



**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2007



Mary Taylor, CPA
Auditor of State

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Statement of Net Assets	6
Statement of Revenues, Expenses, and Changes in Net Assets.....	7
Statement of Cash Flows	8
Notes to the Basic Financial Statements	9
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	17
Schedule of Prior Audit Findings.....	19

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying basic financial statements of the Rossford Transportation Improvement District, Wood County, Ohio (the District), as of and for the years ended December 31, 2007 and 2006, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Rossford Transportation Improvement District, Wood County, Ohio, as of December 31, 2007 and 2006, and the changes in financial position and its cash flows 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 November 3, 2008, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

November 3, 2008

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED**

The discussion and analysis of the Rossford, Ohio Transportation Improvement District's (the District) financial performance provides an overall review of the District's financial activities for the years ended December 31, 2007 and 2006. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers are encouraged to consider information presented here as well as the basic financial statements to enhance their understanding of the District's financial performance.

Using this Financial Report

This annual report consists of two parts, the MD&A and the basic financial statements. The basic financial statements include a statement of net assets, statement of revenues, expenses and changes in net assets and a statement of cash flows. Since the District only uses one fund for its operations, the entity-wide and the fund presentation information is the same.

Statement of Net Assets and Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Net Assets answers the question, "How did we do financially during 2007 and 2006?" This statement includes all assets and liabilities, both financial and capital, and current and long-term, using the accrual basis of accounting and economic resources focus, which is similar to the accounting used by most private-sector companies. The basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

This change in net assets is important because it tells the reader whether, for the District as a whole, the financial position of the District has improved or diminished. However, in evaluating the overall position of the District, non-financial information of the District will also need to be evaluated.

This section contains a condensed comparison of assets, liabilities and net assets and explanations for significant differences. Table 1 provides a summary of the District's net assets for 2007, 2006, and 2005.

**Table 1
Net Assets**

	2007	2006	2005 Restated
Current Assets	\$ 1,632,379	\$ 2,558,463	\$ 2,340,127
Noncurrent assets	5,916,781	6,183,658	6,428,605
<i>Total Assets</i>	<u>7,549,160</u>	<u>8,742,121</u>	<u>8,768,732</u>
Current Liabilities	1,460,765	2,364,715	2,542,170
Long-Term Liabilities	6,926,850	7,191,850	7,436,850
<i>Total Liabilities</i>	<u>8,387,615</u>	<u>9,556,565</u>	<u>9,979,020</u>
<i>Total Net Assets</i>	<u>\$ (838,455)</u>	<u>\$ (814,444)</u>	<u>\$ (1,210,288)</u>

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED
(Continued)**

Total assets in 2007 decreased by \$1,192,961. The decrease is due to the reduction of assessments and interest receivable caused by payments received. Total liabilities in 2007 decreased by \$1,168,950. The decrease is due to the reduction in the special assessment bonds payable and intergovernmental payable. These debt obligations were reduced due to the collection of delinquent taxes.

Total assets in 2006 decreased by \$26,611. The decrease is due to the accrual of interest receivable on assessments. Total liabilities in 2006 decreased by \$422,455. The decrease is due to the accrual of interest payable on the bond issues.

Table 2 shows the changes in net assets for the years ended December 31, 2007, 2006, and 2005. Total net assets decreased by \$24,011 in 2007 and increased \$395,844 in 2006. The decrease during 2007 was caused by a decrease in interest income and real estate development fees and an increase in interest and fiscal charges. The increase in 2006 was caused by the decrease in the accrual of interest payable on bond issues.

**Table 2
Revenues and Expenses**

	<u>2007</u>	<u>2006</u>	<u>2005 Restated</u>
Receipts			
Lease/City of Rossford	\$3	\$3	\$3
Other Operating	5,256		53,110
Real Estate Tax	5,571		
Interest Income	580,972	602,862	484,237
ODOD Grant		500,000	
Water/Sewer Development Fees	71,988		17,000
Total Receipts	<u>663,790</u>	<u>1,102,865</u>	<u>554,350</u>
Expenses			
Legal and Accounting	64,839	60,011	
Real Estate Tax		1,723	1,285
Other		1,500	
Interest and Fiscal Charges	592,005	612,830	631,956
Amortization	30,957	30,957	30,957
Total Expenses	<u>687,801</u>	<u>707,021</u>	<u>664,198</u>
Changes in Net Assets	(24,011)	395,844	(109,848)
Net assets Beginning of Year	(814,444)	(1,210,288)	(1,100,440)
Net Assets End of Year	<u>(\$838,455)</u>	<u>(\$814,444)</u>	<u>(\$1,210,288)</u>

