



Mary Taylor, CPA  
Auditor of State



**MIAMI TOWNSHIP – CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Miami Township - City of Dayton Joint Economic Development District  
Montgomery County  
2700 Lyons Road  
Miamisburg, Ohio 45342

To the Board of Directors:

We have audited the accompanying financial statements of the governmental activity of the Miami Township - City of Dayton Joint Economic Development District, Montgomery County, (the District), as of and for the years ended December 31, 2007 and 2006. 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 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 opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activity of the Miami Township -City of Dayton Joint Economic Development District, Montgomery County, as of December 31, 2007 and 2006, and the respective changes in cash financial position and the budgetary comparison for the General Fund for the years then ended in conformity with the basis of accounting Note 2 describes.

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 the Governmental Accounting Standards Board 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

**MIAMI TOWNSHIP – CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
UNAUDITED**

This discussion and analysis of the Miami Township – City of Dayton Joint Economic Development District’s financial performance provides an overall review of the District’s financial activities for the year ended December 31, 2007, within the limitations of the District’s cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Districts’ financial performance.

**Highlights**

Key highlights for 2007 are as follows:

- During the year the net assets increased by \$63,968 or 69% during 2007. The primary reason contributing to the increase was the collection of income tax for the entire year.
- Revenues consisted of income tax revenues of \$171,167 and interest income of \$317.
- The District had \$96,376 in disbursements related to economic development; 93% of which was comprised of the first annual distribution to the Township and City. Capital outlay disbursements of \$11,140 completed the school crossing project. General receipts of \$171,484 were adequate to provide these programs.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District’s cash basis of accounting.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the District as a whole.

The notes to the financial statements are an integral part of the district-wide financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District’s cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**MIAMI TOWNSHIP – CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
UNAUDITED  
(Continued)**

**Reporting the District as a Whole**

The statement of net assets and the statement of activities reflect how the District did financially during 2006, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the activities of the District at year-end. The statement of activities compares cash disbursements with program receipts for each program. Program receipts include charges paid by the recipient of the program’s goods or services and grants and contributions restricted to meeting the operational or capital requirements of a specific program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each function draws from the District’s general receipts. The District has no program receipts. One hundred percent of the activities are supported by general receipts.

These statements report the District’s cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District’s financial health. Over time, increases or decreases in the District’s cash position is one indicator of whether the District’s financial health is improving or deteriorating. When evaluating the District’s financial condition, you should also consider other non-financial factors as well such as the condition of the District’s capital assets and the extent of the District’s debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as income taxes.

**The District As A Whole**

Table 1 provides a summary of the District’s General Fund net assets for 2007 compared to 2006 on a cash basis:

	<b>2007</b>	<b>2006</b>
<b>Assets</b>		
Cash	\$201,399	\$140,848
Cash with Fiscal Agent	6,806	3,389
<b>Total Assets</b>	<b>208,205</b>	<b>144,237</b>
<b>Net Assets</b>		
Restricted for:		
Long-Term Maintenance	1,473	617
Unrestricted	206,732	143,620
<b>Total Net Assets</b>	<b>\$208,205</b>	<b>\$144,237</b>

As mentioned previously, net assets of the General Fund increased \$63,968 or 69% during 2007. The primary reason contributing to the increase was the collection of income tax for the entire year.



**MIAMI TOWNSHIP – CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
UNAUDITED  
(Continued)**

Tables 2 reflect the changes in net assets on a cash basis in 2007 compared to 2006 for the General Fund.

**Table 2**

	<b>2007</b>	<b>2006</b>
<b>General Receipts:</b>		
Income Tax	\$171,167	\$123,353
Donations from Governments		30,000
Interest	317	218
Total General Revenues	<u>171,484</u>	<u>153,571</u>
<b>General Disbursements:</b>		
Economic Development	96,376	7,875
Capital Outlay	11,140	1,459
Total General Disbursements	<u>107,516</u>	<u>9,334</u>
Increase (Decrease) in Cash	63,968	144,237
Cash Balance, January 1,	<u>144,237</u>	
Cash Balance, December 31,	<u>\$208,205</u>	<u>\$144,237</u>

Disbursements represent the overhead costs of running the District and capital outlay. Economic development disbursements are comprised of legal fees, office supplies, and other administrative costs. Capital outlay disbursements represent improvements to the District's infrastructure.

