael A. Fox - 129)

Source: Transportation Improvement District

## Independent Accountants' Report on Compliance and Internal Control Over Financial Reporting Based on the Audit of the Financial Statements in Accordance with *Government Auditing Standards*

Board of Trustees  
Transportation Improvement District of Butler County, Ohio  
Hamilton, Ohio

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Transportation Improvement District of Butler County, Ohio (the "District") as of and for the year ended December 31, 2001, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 26, 2002. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions 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 Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.



April 26, 2002





**STATE OF OHIO  
OFFICE OF THE AUDITOR**  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**TRANSPORTATION IMPROVEMENT DISTRICT 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.**

A handwritten signature in cursive script that reads "Susan Babbitt".

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 13, 2002**