



OHIO AUDITOR OF STATE
KEITH FABER



**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Rossford Transportation Improvement District
Wood County
c/o Wood County Engineer
One Courthouse Square
Bowling Green, Ohio 43402

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Rossford Transportation Improvement District, Wood County, Ohio (the District), as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Rossford Transportation Improvement District, Wood County, Ohio as of December 31, 2018

and 2017, and the changes in its financial position and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying financial statements have been prepared assuming that the District will continue as a going concern. As discussed in Notes 9 and 9 to the financial statements, for the years ended December 31, 2018 and 2017, the District has suffered recurring losses from operations, been unable to pay debt obligations when due, has a net deficiency, and has disclosed that substantial doubt exists about its ability to continue as a going concern. Notes 9 and 9 to the financial statements, for the years ended December 31, 2018 and 2017, also describes management's evaluation of these events and conditions and their plans regarding these matters. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is unmodified regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2019, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

December 2, 2019

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
UNAUDITED**

The discussion and analysis of the Rossford Transportation Improvement District's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2018. 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 three parts, management's discussion and analysis, the financial statements and the notes to the financial statements. These statements are organized so the reader can understand the District's financial activities. The *statement of net position* and *statement of revenues, expenses and changes in net position* provide information about the activities of the District, including all short-term and long-term financial resources and obligations. Since the District only uses one fund for its operations, the entity-wide and the fund presentation information is the same.

Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net position and the Statement of Cash Flows

These documents look at all financial transactions to determine how well the District has performed financially through December 31, 2018. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These statements report the District's *net position* and changes in that position. This change in net position tells the reader whether, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

The statement of cash flows provides information about how the District finances and meets the cash flow needs of its operations.

This section contains a condensed comparison of assets, liabilities and net position and explanations for significant differences. Table 1 provides a summary of the District's net position for 2018 and 2017.

**Table 1
Net Position**

	2018	2017
Current Assets	1,791,154	1,682,623
Noncurrent assets	644,952	1,335,078
<i>Total Assets</i>	2,436,106	3,017,701
Current Liabilities	2,352,669	2,211,495
Long-Term Liabilities	705,000	1,355,000
<i>Total Liabilities</i>	3,057,669	3,566,495
Unrestricted (Deficit)	(621,563)	(548,794)
<i>Total Net Position</i>	\$ (621,563)	\$ (548,794)

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
UNAUDITED
(Continued)**

Total assets in 2018 decreased by \$581,595, caused by the reduction in assessments receivable due to payments received. Total liabilities in 2018 decreased by \$508,826 due to reduction of bonds and intergovernmental payable.

Table 2 shows the changes in net position for the years ended December 31, 2018 and 2017. Total net position decreased by \$72,769 in 2018.

**Table 2
Revenues and Expenses**

	<u>2018</u>	<u>2017</u>
Receipts		
City of Rossford/Perrysburg Township/NWWSD	\$37,500	\$49,720
Interest Income	181,359	239,107
Total Receipts	<u>218,859</u>	<u>288,827</u>
Expenses		
Legal and Accounting	11,107	41,707
Insurance	1,362	1,362
Other Operating	22	34,720
Interest and Fiscal Charges	279,137	310,357
Total Expenses	<u>291,628</u>	<u>388,146</u>
Changes in Net Assets	(72,769)	(99,319)
Net Position Beginning of Year	(548,794)	(449,475)
Net Position End of Year	<u><u>(\$621,563)</u></u>	<u><u>(\$548,794)</u></u>

Long-Term Debt

The outstanding long-term debt for the District as of December 31, 2018 was \$705,000. The 2018 balance reflects a reduction of \$650,000 from the previous year's balance. Table 3 summarizes the long-term portion of the outstanding debt.