**Budgeting**

The District's budget is prepared according to the contract between the Township and the City and is based upon accounting for all transactions on a basis of cash receipts and disbursements.

The original 2007 budget was not amended during the year. The budgeted receipts included income tax collections and interest earned on idle cash in a bank account. Final budgeted receipts remain consistent with original budgeted receipts and actual revenues.

**Current Issues**

The challenge for all Joint Economic Development Districts (JEDD) is to provide quality services to the businesses residing within the boundaries of the district while staying within sometimes an unpredictable amount of revenues. With the JEDD being the first of its kind in the southern portion of the State, the Board of Directors are continuously assessing not only the current needs of the businesses but also the future needs of the current businesses and future businesses.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Gregory A. Hanahan, Secretary-Treasurer, 2700 Lyons Road, Miamisburg, Ohio 45342.

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**MIAMI TOWNSHIP - CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2007**

	<u><b>Governmental Activities</b></u>
<b>Assets</b>	
Cash	\$201,399
Cash with Fiscal Agents	<u>6,806</u>
Total Assets	<u>208,205</u>
<b>Net Assets</b>	
Restricted for:	
Long Term Maintenance	1,473
Unrestricted	<u>206,732</u>
Total Net Assets	<u><u>\$208,205</u></u>

*See accompanying notes to the basic financial statements.*

**MIAMI TOWNSHIP - CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>2007</u>
<b>Program Disbursements:</b>	
Economic Development	\$96,376
Capital Outlay	11,140
Total Program Disbursements	<u>107,516</u>
<b>General Receipts:</b>	
Income Tax	171,167
Interest	317
Total General Revenues	<u>171,484</u>
Increase (decrease) in Cash	63,968
Cash Balance Beginning of Year	<u>144,237</u>
Cash Balance End of Year	<u><u>\$208,205</u></u>

*See accompanying notes to the basic financial statements.*

**MIAMI TOWNSHIP - CITY OF DAYTON JOINT ECONOMIC DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>			<b>(Optional) Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Income Taxes	\$167,750	\$167,750	\$171,167	\$3,417
Interest	317	317	317	
Total receipts	<u>168,067</u>	<u>168,067</u>	<u>171,484</u>	<u>3,417</u>
<b>Disbursements</b>				
<b>Current:</b>				
Economic Development	7,742	97,880	96,376	1,504
Capital Outlay	11,200	11,200	11,140	60
Total Disbursements	<u>18,942</u>	<u>109,080</u>	<u>107,516</u>	<u>1,564</u>
Net Change in Fund Balance	149,125	58,987	63,968	4,981
Fund Balance Beginning of Year	<u>144,237</u>	<u>144,237</u>	<u>144,237</u>	
Fund Balance End of Year	<u><u>\$293,362</u></u>	<u><u>\$203,224</u></u>	<u><u>\$208,205</u></u>	<u><u>\$4,981</u></u>

*See accompanying notes to the basic financial statements.*

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**MIAMI TOWNSHIP – CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

**1. REPORTING ENTITY**

The Miami Township – City of Dayton Joint Economic Development District (the “District”) is a political body incorporated and established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District was established by the Township Board of Trustees and the City Commission under the provisions of Sections 715.72 to 715.83, of The Ohio Revised Code, on January 1, 2006. The District operates under the direction of a five member Board of Directors. By law the Board is comprised of one member representing the City, appointed by the City Commission; one member representing the Township, appointed by the Township Trustees; one member representing the owners of the businesses located in the District, appointed by the City Commission with the concurrence of the Township Trustees; one member representing the persons employed in the District, appointed by the Township Trustees with the concurrence of the City Commission; and one member selected by the other Board members. The District’s purpose is to promote economic development activities in the geographic area comprising the District. Such area is located in Miami Township and includes the Dayton - Wright Brothers Airport, which is owned by the City of Dayton.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the District’s accounting policies.