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED
(Continued)**

Long-Term Debt

The outstanding long-term debt for the District as of December 31, 2007 and 2006 was \$6,926,850 and \$7,191,850, respectively. These balances reflect a reduction of \$265,000 from the previous year's balance. Table 3 summarizes long term portion of the outstanding debt. The water and sewer bonds payable are the same because assessments and water/sewer development fees collected have not been enough to pay down the principal balance.

**Table 3
Debt**

	<u>2007</u>	<u>2006</u>
Special Assesment Bods Payable	\$ 3,620,000	\$ 3,790,000
Water/Sewer Bonds Payable	1,286,850	1,286,850
Intergovernmental Payable	2,020,000	2,115,000

Additional information concerning the District's debt can be found in Note 4 to the basic financial statements.

Contacting the District's Financial Management

This financial report is intended to provide our citizens, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the revenue it receives. If you have questions about this report or need additional financial information, contact Ed Ceika, Secretary/Treasurer at the Rossford, Ohio Transportation Improvement District, 133 Osborne St., Rossford, Ohio 43460-1236.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

Statement of Net Assets

	2007	2006
Assets		
<i>Current Assets:</i>		
Equity in Pooled Cash and Cash Equivalents	\$13,474	\$50,789
Cash with Trustee	177,156	14,127
Grants Receivable	331,985	365,245
Assessments Receivable	277,098	453,190
Interest Receivable	832,666	1,675,112
<i>Total Current Assets</i>	1,632,379	2,558,463
<i>Noncurrent Assets:</i>		
Unamortized Bond Issue Costs	386,337	417,294
Assessments Receivable	5,530,444	5,766,364
<i>Total Noncurrent Assets</i>	5,916,781	6,183,658
<i>Total Assets</i>	\$7,549,160	\$8,742,121
Liabilities		
<i>Current Liabilities</i>		
Accounts Payable	\$26,338	\$11,193
Loans Payable	19,500	49,500
Intergovernmental Payable	84,465	435,000
Special Assessment Bonds Payable	149,484	775,000
Accrued Interest Payable	1,180,978	1,094,022
<i>Total Current Liabilities</i>	1,460,765	2,364,715
<i>Long-Term Liabilities:</i>		
Special Assessment Bonds Payable	3,620,000	3,790,000
Water/Sewer Bonds Payable	1,286,850	1,286,850
Intergovernmental Payable	2,020,000	2,115,000
<i>Total Long-Term Liabilities</i>	6,926,850	7,191,850
<i>Total Liabilities</i>	8,387,615	9,556,565
Net Assets		
Unrestricted (Deficit)	(838,455)	(814,444)
<i>Total Net Assets</i>	(\$838,455)	(\$814,444)

See accompanying notes to the basic financial statements

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

***Statement of Revenues,
Expenses and Changes in Fund Net Assets***

	2007	2006
Operating Revenues		
Lease/City of Rossford	\$3	\$3
Other	5,256	
	5,259	3
Operating Expenses		
Legal and Accounting	64,839	60,011
Real Estate Tax		1,723
Other		1,500
	64,839	63,234
<i>Total Operating Expenses</i>	64,839	63,234
<i>Operating Loss</i>	(59,580)	(63,231)
Non-Operating Revenues (Expenses)		
Real Estate Tax	5,571	
Interest Income	580,972	602,862
Interest and Fiscal Charges	(592,005)	(612,830)
ODOD Grant		500,000
Amortization	(30,957)	(30,957)
Water/Sewer Development Fees	71,988	
	35,569	459,075
<i>Total Non-Operating Revenues (Expenses)</i>	35,569	459,075
<i>Change in Net Assets</i>	(24,011)	395,844
<i>Net Assets Beginning of Year</i>	(814,444)	(1,210,288)
<i>Net Assets End of Year</i>	(\$838,455)	(\$814,444)