**Table 3
Debt**

	<u>2018</u>	<u>2017</u>
Special Assessment Bonds Payable	\$450,000	\$865,000
Intergovernmental Payable	255,000	490,000
	<u><u>\$705,000</u></u>	<u><u>\$1,355,000</u></u>

Additional information concerning the District's debt can be found in Note 5 to the basic financial statements.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
UNAUDITED
(Continued)**

Management Plans for Financial Difficulty

The accompanying financial statements have been prepared assuming the District will continue as a going concern. The District has been unable to make some of the scheduled principal payments on its debt obligations. Accordingly, there is substantial doubt about its ability to continue as a going concern. Management's plans in regards to these matters are discussed in Note 9 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 Rossford Transportation Improvement District, c/o Wood County Engineer, One Courthouse Square, Bowling Green, Ohio 43402.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

***Statement of Net Position
December 31, 2018***

Assets

Current Assets:

Cash and Cash Equivalents	\$4,074
Assessments Receivable	1,162,163
Interest Receivable	624,917
<i>Total Current Assets</i>	<u>1,791,154</u>

Noncurrent Assets:

Assessments Receivable	644,952
<i>Total Noncurrent Assets</i>	<u>644,952</u>

<i>Total Assets</i>	<u>2,436,106</u>
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Liabilities

Current Liabilities

Accounts Payable	17,164
Payable (Note 8)	84,000
Intergovernmental Payable	819,563
Special Assessment Bonds Payable	1,431,942
<i>Total Current Liabilities</i>	<u>2,352,669</u>

Long-Term Liabilities:

Special Assessment Bonds Payable	450,000
Intergovernmental Payable	255,000
<i>Total Long-Term Liabilities</i>	<u>705,000</u>

<i>Total Liabilities</i>	<u>3,057,669</u>
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Net Position

Unrestricted (Deficit)	<u>(621,563)</u>
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<i>Total Net Position</i>	<u><u>(\$621,563)</u></u>
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See accompanying notes to the basic financial statements

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

***Statement of Revenues,
Expenses and Changes in Net Position
For the Year Ended December 31, 2018***

Operating Revenues

City of Rossford/Perrysburg Township/NWWSD \$37,500

Operating Expenses

Legal and Accounting 11,107

Insurance 1,362

Other 22

Total Operating Expenses 12,491

Operating Income 25,009

Non-Operating Revenues (Expenses)

Interest Income 181,359

Interest and Fiscal Charges (279,137)

Total Non-Operating Revenues (Expenses) (97,778)

Change in Net Position (72,769)

Net Position Beginning of Year (548,794)

Net Position End of Year (\$621,563)

See accompanying notes to the basic financial statements

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

***Statement of Cash Flows
For the Year Ended December 31, 2018***

Increase in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash Received from Customers	\$37,500
Cash Payments to Suppliers of Goods or Services	<u>(35,717)</u>
<i>Net Cash Provided by Operating Activities</i>	<u>1,783</u>

**Cash Flows from Capital and
Related Financing Activities**

Payment of Intergovernmental Payable	(172,643)
Payment of Special Assessment Debt	(312,956)
Special Assessments	764,141
Net Interest Paid on all debt	<u>(278,542)</u>
<i>Net Cash from Capital and Related Financing Activities</i>	<u>-</u>

Net Increase in Cash and Cash Equivalents 1,783

Cash and Cash Equivalents Beginning of Year 2,291

Cash and Cash Equivalents End of Year \$4,074

**Reconciliation of Operating Gain to Net Cash
Provided by Operating Activities**

Operating Gain	\$25,009
Adjustments:	
Decrease in Accounts Payable	<u>(23,226)</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$1,783</u></u>

See accompanying notes to the basic financial statements

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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 that 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*. 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.

Basis of accounting determines when transactions are recorded in the financial statements. The District's financial statements are prepared using the accrual basis of accounting.

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

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. Nonexchange transactions, in which the District receives value without directly giving equal value in return, include grants and donations. Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(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 position. The statement of revenues, expenses, and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its activity.

D. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its 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 first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

E. 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 acquisition 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. Depreciation is computed using the straight-line method over a useful life of 40 years for roads.

F. Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. For the District, these revenues consist of lease income. 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. Interest income comprises the non-operating revenues of the District. Non-operating expenses are comprised of interest and fiscal charges.

G. Estimates

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

H. Statement of Cash Flows

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

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

I. Trust Officer

Effective August 1, 2000, in accordance with the special assessment bond trust agreement, U.S. Bank (formerly First Star Bank) was appointed Trust Officer to receive and disburse all District funds. Amounts held by the trustee are shown as Cash with Trustee on the statement of net position. There was no cash held by the trustee at December 31, 2018.

