



**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT  
WOOD COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2009**



**Mary Taylor, CPA**  
Auditor of State



**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT  
WOOD COUNTY**

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# 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 (the District), as of and for the years ended December 31, 2009 and 2008, 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 applicable to financial audits contained in 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 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 Rossford Transportation Improvement District, Wood County, as of December 31, 2009 and 2008, and the respective changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the District will continue as a going concern. As discussed in Note 9 to the financial statements, the District has been unable to pay debt obligations when due. Accordingly, there is substantial doubt about its ability to continue as a going concern. Management's plans in regards to these matters are also discussed in Note 9. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2010, 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

September 30, 2010

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT  
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008  
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, 2009 and 2008. 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 2009 and 2008?" 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 2009, 2008, and 2007 (as restated).

**Table 1  
Net Assets**

	2009	2008	2007 Restated
Capital Assets	\$ 461,826	\$ 421,356	
Current Assets	819,803	692,104	\$ 729,512
Noncurrent assets	5,308,003	5,641,340	5,916,781
<i>Total Assets</i>	<u>6,589,632</u>	<u>6,754,800</u>	<u>6,646,293</u>
Current Liabilities	1,856,153	1,426,455	1,011,272
Long-Term Liabilities	5,680,050	6,636,850	6,926,850
<i>Total Liabilities</i>	<u>7,536,203</u>	<u>8,063,305</u>	<u>7,938,122</u>
Invested in Capital Assets	461,826	421,356	
Unrestricted	(1,408,397)	(1,729,861)	(1,291,829)
<i>Total Net Assets</i>	<u>\$ (946,571)</u>	<u>\$ (1,308,505)</u>	<u>\$ (1,291,829)</u>

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT  
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008  
UNAUDITED  
(Continued)**

Total assets in 2009 decreased by \$165,168, caused by the reduction in assessments receivable due to payments received. Total liabilities in 2009 decreased by \$527,102 due to payment of accounts payable and reduction of bonds and intergovernmental payable.

Total assets in 2008 increased by \$108,507. The increase is due to project costs expended during the year that were capitalized. Total liabilities in 2008 increased by \$125,183 due to the project cost included in accounts payable at year-end.

Table 2 shows the changes in net assets for the years ended December 31, 2009, 2008 and 2007. Total net assets increased by \$361,934 in 2009 and decreased \$16,676 in 2008. The change in 2009 was caused by grants received from the Ohio Department of Development (ODOD) and Miller Development Company.

**Table 2  
Revenues and Expenses**

	<u>2009</u>	<u>2008</u>	<u>2007 Restated</u>
<b>Receipts</b>			
Lease/City of Rossford	\$3	\$3	\$3
Other Operating	28	\$17	5,256
Interest Income	546,706	573,410	580,972
ODOD Grant	327,793	87,282	
Miller - Contribution Net	161,825		
Water/Sewer Development Fees	1,121	7,610	71,988
Total Receipts	<u>1,037,476</u>	<u>668,322</u>	<u>663,790</u>
<b>Expenses</b>			
Legal and Accounting	50,014	62,789	64,839
Other Operating	12	102	
Interest and Fiscal Charges	568,890	591,150	592,005
Amortization	30,957	30,957	30,957
Other Non-Operating	25,669		
Total Expenses	<u>675,542</u>	<u>684,998</u>	<u>687,801</u>
Changes in Net Assets	361,934	(16,676)	(24,011)
Net assets Beginning of Year, Restated	(1,308,505)	(1,291,829)	(1,267,818)
Net Assets End of Year	<u>(\$946,571)</u>	<u>(\$1,308,505)</u>	<u>(\$1,291,829)</u>



**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT  
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008  
UNAUDITED  
(Continued)**

**Capital Assets**

As of December 31, 2009 and 2008, the District had \$461,826 and \$421,356 invested in project costs for the extension of South Compass Drive. For more information on capital assets, see Note 3 to the basic financial statements.

**Long-Term Debt**

The outstanding long-term debt for the District as of December 31, 2009 and 2008 was \$5,680,050 and \$6,636,850, respectively. These balances reflect a reduction of \$315,000 from the previous year's balance. Table 3 summarizes long term portion of the outstanding debt. The water and sewer bonds payable reflects a reduction of \$641,800 for a principal payment due December 31, 2010, that is reflected as short term on the financial statements for 2009.