See accompanying notes to the basic financial statements

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

Statement of Cash Flows

	2007	2006
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash Received from Customers	\$5,259	\$3
Other Cash Payments	(49,694)	(134,330)
<i>Net Cash Used in Operating Activities</i>	<i>(44,435)</i>	<i>(134,327)</i>
Cash Flows from Noncapital Financing Activities		
ODOD Grant	33,260	134,755
Loan Proceeds		49,500
Repayment of Loan	(30,000)	
<i>Net Cash Provided by Noncapital Financing Activities</i>	<i>3,260</i>	<i>184,255</i>
Cash Flows from Capital and Related Financing Activities		
Payment of Intergovernmental Payable	(445,537)	
Payment of Special Assessment Debt	(795,516)	
Distributed Water/Sewer Tap-In Fees	73,705	
Special Assessments	1,829,194	1,005,687
Interest Paid on all debt	(505,047)	(1,013,691)
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	<i>156,799</i>	<i>(8,004)</i>
Cash Flows from Investing Activities		
Interest Received	10,090	10,042
<i>Net Increase in Cash and Cash Equivalents</i>	<i>125,714</i>	<i>51,966</i>
<i>Cash and Cash Equivalents Beginning of Year</i>	<i>64,916</i>	<i>12,950</i>
<i>Cash and Cash Equivalents End of Year</i>	<i>\$190,630</i>	<i>\$64,916</i>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating Loss	(\$59,580)	(\$63,231)
Adjustments:		
Increase (Decrease) in Accounts Payable	15,145	(71,096)
<i>Net Cash Used in Operating Activities</i>	<i>(\$44,435)</i>	<i>(\$134,327)</i>

See accompanying notes to the basic financial statements

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Rossford, Ohio Transportation Improvement District (the District) is presented to assist in understanding the entity's financial statements. The financial statements and notes are representations of the entity's management and board who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles for governmental agencies including those principles prescribed by the Governmental Accounting Standard Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of States, Local Governments* and by The Financial Accounting Standards Board (FASB) (when applicable). The above policies have been consistently applied in the preparation of the financial statements.

A. Reporting Entity

The Rossford, Ohio Transportation Improvement District, Wood County, is a body corporate and politic established 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.

An amendment made to the By-Laws on September 6, 2002 states the Board shall consist of ten members. The members shall be appointed as follows: two (2) members shall be appointed by the County Commissioners; three (3) voting members by the legislative authority of the most populous municipal corporation to the District; two (2) voting members by the Township Trustees in the County that is most populous in its unincorporated area. The County Engineer shall also be a voting member. Two (2) non-voting members shall include the members of the General Assembly in whose legislative district the District is located.

The District's management believes these financial statements present all activities for which the District is financial accountable.

B. Basis of Accounting

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, provided they do not conflict with or contradict GASB pronouncements.

The District's financial statements consist of a statement of net assets, a statement of revenue, expenses and changes in net assets, and a statement of cash flows.

The District uses a single fund 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.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

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

C. Measurement Focus

The fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net assets. The statement of revenues, expenses, and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its activity.

D. 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.

E. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The District did not have any restricted net assets for 2007 and 2006.

F. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. For the District, these revenues are lease income and miscellaneous reimbursements. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the District.

G. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. 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.

I. Trust Officer

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

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 2: ACCOUNTING CHANGE

It was determined calculation of assets and liabilities required a change based upon lack of documentation to support prior period liabilities and the District's legal counsel's opinion on the treatment of delinquent special assessments and the effect on the accrual of unpaid interest affecting the balances reported for special assessments receivable and related special assessment and intergovernmental payable.

The above issues resulted in the following restatements:

	12/31/2005	Accounting Change	1/1/2006
<i>Total Assets</i>	\$8,748,567	(\$20,165)	\$8,768,732
<i>Total Liabilities</i>	\$9,150,591	(\$828,429)	\$9,979,020
<i>Total Net Assets</i>	(\$402,024)	\$808,264	(\$1,210,288)

NOTE 3: CASH

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest;
2. Bonds, notes, debentures, or any other obligation or security 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;

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 3: CASH – (Continued)

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk for deposits is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2007 and 2006, none of the District's bank balance was exposed to custodial credit risk.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

