



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Rossford Transportation Improvement District
Wood County
133 Osborne Street
Rossford, Ohio 43460-1236

To the Board of Trustees:

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Rossford Transportation Improvement District, Wood County, as of December 31, 2001 and 2000, and the results of its operations and the cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As more fully discussed in Note 5 to the general purpose financial statement, property owners have been delinquent in paying special assessments. Also, some property owners have filed lawsuits and administrative complaints challenging the special assessment property valuations. Accordingly, information does not exist to permit determining a valuation allowance and the balance sheet does not include a valuation allowance for special assessments receivable that may not be collectible.

As more fully discussed in Note 9 to the general purpose financial statement, accounts payable were overstated in 2000.

The Auditor of State has billed the District for services rendered for the fiscal years ended December 31, 2000 and 1999 in the amount of \$18,830. As of the date of this report, the District has yet to pay this amount.

The accompanying financial statements have been prepared assuming the District will continue as a going concern. As discussed in Note 8, the District has suffered recurring operating losses, has an accumulated deficit, and has been unable to pay debt obligations when due. Accordingly, there is substantial doubt about the District's ability to continue as a going concern. Management's plans regarding these matters are also discussed in Note 8. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 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.

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

Jim Petro
Auditor of State

August 2, 2002

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
BALANCE SHEET
AS OF DECEMBER 31, 2001 AND 2000**

	2001	2000
Assets:		
Current:		
Cash and Cash Equivalents	\$96	\$409
Restricted Cash and Cash Equivalents	22,259	181,496
Receivables:		
Special Assessments	191,070	62,219
Interest	950,104	372,294
Total Current Assets	1,163,529	616,418
Other Assets		
Unamortized Bond Costs	572,079	454,949
Special Assessment Receivable	6,619,017	6,785,184
Total Non-Current Assets	7,191,096	7,240,133
Total Assets	\$8,354,625	\$7,856,551
Liabilities:		
Current:		
Accounts Payable	\$176,187	\$134,287
Loans Payable	5,000	5,000
Accrued Interest	506,884	332,382
Intergovernmental Payable	68,479	22,229
Total Current Liabilities	756,550	493,898
Long Term:		
Intergovernmental Payable	2,372,256	2,431,880
Special Assessment Bonds Payable	4,565,000	4,565,000
Water and Sewer Revenue Bond Payable	1,286,850	1,286,850
Total Long-Term Liabilities	8,224,106	8,283,730
Total Liabilities	8,980,656	8,777,628
Equity:		
Accumulated Deficit	(1,626,481)	(1,921,527)
Contributed Capital	1,000,450	1,000,450
Total Equity/(Deficit)	(626,031)	(921,077)
Total Liabilities and Equity/(Deficit)	\$8,354,625	\$7,856,551

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

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
STATEMENT OF EXPENSES AND CHANGES IN ACCUMULATED DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

	2001	2000
Operating Expenses:		
Administration	\$57,213	\$96,892
Total Operating Expenses	57,213	96,892
Operating Loss	(57,213)	(96,892)
Non-Operating Revenues (Expenses):		
Amortization	(29,669)	(9,675)
Interest Expense	(410,931)	(332,382)
Special Assessments		7,053,116
Interest Income	792,859	377,155
Assignment of Special Assessments		(2,454,109)
Loss on Sale of Infrastructure		(5,895,415)
Total Non-Operating Revenues (Expenses)	352,259	(1,261,310)
Net Income/(Loss)	295,046	(1,358,202)
Accumulated Deficit, January 1	(1,921,527)	(563,325)
Accumulated Deficit, December 31	(1,626,481)	(1,921,527)