**A. Basis of Presentation**

The District’s basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities.

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. District activities generally are financed through a tax on income earned in the District.

The statement of net assets presents the cash balance of the District at year end. The statement of activities compares disbursements with program receipts for each of the District’s activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the program’s goods or services, grants and contributions restricted to meeting the operational requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the District’s general receipts. The District did not have any program revenues.

**MIAMI TOWNSHIP – CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Fund Accounting**

The District uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. All activities of the District are reported in the General Fund.

**C. Basis of Accounting**

The District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the District are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**D. Cash**

The District's cash is held in one depository account. This account is an interest bearing account. There were no investments during the year.

**E. Budgetary Process**

The contract between the Township and City prescribes a budgetary process for the District. The budget shall estimate the balance of funds available for operational and capital expenses and reserves. The Board shall expend funds in accordance with the budget. The Board of Directors approves the District's budget annually. Any amendments are also approved by the Board of Directors. The budget is prepared on a cash basis.

**F. Capital Assets**

Acquisitions of capital assets are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Restricted 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. Restricted net assets represent amounts required by contract between the Township and the City for long term maintenance of the District.

**3. BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis is based upon accounting for certain transactions on the basis of cash receipts and disbursements. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.



**MIAMI TOWNSHIP – CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(Continued)**

**4. DEPOSITS**

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 Directors have 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 by the United States;
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 Library, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

**MIAMI TOWNSHIP – CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(Continued)**

**4. DEPOSITS (Continued)**

At year end, 2007 the District had \$ 200 in undeposited cash on hand which is included as part of “Cash” on the financial statements.

**A. Deposits with Financial Institutions**

Custodial credit risk 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 year end, \$101,830 of the Township’s bank balance of \$201,830 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the District’s name.

Custodial credit risk is the risk that, in the event of bank failure, the District’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Library.

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 Library 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 then deposits being secured.

**5. INSURANCE**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. There have been no claims. The District maintains property, general liability, fidelity, and directors and officers’ liability coverage through the Brower Insurance Agency. There have been no significant changes in coverage from last year.

**6. SIGNIFICANT CONTRACTUAL COMMITMENTS**

As of December 31, 2007 the District had contractual commitments concerning the distribution of income tax monies as follows:

City of Dayton	\$63,025
Miami Township	\$63,025

**MIAMI TOWNSHIP – CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
UNAUDITED**

This discussion and analysis of the Miami Township – City of Dayton Joint Economic Development District’s financial performance provides an overall review of the District’s financial activities for the year ended December 31, 2006, within the limitations of the District’s cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Districts’ financial performance.

**Highlights**

Key highlights for 2006 are as follows:

- The District began their first year of operation with both parties donating \$15,000 each.
- During the year the net assets increased by \$144,237.
- Revenues consisted of income tax revenues of \$123,353, donations of \$30,000, and interest income of \$218.
- The District had \$9,334 in disbursements related to economic development and capital outlay. General receipts of \$153,571 were adequate to provide these programs.
- The District began installing school crossing signs and flashing lights for the Dayton Christian School.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District’s cash basis of accounting.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the District as a whole.

The notes to the financial statements are an integral part of the district-wide financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District’s cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**MIAMI TOWNSHIP – CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
UNAUDITED  
(Continued)**

**Reporting the District as a Whole**

The statement of net assets and the statement of activities reflect how the District did financially during 2006, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the activities of the District at year-end. The statement of activities compares cash disbursements with program receipts for each program. Program receipts include charges paid by the recipient of the program’s goods or services and grants and contributions restricted to meeting the operational or capital requirements of a specific program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each function draws from the District’s general receipts. The District has no program receipts. One hundred percent of the activities are supported by general receipts.

These statements report the District’s cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District’s financial health. Over time, increases or decreases in the District’s cash position is one indicator of whether the District’s financial health is improving or deteriorating. When evaluating the District’s financial condition, you should also consider other non-financial factors as well such as the condition of the District’s capital assets and the extent of the District’s debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as income taxes.