**Table 3  
Debt**

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Special Assessment Bonds Payable	\$ 3,235,000	\$ 3,435,000	\$ 3,620,000
Water/Sewer Bonds Payable	645,050	1,286,850	1,286,850
Intergovernmental Payable	1,800,000	1,915,000	2,020,000

Additional information concerning the District's debt can be found in Note 5 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  
Proprietary Fund  
December 31, 2009 and 2008***

	2009	2008
<b>Assets</b>		
<i>Current Assets:</i>		
Equity in Pooled Cash and Cash Equivalents	\$4,946	\$2,420
Cash with Trustee	67,748	92,296
Project Costs	461,826	421,356
Assessments Receivable	379,902	301,280
Interest Receivable	367,207	296,108
<i>Total Current Assets</i>	1,281,629	1,113,460
<i>Noncurrent Assets:</i>		
Unamortized Bond Issue Costs	324,423	355,380
Assessments Receivable	4,983,580	5,285,960
<i>Total Noncurrent Assets</i>	5,308,003	5,641,340
<i>Total Assets</i>	\$6,589,632	\$6,754,800
<b>Liabilities</b>		
<i>Current Liabilities</i>		
Accounts Payable	\$15,575	\$412,208
Loans Payable	20,000	20,000
Intergovernmental Payable	134,319	97,919
Special Assessment Bonds Payable	228,288	169,647
Water/Sewer Bonds Payable	641,800	
Accrued Interest Payable	816,171	726,681
<i>Total Current Liabilities</i>	1,856,153	1,426,455
<i>Long-Term Liabilities:</i>		
Special Assessment Bonds Payable	3,235,000	3,435,000
Water/Sewer Bonds Payable	645,050	1,286,850
Intergovernmental Payable	1,800,000	1,915,000
<i>Total Long-Term Liabilities</i>	5,680,050	6,636,850
<i>Total Liabilities</i>	7,536,203	8,063,305
<b>Net Assets</b>		
Invested in Capital Assets	461,826	421,356
Unrestricted (Deficit)	(1,408,397)	(1,729,861)
<i>Total Net Assets</i>	(\$946,571)	(\$1,308,505)

See accompanying notes to the basic financial statements

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT  
WOOD COUNTY**

***Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Proprietary Fund  
For the Years Ended December 31, 2009 and 2008***

	2009	2008
<b>Operating Revenues</b>		
Lease/City of Rossford	\$3	\$3
Other	28	17
	31	20
<b>Operating Expenses</b>		
Legal and Accounting	50,014	62,789
Other	12	102
	50,026	62,891
<i>Total Operating Expenses</i>		
	(49,995)	(62,871)
<b>Non-Operating Revenues (Expenses)</b>		
Interest Income	546,706	573,410
Interest and Fiscal Charges	(568,890)	(591,150)
ODOD Grant	327,793	87,282
Miller-Contribution net	161,825	
Amortization	(30,957)	(30,957)
Water/Sewer Development Fees	1,121	7,610
Other Expenses	(25,669)	
	411,929	46,195
<i>Total Non-Operating Revenues (Expenses)</i>		
	361,934	(16,676)
<i>Change in Net Assets</i>		
	(1,308,505)	(1,291,829)
<i>Net Assets Beginning of Year, Restated</i>		
	(\$946,571)	(\$1,308,505)
<i>Net Assets End of Year</i>		