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

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

	2001	2000
Cash Flows From Operations:		
Operating Loss	(\$57,213)	(\$96,892)
Adjustments to Reconcile Operating Loss to Net Cash Provided for Operations:		
Increase in Accounts Payable	41,900	31,692
(Decrease) in Accrued Wages		(4,179)
Net Cash Used By Operations	(15,313)	(69,379)
Cash Flows From Capital Financing Activities:		
Infrastructure Construction		(1,533,209)
Proceeds of Special Assessment Bonds		4,565,000
Payment of Special Assessment Notes		(6,083,672)
Bond Costs	(146,799)	(464,624)
Payment of Intergovernmental Payable	(13,374)	
Special Assessments	37,316	205,713
Proceeds of sale of Infrastructure		3,150,042
Grants Received		229,945
Proceeds of Loans		5,000
Net Cash Provided/(Used) by Capital Financing Activities	(122,857)	74,195
Cash Flows From Investing Activities		
Interest Received	215,049	4,861
Interest Paid	(236,429)	
Net Cash Provided/(Used) by Investing Activities	(21,380)	4,861
Net Increase/(Decrease) in Cash and Cash Equivalents	(159,550)	9,677
Cash and Cash Equivalents, January 1	181,905	172,228
Cash and Cash Equivalents, December 31	\$22,355	\$181,905

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

Fiscal year 2000 non-cash capital financing transaction

The District replaced water and sewer notes in the amount of \$1,245,005 and acquired infrastructure costing \$41,845 through the issuance of bonds in the amount of \$1,286,850.

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**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Rossford Transportation Improvement District (the District) is a body corporate and politic, created to finance and construct roads and water and sewer lines for the Crossroads of America Project (the Crossroads Project) in the City of Rossford. The District was formed under the Ohio Revised Code Chapter 5540, by action of the Board of Wood County Commissioners on May 20, 1997.

The Board of Wood County Commissioners appointed five members of the District's seven member Board of Trustees. The Speaker of the House of Representatives and the President of the Senate of the Ohio General Assembly each appointed one additional nonvoting trustee. The Board of Wood County Commissioners has the authority to remove Board members with or without cause.

Since Wood County appoints a voting majority of the District's Board and can remove them without cause, the District is included as a component unit in the County's financial statements.

B. Basis of Presentation

The District uses an economic resources measurement focus. This measurement focus provides that all assets and liabilities associated with its operation be included on the balance sheet. The District uses the accrual basis of accounting. The operating statements present increases (i.e., revenues and contributed capital) and decreases (i.e., expenses) in net total assets. Revenues are recognized when earned and expenses are recognized when incurred.

The District follows Governmental Accounting Standards Board (GASB) guidance applicable to proprietary operations and Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

C. Deferred Charges

The District incurred issuance costs related to the special assessment bonds, this amount is reported on the balance sheet as unamortized bond costs. The District amortizes this amount over 20 years using the straight line method. The current year amount is reported as amortization on the operating statement.

D. Contributed Capital

The District records grants restricted to capital construction as contributed capital. There were no additions in contributed capital during fiscal years ended December 31, 2001 and 2000.

E. Statement of Cash Flows

For the purposes of the statement of cash flows, the District considers all short term investments with a maturity of three months or less at the time they are acquired to be cash equivalents.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

F. Trust Officer

Effective August 1, 2000, in accordance with the special assessment bond trust agreement, U.S. Bank (formally First Star Bank) was appointed Trust Officer to receive and disburse all District funds. Amounts held by the trustee are shown as restricted assets on the balance sheet.

2. CASH AND CASH EQUIVALENTS

Deposits

2001

At year end, the carrying amount and bank balance of the District's deposits was \$22,355. Federal depository insurance covered the bank balance.

2000

At year end, the carrying amount and bank balance of the District's deposits was \$181,905. Federal depository insurance covered \$100,000 of the bank balance, and all remaining deposits were collateralized by financial institution collateral pools.

3. INFRASTRUCTURE

The District sold all infrastructure during fiscal year 2000.