**The District as a Whole**

Table 1 provides a summary of the District’s General Fund net assets for 2006 on a cash basis:

<b>Table 1</b>	
<b>Assets</b>	
Cash	\$140,848
Cash with Fiscal Agent	3,389
Total Assets	144,237
 <b>Net Assets</b>	
<b>Restricted for:</b>	
Long-Term Maintenance	617
Unrestricted	143,620
Total Net Assets	\$144,237

Tables 2 reflect the changes in net assets on a cash basis for the General Fund in 2006. Since 2006 was the District’s first year of operation it is not possible to provide a comparable analysis to the previous year. In future years, when prior year information is available, a comparative analysis will be presented.

**MIAMI TOWNSHIP – CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
UNAUDITED  
(Continued)**

**Table 2**

<b>General Receipts:</b>	
Income Tax	\$123,353
Donations from Governments	30,000
Interest	218
Total General Revenues	<u>153,571</u>
<b>General Disbursements:</b>	
Economic Development	7,875
Capital Outlay	1,459
Total General Disbursements	<u>9,334</u>
Increase (Decrease) in Cash	144,237
Cash Balance, January 1, 2006	
Cash Balance, December 31, 2006	<u><u>\$144,237</u></u>

Disbursements represent the overhead costs of running the District and capital outlay. Economic development disbursements are comprised of legal fees, office supplies, and other administrative costs. Capital outlay disbursements represent improvements to the District’s infrastructure.

**Budgeting**

The District’s budget is prepared according to the contract between the Township and the City and is based upon accounting for all transactions on a basis of cash receipts and disbursements.

The original 2006 budget was amended during the year. The budgeted receipts included income tax collections and interest earned on idle cash in a bank account. Since it was the first year of its operation, the District had no history of revenues nor did it have any reliable data on which to base its estimate. As a result, tax receipts were overestimated. The actual revenues however were more than adequate to cover the cost of services.

**Current Issues**

The challenge for all Joint Economic Development Districts (JEDD) is to provide quality services to the businesses residing within the boundaries of the district while staying within sometimes an unpredictable amount of revenues. With the JEDD being the first of its kind in the southern portion of the State, the Board of Directors are continuously assessing not only the current needs of the businesses but also the future needs of the current businesses and future businesses.

**Contacting the District’s Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors with a general overview of the District’s finances and to reflect the District’s accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Gregory A. Hanahan, Secretary-Treasurer, 2700 Lyons Road, Miamisburg, Ohio 45342.

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**MIAMI TOWNSHIP - CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2006**

	<u><b>Governmental Activities</b></u>
<b>Assets</b>	
Cash	\$140,848
Cash with Fiscal Agents	3,389
Total Assets	<u>144,237</u>
<b>Net Assets</b>	
<b>Restricted for:</b>	
Long Term Maintenance	617
Unrestricted	143,620
Total Net Assets	<u><u>\$144,237</u></u>

*See accompanying notes to the basic financial statements.*

**MIAMI TOWNSHIP - CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>2006</u>
<b>Program Disbursements:</b>	
Economic Development	\$7,875
Capital Outlay	<u>1,459</u>
Total Program Disbursements	<u>9,334</u>
<b>General Receipts:</b>	
Income Tax	123,353
Donations from Governments	30,000
Interest	<u>218</u>
Total General Revenues	<u>153,571</u>
Increase (decrease) in Cash	144,237
Cash Balance Beginning of Year	<u>                    </u>
Cash Balance End of Year	<u><u>\$144,237</u></u>

*See accompanying notes to the basic financial statements.*



**MIAMI TOWNSHIP - CITY OF DAYTON JOINT ECONOMIC DISTRICT  
MONTGOMERY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>			<b>(Optional) Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Income Taxes	\$210,000	\$210,000	\$123,353	(\$86,647)
Donations From Governments			30,000	30,000
Interest			218	218
Total receipts	<u>210,000</u>	<u>210,000</u>	<u>153,571</u>	<u>(56,429)</u>
<b>Disbursements</b>				
<b>Current:</b>				
Economic Development	22,850	28,239	7,875	20,364
Capital Outlay	18,000	18,000	1,459	16,541
Total Disbursements	<u>40,850</u>	<u>46,239</u>	<u>9,334</u>	<u>36,905</u>
Net Change in Fund Balance	169,150	163,761	144,237	(19,524)
Fund Balance Beginning of Year				
Fund Balance End of Year	<u>\$169,150</u>	<u>\$163,761</u>	<u>\$144,237</u>	<u>(\$19,524)</u>