At December 31, 2007 and 2006, the District had investment in no load money market mutual funds in the amount of \$177,156 and \$14,127. The money market accounts were rated AAAM by Standard & Poor's.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 4: LONG-TERM BONDS PAYABLE

Long-term debt activity during 2007 was as follows:

	<u>Interest Rate</u>	<u>Balance 1/1/07</u>	<u>Issued (Retired)</u>	<u>Balance 12/31/07</u>	<u>Due Within One Year</u>
Special Assessment Bonds:					
Perrysburg Township	8.5%	\$4,565,000	(\$795,516)	\$3,769,484	\$149,484
Water and Sewer Bonds:					
Perrysburg Township	7.0%	\$1,286,850		\$1,286,850	
Total Long-Term Bonds		<u>\$5,851,850</u>	<u>(\$795,516)</u>	<u>\$5,056,334</u>	<u>\$149,484</u>

Long-term debt activity during 2006 was as follows:

	<u>Interest Rate</u>	<u>Balance 1/1/07</u>	<u>Issued (Retired)</u>	<u>Balance 12/31/07</u>	<u>Due Within One Year</u>
Special Assessment Bonds:					
Perrysburg Township	8.5%	\$4,565,000		\$4,565,000	\$775,000
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>	<u>\$775,000</u>

Special Assessment Bond debt service to maturity, including interest, as of December 31, 2007 is as follows:

<u>Year Ending December 31:</u>	<u>Assessment Bond Principal</u>	<u>Assessment Interest Payable</u>	<u>Total</u>
2008	\$149,484	\$322,183	\$471,667
2009	185,000	307,700	492,700
2010	200,000	291,975	491,975
2011	220,000	274,975	494,975
2012	245,000	256,275	501,275
2013-2018	1,905,000	1,046,350	2,951,350
2019-2020	865,000	111,775	976,775
Total	<u>\$3,769,484</u>	<u>\$2,611,233</u>	<u>\$6,380,717</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 remaining 35.84% is paid to the City of Rossford (See Note 5).

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 4: LONG-TERM BONDS PAYABLE – (Continued)

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 payment in the amount of \$641,800 is due December 31, 2010. The remaining principal and interest payments are to be made as tap-in fees are collected. Tap-in fees collected in 2007 were \$71,988. No tap it fees were collected in 2006.

	2007	2006
Accrued interest, January 1	\$ 1,094,020	\$ 1,494,881
Plus: Interest expense:		
Special Assessments Bonds	322,150	335,752
Water and Sewer Bonds	90,078	90,078
Lease Purchase	179,777	187,000
Total interest expense	592,005	612,830
Less: Interest paid:		
Special Assessments Bonds	384,935	650,901
Water and Sewer Bonds		
Lease Purchase	120,112	362,788
Total paid	505,047	1,013,689
Total accrued interest at December 31	\$ 1,180,978	\$ 1,094,022

NOTE 5: SPECIAL ASSESSMENTS

The District can assess property benefiting from the roads the District has constructed. The District can assess owners up to 10% of the assessable value of the 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 8½ percent. Properties with delinquent taxes had been either foreclosed or sold resulting in the collection of delinquent taxes. Special assessments were paid in full as of December 31, 2007.

NOTE 6: LEASE-PURCHASE

On September 1, 2000, Rossford City entered in 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.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 6: LEASE-PURCHASE – (Continued)

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 currently known as "Bass Pro 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.

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.

NOTE 7: NOTE PAYABLE

The District received a Grant Anticipation Note from the Northern Wood County Port Authority in the amount of \$50,000 plus a \$1,500 loan origination fee. The interest rate is 5% per annum. At the end of 2007, the loan balance was \$19,500.

NOTE 8: 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 section 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.

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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 basic financial statements of the Rossford Transportation Improvement District, Wood County, (the District) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated November 3, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

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

Compliance and Other Matters

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

We did note certain noncompliance that we reported to the District's management in a separate letter dated November 3, 2008.

We intend this report solely for the information and use of the audit committee, management, and Board of Trustees. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

November 3, 2008

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Special Assessment Bond Agreement, for bond R-1 requires moneys held by Escrow Agent in the TID sub-account to be used to pay, semi-annually, the debt principal and interest payments.	Yes	



Mary Taylor, CPA
Auditor of State

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
NOVEMBER 20, 2008**