Summary of changes in infrastructure for fiscal year 2000:

Category	Balance 12/31/99	Additions	Reductions	Balance 12/31/00
Land	\$1,579,908	38,712	\$1,618,620	
Roads and water/sewer lines	6,902,798	524,039	7,426,837	
Totals	<u>\$8,482,706</u>	<u>\$562,751</u>	<u>\$9,045,457</u>	

4. LONG-TERM DEBT AND BONDS PAYABLE

Long-term debt activity during 2001 was as follows:

	Interest Rate	Beginning Balance	Issued (Retired)	Balance at 12/31/01
Special Assessment Bonds				
Perrysburg Township	8.5%	\$4,565,000		\$4,565,000
Water and Sewer Bonds:				
Perrysburg Township	7.0%	1,286,850		1,286,850
Total Long-Term Bonds		<u>\$5,851,850</u>		<u>\$5,851,850</u>

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

Special Assessment Bond debt service to maturity, including interest, as of December 31, 2001 is as follows:

<u>Year Ending December 31</u>	<u>Special Assessment Bond Principal</u>	<u>Special Assessment Bond Interest</u>	<u>Total</u>
2002	\$105,000	\$388,025	\$493,025
2003	110,000	379,100	489,100
2004	120,000	369,750	489,750
2005	135,000	359,550	494,550
2006	145,000	348,075	493,075
2007-2020	3,950,000	2,946,950	6,896,950
Total	<u>\$4,565,000</u>	<u>\$4,791,450</u>	<u>\$9,356,450</u>

Long-term debt activity during 2000 was as follows:

	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issue Amount</u>	<u>Balance at 12/31/00</u>
Special Assessment Bonds				
Perrysburg Township	8.5%		\$4,565,000	\$4,565,000
Water and Sewer Bonds:				
Perrysburg Township	7.0%		1,286,850	1,286,850
Total Long-Term Bonds			<u>\$5,851,850</u>	<u>\$5,851,850</u>

Special Assessment Bonds will be repaid from special assessments collected. The bond agreements provide that 64.16% of special assessment collections will be used to pay bond interest and principal. The District was unable to pay the scheduled interest payment on the special assessment bond, due May 31, 2001 in the amount of \$323,354 and November 30, 2001 in the amount of \$194,013. The District did pay interest in the amount of \$160,276 on the special assessment bond on August 6, 2001.

The Water and Sewer Bonds will be repaid from future tap-in fees. The bond agreements provide that 68.2% of tap-in fees collected will be used to pay bond interest and principal. Principal payments in the amount of \$641,800 are due December 31, 2010. The remaining principal and interests payments are to be made as tap-in fees are collected. As of December 31, 2001, no tap-in fees have been collected.

The City of Rossford loaned the District \$5,000 in July, 2000. There is no written loan agreement, established due date, or interest rate.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

5. SPECIAL ASSESSMENTS

The District can assess property benefitting from the roads and water and sewer lines the District has constructed. The District can assess owners up to 10% of the assessable value of this property. During 2000, the District determined the value of the assessable property to be \$179,173,850. In April 2000, the District levied \$7,053,116 in assessments. Owners not paying the assessment when levied may make payments over twenty years with interest at the rate of ten percent. Special assessments due during 2001 were \$137,938, of which \$37,316 was collected.

On March 27, 2001, several property owners filed complaints with the Wood County Board of Revision questioning the fair values upon which the assessments were based. On September 25, 2001, the Wood County Board of Revision reduced the value of some of the parcels owned by these complainants. On October 24, 2001, these property owners filed complaints with the Wood County Court of Common Pleas contesting both the valuation of the properties and the legality of the assessments. On December 31, 2000, several other property owners filed complaints with the Wood County Board of Revision questioning the fair values upon which the assessments were based. As of August 2, 2002, the Wood County Board of Revision and the Wood County Court of Common Pleas have not ruled on these pending matters, and the outcome cannot be determined.

The outcome of the complaints and related lawsuits described in the preceding paragraph may affect the collectibility of the special assessments receivable. Due to the uncertainties surrounding this matter, the District is unable to determine a valuation allowance on the balance sheet for special assessments receivable that may not be collectible.