*See accompanying notes to the basic financial statements.*

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**MIAMI TOWNSHIP – CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**1. REPORTING ENTITY**

The Miami Township – City of Dayton Joint Economic Development District (the “District”) is a political body incorporated and established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District was established by the Township Board of Trustees and the City Commission under the provisions of Sections 715.72 to 715.83, of The Ohio Revised Code, on January 1, 2006. The District operates under the direction of a five member Board of Directors. By law the Board is comprised of one member representing the City, appointed by the City Commission; one member representing the Township, appointed by the Township Trustees; one member representing the owners of the businesses located in the District, appointed by the City Commission with the concurrence of the Township Trustees; one member representing the persons employed in the District, appointed by the Township Trustees with the concurrence of the City Commission; and one member selected by the other Board members. The District’s purpose is to promote economic development activities in the geographic area comprising the District. Such area is located in Miami Township and includes the Dayton - Wright Brothers Airport, which is owned by the City of Dayton.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the District’s accounting policies.

**A. Basis of Presentation**

The District’s basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities.

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. District activities generally are financed through a tax on income earned in the District.

The statement of net assets presents the cash balance of the District at year end. The statement of activities compares disbursements with program receipts for each of the District’s activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the program’s goods or services, grants and contributions restricted to meeting the operational requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the District’s general receipts. The District did not have any program revenues.

**MIAMI TOWNSHIP – CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Fund Accounting**

The District uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. All activities of the District are reported in the General Fund.

**C. Basis of Accounting**

The District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the District are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**D. Cash**

The District's cash is held in one depository account. This account is an interest bearing account. There were no investments during the year.

**E. Budgetary Process**

The contract between the Township and City prescribes a budgetary process for the District. The budget shall estimate the balance of funds available for operational and capital expenses and reserves. The Board shall expend funds in accordance with the budget. The Board of Directors approves the District's budget annually. Any amendments are also approved by the Board of Directors. The budget is prepared on a cash basis.

**F. Capital Assets**

Acquisitions of capital assets are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Restricted 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. Restricted net assets represent amounts required by contract between the Township and the City for long term maintenance of the District.

**MIAMI TOWNSHIP – CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**3. BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis is based upon accounting for certain transactions on the basis of cash receipts and disbursements. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**4. DEPOSITS**

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 Directors have 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 by the United States;
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;

**MIAMI TOWNSHIP – CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**4. DEPOSITS (Continued)**

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 Library, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

At year end, 2007 the District had \$ 200 in undeposited cash on hand which is included as part of "Cash" on the financial statements.

**A. Deposits with Financial Institutions**

Custodial credit risk 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 year end, \$40,648 of the Township's bank balance of \$140,648 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Library.

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 Library 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 then deposits being secured.

**5. INSURANCE**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. There have been no claims. The District maintains property, general liability, fidelity, and directors and officers' liability coverage through the Brower Insurance Agency.

**MIAMI TOWNSHIP – CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**6. SIGNIFICANT CONTRACTUAL COMMITMENTS**

As of December 31, 2006 the District had contractual commitments concerning the distribution of income tax monies as follows:

City of Dayton	\$45,068
Miami Township	\$45,068

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Miami Township - City of Dayton Joint Economic Development District  
Montgomery County  
2700 Lyons Road  
Miamisburg, Ohio 45342

To the Board of Directors:

We have audited the accompanying financial statements and the major fund of the Miami Township - City of Dayton Joint Economic Development District, Montgomery 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.

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

### **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 a certain noncompliance or other matter 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 management and Board of Directors. 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

November 3, 2008



**Mary Taylor, CPA**  
Auditor of State

**MIAMI TOWNSHIP/CITY OF DAYTON JOINT ECONOMIC DEVELOPMENT DISTRICT**

**MONTGOMERY 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  
DECEMBER 11, 2008**