See accompanying notes to the basic financial statements

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT  
WOOD COUNTY**

**Statement of Cash Flows  
Proprietary Fund  
For the Years Ended December 31, 2009 and 2008**

	2009	2008
<b>Decrease in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$3,206	\$20
Cash Payments to Suppliers of Goods or Services	(55,388)	(71,467)
<i>Net Cash Used in Operating Activities</i>	<i>(52,182)</i>	<i>(71,447)</i>
<b>Cash Flows from Noncapital Financing Activities</b>		
ODOD Grant	327,793	87,282
Miller-Contribution net	161,825	
<i>Net Cash Provided by Noncapital Financing Activities</i>	<i>489,618</i>	<i>87,282</i>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Payment of Intergovernmental Payable	(78,950)	(91,546)
Payment of Special Assessment Debt	(141,009)	(164,837)
Project Costs	(434,916)	(26,910)
Distributed Water/Sewer Tap-In Fees	(25,669)	
Water/Sewer Tap-In Fees	1,121	7,613
Special Assessments	699,359	756,861
Interest Paid on all debt	(479,400)	(595,458)
<i>Net Cash Used in Capital and Related Financing Activities</i>	<i>(459,464)</i>	<i>(114,277)</i>
<b>Cash Flows from Investing Activities</b>		
Interest Received	6	2,528
<i>Net Decrease in Cash and Cash Equivalents</i>	<i>(22,022)</i>	<i>(95,914)</i>
<i>Cash and Cash Equivalents Beginning of Year</i>	<i>94,716</i>	<i>190,630</i>
<i>Cash and Cash Equivalents End of Year</i>	<i>\$72,694</i>	<i>\$94,716</i>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>		
Operating Loss	(\$49,995)	(\$62,871)
Adjustments:		
Decrease in Accounts Payable	(2,187)	(8,576)
<i>Net Cash Used in Operating Activities</i>	<i>(\$52,182)</i>	<i>(\$71,447)</i>

See accompanying notes to the basic financial statements

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT  
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008**

**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, 2009 AND 2008  
(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 invested in capital assets, net of related debt consists of capital assets less any outstanding capital related debt. 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 2009 and 2008.

***F. Capital Assets***

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. Improvements are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

***G. Operating and Non-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.

Non-operating revenues and expenses are those that are not generated directly by the District's primary mission. Intergovernmental grants, contributions, interest earnings, and water/sewer development fees comprise the non-operating revenues of the District. Non-operating expenses are comprised of interest and fiscal charges, amortization, and other expenses consisting of distribution of water/sewer development fees.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT  
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

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

***H. 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.

***I. 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.

***J. 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.

**NOTE 2: ACCOUNTING CHANGE**

It was determined the calculation of assets and liabilities required an accounting change. The 2007 Net Assets ending balance was adjusted by (\$453,374). Below is a recap of the changes made:

Unadjusted 2007 Net Assets	\$ (838,455)
Accrued Interest Payable	449,993
JEDA Note Payable	(500)
ODOD Grant Receivable	(331,985)
Interest Receivable	<u>(570,882)</u>
Adjusted 2007 Net Assets	<u>\$(1,291,829)</u>

**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.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT  
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**NOTE 3: CASH – (Continued)**

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;
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, 2009 and 2008, 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.



**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT  
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**NOTE 3: CASH – (Continued)**

**Investments**

At December 31, 2009 and 2008, the District had investment in no load money market mutual funds in the amounts of \$67,748 and \$92,296, respectively. The money market accounts were rated AAAM by Standard & Poor's.

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the years ended December 31, 2009 and 2008 was as follows:

	Balance 01/01/09	Additions	Deletions	Balance 12/31/09
Capital Assets:				
Project Costs	\$ 421,356	\$ 40,470		\$ 461,826
	Balance 01/01/08	Additions	Deletions	Balance 12/31/08
Capital Assets:				
Project Costs		\$ 421,356		\$ 421,356

**NOTE 5: LONG-TERM BONDS PAYABLE**

Long-term debt activity during 2009 was as follows:

	Interest Rate	Balance 01/01/09	Retired	Balance 12/31/09	Due Within One Year
<b>Special Assessment Bonds:</b>					
Perrysburg Township	8.5%	\$3,604,647	(\$141,359)	\$3,463,288	\$228,288
<b>Water and Sewer Bonds:</b>					
Perrysburg Township	7.0%	\$1,286,850		\$1,286,850	\$641,800
<b>Total Long-Term Bonds</b>		<b>\$4,891,497</b>	<b>(\$141,359)</b>	<b>\$4,750,138</b>	<b>\$870,088</b>

Long-term debt activity during 2008 was as follows:

	Interest Rate	Balance 01/01/08	Retired	Balance 12/31/08	Due Within One Year
<b>Special Assessment Bonds:</b>					
Perrysburg Township	8.5%	\$3,769,484	(\$164,837)	\$3,604,647	\$169,647
<b>Water and Sewer Bonds:</b>					
Perrysburg Township	7.0%	\$1,286,850		\$1,286,850	
<b>Total Long-Term Bonds</b>		<b>\$5,056,334</b>	<b>(\$164,837)</b>	<b>\$4,891,497</b>	<b>\$169,647</b>

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT  
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**NOTE 5: LONG-TERM BONDS PAYABLE – (Continued)**

Special Assessment Bond debt service to maturity, including interest, as of December 31, 2009 is as follows:

<b>Year Ending December 31:</b>	<b>Assessment Bond Principal</b>	<b>Assessment Interest Payable</b>	<b>Total</b>
2010	\$228,288	\$291,976	\$520,264
2011	220,000	274,976	494,976
2012	245,000	256,276	501,276
2013	255,000	235,450	490,450
2014	280,000	213,776	493,776
2015-2019	1,785,000	670,654	2,455,654
2020	450,000	38,250	488,250
Total	<u>\$3,463,288</u>	<u>\$1,981,358</u>	<u>\$5,444,646</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 7).

Water and Sewer Bond debt service to maturity, including interest, as of December 31, 2009 is as follows:

<b>Year Ending December 31:</b>	<b>Water and Sewer Bond Principal</b>	<b>Water and Sewer Bond Interest Payable</b>	<b>Total</b>
2010	\$641,800	\$855,760	\$1,497,560
2011		40,950	40,950
2012		40,950	40,950
2013		40,950	40,950
2014	360,680	40,950	401,630
2020	284,370	20,475	304,845
Total	<u>\$1,286,850</u>	<u>\$1,040,035</u>	<u>\$2,326,885</u>

The 2010 interest payable includes interest accrued from prior years that hasn't been paid. 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 2009 and 2008 were \$1,121 and \$7,610, respectively.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT  
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**NOTE 5: LONG-TERM BONDS PAYABLE – (Continued)**

	2009	2008
Accrued interest, January 1	\$ 726,681	\$ 730,986
Plus: Interest expense:		
Special Assessments Bonds	306,679	320,958
Water and Sewer Bonds	90,080	90,080
Lease Purchase	171,131	179,112
Note Payable	1,000	1,000
Total interest expense	568,890	591,150
Less: Interest paid:		
Special Assessments Bonds	307,700	322,180
Lease Purchase	171,700	273,275
Total paid	479,400	595,455
Total accrued interest at December 31	\$ 816,171	\$ 726,681

**NOTE 6: 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, 2009.

**NOTE 7: 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.

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.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT  
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**NOTE 8: 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 2009, the loan balance was \$20,000.

**NOTE 9: MANAGEMENT PLANS FOR FINANCIAL DIFFICULTY**

A. Long-Term Debt (Note 5)

The District has been unable to make the scheduled interest payments on the water and sewer bonds and have accrued interest in the amount of \$765,680 as of December 31, 2009. In addition, the District has a scheduled principal payment of \$641,800 due December 31, 2010. This debt is to be paid from water/sewer development fees, which have been insufficient to cover the scheduled debt payments. The District is in negotiations with the debt holder to extend the debt payments.

As of December 31, 2009, the District was in arrears in the amount of \$28,288 on its scheduled principal payments on the special assessment bonds. This debt is to be paid from assessments on property owners benefitting from road improvements.

B. Note Payable (Note 8)

The District has been unable to make the principal and interest payments on the note received from the Northern Wood County Port Authority (the Port Authority). The Port Authority has extended the note until July 1, 2011.

**NOTE 10: 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.

**NOTE 11 – SUBSEQUENT EVENTS**

On January 11, 2010, the District was awarded a \$500,000 grant from the Ohio Department of Development for construction activities. This is a reimbursement grant and the District has not received any funds yet.



# 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, 2009 and 2008, and have issued our report thereon dated September 30, 2010. Our report expressed substantial doubt about the District's ability to continue as a going concern. 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated September 30, 2010.

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

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

September 30, 2010



**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  
OCTOBER 14, 2010**