6. LEASE-PURCHASE

On September 1, 2000 Rossford City entered into a twenty-year lease-purchase agreement with the District for the water and sewer lines in the crossroads project area. Lease payments made in September 2000, were \$600,042. The City owes additional \$1 annual payments through 2020, but may elect to prepay these amounts. As part of this transaction, the District agreed to pay 31.8% of future tap-in fees to the City. Title to the water and sewer line will pass to the City at the end of the lease. The City is responsible for all costs associated with maintaining the water and sewer lines over the term of the lease.

On August 1, 2000 Rossford City entered into a twenty-year lease-purchase agreement with the District. Lease payments made in August 2000, were \$2,550,000. The City owes \$1 annual payments through 2020, but may elect to prepay these amounts. As part of this transaction, the District agreed to pay 35.84% of special assessment collections to the City. Title to the north-south collector boulevard from the intersection of State route 795 and Simmons Road in Wood County, Ohio, extending south commencing at State Route 795 and terminating at US 20 and the east-west road known as "Arena Drive" will pass to the City at the end of the lease. The City is responsible for all costs associated with maintaining these roads over the term of the lease.

These transactions constitute the lease of all of the District's infrastructure and have been accounted for as a sales-type lease. A loss on the sale of infrastructure in the amount of \$5,895,415 has been recognized on the District's 2000 financial statements and represents the difference between the \$9,045,457 capitalized cost of the infrastructure and the \$3,150,042 in lease payments received.

An intergovernmental payable and a corresponding expense have been recognized in the financial statements which represent the future principal amounts of special assessments which will be paid to the City of Rossford under this agreement.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

7. INSURANCE AND RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District is covered through the City of Rossford's insurance contract with the Ohio Government Risk Management Plan (the OGRMP), a public entity risk plan formed under § 2744.081 of the Ohio Revised Code. OGRMP is a common risk management and insurance program for 585 member political subdivisions. The City of Rossford insures the District under the City of Rossford's policy. The City of Rossford pays the annual premium on behalf of the District to the OGRMP for its general insurance coverage. The OGRMP agreement requires the organization to be self-sustaining through member premiums and will reinsure all covered claims in excess of a member's deductible through commercial insurance and reinsurance companies.

8. GOING CONCERN

The District has accumulated a deficit of \$1,626,481 as of December 31, 2001 and has incurred operating losses of \$57,213 and \$96,892 for the years ended December 31, 2001 and 2000 respectively.

During the fiscal year ended December 31, 2000, management of the District consummated a refinancing of short-term debt notes with long-term bonds for the special assessments and water and sewer obligations.

The District was unable to pay the scheduled interest payments on the special assessment bond, due on the last business day of May and November 2001, totaling \$517,367. The Trustee, U.S. Bank (formally First Star Bank), was only able to pay interest in the amount of \$160,276 on the special assessment bond during 2001. Management has not developed a contingency plan to address the shortage of funds in the trust account.

Several property owners have filed lawsuits and administrative complaints challenging special assessment property valuations (see Note 5). Management has not developed a plan to address a reduction in future special assessment principal and interest collections as the result of an unfavorable outcome of these actions.

The District has established a tap-in fee schedule to pay for its water and sewer bonds. However, as of August 2, 2002, the District has not received any fees to pay its obligation and management has not developed a contingency plan in the event the water and sewer tap-in fees are insufficient to cover the debt obligations.

Management has made no plans for the payment of its accounts payable.

9. RESTATEMENT AND PRIOR PERIOD ADJUSTMENT

As of December 31, 2000, accounts payable related to infrastructure was overstated by \$459,724 which resulted in an overstatement of the loss on the sale of infrastructure. The effect of this change on net income, as previously reported for the year ended December 31, 2000, is as follows:

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

Net Loss, as previously reported	(\$1,817,926)
Restatement	<u>459,724</u>
Restated Net Income for the Year Ended December 31, 2000	<u><u>(\$1,358,202)</u></u>

The change had the following effect on retained earnings as of January 1, 2001:

Accumulated Deficit as of December 31, 2000:	(\$2,381,251)
Restatement	<u>459,724</u>
Restated Retained Earnings as of December 31, 2000	<u><u>(\$1,921,527)</u></u>

10. SUBSEQUENT EVENTS

On July 18, 2002, the Wood County Commissioners passed Resolution No. 02-1609, Restructuring the Rossford Transportation Improvement District Board. This resolution states that all members of the Rossford Transportation Improvement District be removed effective July 31, 2002 to allow for the restructuring of the Board. As a result of this restructuring, the County no longer appoints a voting majority to the Board, nor is it a member. The District will no longer be included as a component unit in the County's financial statements.



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

Rossford Transportation Improvement District
Wood County
133 Osborne Street
Rossford, Ohio 43460-1236

To the Board of Trustees:

We have audited the financial statements of the Rossford Transportation Improvement District, a component unit of Wood County, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated August 2, 2002. Our report expressed substantial doubt about the District's ability to continue as a going concern. Our report also noted that accounts payable were overstated in the prior year, the District had not paid our fees for audit services rendered in prior years, and the balance sheet does not include a valuation allowance for special assessments receivable that may not be collectible. 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 Rossford Transportation Improvement 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-20187-001 and 2001-20187-001

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2001-20187-002.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness. We also noted a matter involving the internal control over financial reporting, which we have reported to management of the District in a separate letter dated August 2, 2002.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

August 2, 2002

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2000-20187- 001

Finding for Recovery

Mike Fritz, former Executive Director of the Rossford Transportation Improvement District, was paid \$5,648.50 for consulting services that were provided for another entity. Mr. Fritz had also worked for the Rossford Arena Amphitheater Authority and was paid for work for this entity from the Rossford Transportation Improvement District's Funds.

In accordance with the forgoing facts, and pursuant to Ohio Revised Code §117.28, a Finding for Recovery for public money illegally expended is hereby issued against the former Executive Director, Mike Fritz and Ohio Government Risk Management Plan, jointly and severally, and in favor of the Rossford Transportation Improvement District in the amount of five thousand six hundred forty eight dollars and fifty cents.

FINDING NUMBER 2001-20187-001

Noncompliance Citation

The special assessment bond agreement, for bond R-1, dated August 1, 2000 requires moneys held by the Escrow Agent in the TID subaccount to be used to pay, semi-annually, the debt principal and interest due commencing on the last business day of May and November 2001.

The Trustee did not have sufficient funds in the Escrow accounts on the last business day of May or November 2001 to pay the interest payments due on the special assessment bond.

FINDING NUMBER 2001-20187-002

Material Weakness

The District has accumulated a deficit retained earnings and has negative cash flows from operations. Further, the District has not met scheduled debt payments when due, has not received revenues for tap-in fees on the water and sewer projects, and has provided no contingencies for the payment of accounts and loans payable.

These conditions have raised substantial doubt about the District's ability to continue as a going concern.

We recommend management develop a comprehensive contingency plan to address the inability to meet debt payments, raise appropriate revenues, and pay accounts and loans payable.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <u>Explain:</u>
2000-20187-001	Mike Fritz, former Executive Director of the District, was paid \$5,648.50 for consulting services that were provided to another entity.	No	Not Corrected, finding is being disputed by the District's management.
2000-20187-002	Special Assessment Bond Agreement, for bond R-1 requires money held by Escrow Agent in the TID subaccount to be used to pay, semi-annually, the debt principal and interest payments.	No	Not Corrected, reissued as Finding Number 2001-20187-002.
2000-20187-003	Management has not provided any contingency plan for the District's accumulated deficit or their inability to meet scheduled debt payments.	No	Not Corrected, reissued as Finding Number 2001-20187-003.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT

WOOD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 13, 2002**