NOTE 2 - CASH

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

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

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

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

Interim monies held by the District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry zero-coupon United States treasury security that is a direct obligation of 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);

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

7. The State Treasurer's investment pool (STAR Ohio).

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC). 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, 2018, none of the District's bank balance was exposed to custodial credit risk.

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

Investments

At December 31, 2018, the District had no funds invested in federal securities and investments.

NOTE 3 - 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.

NOTE 4 - RECEIVABLES

Receivables at December 31, 2018, consisted of special assessments and accrued interest. Special assessments receivable in the amount of \$644,952 will not be received within one year. At December 31, 2018, the amount of delinquent special assessments were \$472,037.

NOTE 5 - BONDS PAYABLE

Long-term debt activity during 2018 was as follows:

	<u>Interest Rate</u>	<u>Balance 01/01/18</u>	<u>Retired</u>	<u>Balance 12/31/18</u>	<u>Due Within One Year</u>
Special Assessment Bonds:					
Perryburg Township	8.5%	\$2,194,898	\$312,956	\$1,881,942	\$1,431,942

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

Special Assessment Bond debt service to maturity, including interest, as of December 31, 2018 is as follows:

<u>Year Ending December 31:</u>	<u>Assessment Bond Principal</u>	<u>Assessment Interest Payable</u>	<u>Total</u>
2019	1,431,942	73,525	1,505,467
2020	450,000	38,250	488,250
Total	<u>\$1,881,942</u>	<u>\$111,775</u>	<u>\$1,993,717</u>

Special Assessment Bonds will be repaid from special assessments collected. The bond agreements provide that 64.16% of special assessment collections will be used to pay bond interest and principal. The remaining 35.84% is paid to the City of Rossford (See Note 7).

The 2018 interest activity follows:

	<u>2018</u>
Accrued interest, January 1	\$ -
Plus: Interest expense:	
Special Assessments Bonds	177,912
Lease Purchase	101,226
Total interest expense	<u>279,138</u>
Less: Interest paid:	
Special Assessments Bonds	177,912
Lease Purchase	101,226
Total paid	<u>279,138</u>
Total accrued interest at December 31	<u>\$ -</u>

NOTE 6 – DEFEASED DEBT

In 2015, the District reached a cooperative agreement with Perrysburg Township and the Northwestern Water & Sewer District in which all principal and interest on the Series 2000 Bonds were considered paid and all outstanding Series 2000 Bonds, if any, were considered defeased. At December 31, 2014 outstanding principal and interest owed by the District totaled \$2,429,625. The terms agreed upon were all future RTID-System Development Fees will be paid to Perrysburg Township and the Northwestern Water & Sewer District.

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.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

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

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

NOTE 8 – PAYABLE

During 2016, the District received services from the Wood County Engineer for Buck Road and Lime City appraisals. At the end of 2018, the balance owed Wood County was \$84,000.

NOTE 9 - MANAGEMENT PLANS FOR FINANCIAL DIFFICULTY

Long-Term Debt (Note 5)

As of December 31, 2018, the District was in arrears in the amount of \$1,601,504 on its scheduled principal payments on the special assessment bonds and intergovernmental payable. This debt is to be paid from assessments on property owners benefitting from road improvements. When the assessments cease to be collected there are currently no practical or legal alternatives available to pay the amount in arrears at that time.

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 officials and natural disasters. The District contracted with Philadelphia Insurance Companies for Directors and Officers Liability coverage in the amount of \$1,000,000 per occurrence and in the aggregate. There have been no significant reductions in insurance coverage from the prior year, and no insurance settlement has exceeded insurance coverage during the last three years.

NOTE 11 – SUBSEQUENT EVENTS

On March 28, 2019, Wood County approved the expansion of the area of the Rossford, Ohio Transportation Improvement District to conform with the boundaries of Wood County, Ohio and change the name to the Wood County Transportation Improvement District.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED**

The discussion and analysis of the Rossford Transportation Improvement District's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2017. 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 three parts, management's discussion and analysis, the financial statements and the notes to the financial statements. These statements are organized so the reader can understand the District's financial activities. The *statement of net position* and *statement of revenues, expenses and changes in net position* provide information about the activities of the District, including all short-term and long-term financial resources and obligations. Since the District only uses one fund for its operations, the entity-wide and the fund presentation information is the same.

Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net position and the Statement of Cash Flows

These documents look at all financial transactions to determine how well the District has performed financially through December 31, 2017. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These statements report the District's *net position* and changes in that position. This change in net position tells the reader whether, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

The statement of cash flows provides information about how the District finances and meets the cash flow needs of its operations.

This section contains a condensed comparison of assets, liabilities and net position and explanations for significant differences. Table 1 provides a summary of the District's net position for 2017 and 2016.

**Table 1
Net Position**

	2017	2016
Current Assets	1,682,623	1,562,290
Noncurrent assets	1,335,078	1,961,043
<i>Total Assets</i>	3,017,701	3,523,333
Current Liabilities	2,211,495	2,017,808
Long-Term Liabilities	1,355,000	1,955,000
<i>Total Liabilities</i>	3,566,495	3,972,808
Unrestricted (Deficit)	(548,794)	(449,475)
<i>Total Net Position</i>	\$ (548,794)	\$ (449,475)

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED
(Continued)**

Total assets in 2017 decreased by \$505,632, caused by the reduction in assessments receivable due to payments received. Total liabilities in 2017 decreased by \$406,313 due to reduction of bonds and intergovernmental payable.

Table 2 shows the changes in net position for the years ended December 31, 2017 and 2016. Total net position decreased by \$99,319 in 2017.

**Table 2
Revenues and Expenses**

	<u>2017</u>	<u>2016</u>
Receipts		
City of Rossford/Perrysburg Township/NWWSD	\$49,720	\$15,000
Interest Income	239,107	291,819
Ohio Development Services Agency		90,419
Total Receipts	<u>288,827</u>	<u>397,238</u>
Expenses		
Legal and Accounting	41,707	13,497
Insurance	1,362	1,362
Other Operating	34,720	2,000
Interest and Fiscal Charges	310,357	341,219
Project Costs		174,000
Total Expenses	<u>388,146</u>	<u>532,078</u>
Changes in Net Assets	(99,319)	(134,840)
Net Position Beginning of Year	(449,475)	(314,635)
Net Position End of Year	<u><u>(\$548,794)</u></u>	<u><u>(\$449,475)</u></u>

Long-Term Debt

The outstanding long-term debt for the District as of December 31, 2017 was \$1,355,000. The 2017 balance reflects a reduction of \$600,000 from the previous year's balance. Table 3 summarizes the long-term portion of the outstanding debt.

**Table 3
Debt**

	<u>2017</u>	<u>2016</u>
Special Assessment Bonds Payable	\$865,000	\$1,250,000
Intergovernmental Payable	490,000	705,000
	<u><u>\$1,355,000</u></u>	<u><u>\$1,955,000</u></u>

Additional information concerning the District's debt can be found in Note 5 to the basic financial statements.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED
(Continued)**

Management Plans for Financial Difficulty

The accompanying financial statements have been prepared assuming the District will continue as a going concern. The District has been unable to make some of the scheduled principal payments on its debt obligations. Accordingly, there is substantial doubt about its ability to continue as a going concern. Management's plans in regards to these matters are discussed in Note 9 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 Rossford Transportation Improvement District, c/o Wood County Engineer, One Courthouse Square, Bowling Green, Ohio 43402.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

***Statement of Net Position
December 31, 2017***

Assets

Current Assets:

Cash and Cash Equivalents	\$2,291
Cash with Trustee	73
Assessments Receivable	1,061,873
Interest Receivable	618,386
<i>Total Current Assets</i>	<u>1,682,623</u>

Noncurrent Assets:

Assessments Receivable	1,335,078
<i>Total Noncurrent Assets</i>	<u>1,335,078</u>

<i>Total Assets</i>	<u>3,017,701</u>
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Liabilities

Current Liabilities

Accounts Payable	40,391
Payable (Note 8)	84,000
Intergovernmental Payable	757,206
Special Assessment Bonds Payable	1,329,898
<i>Total Current Liabilities</i>	<u>2,211,495</u>

Long-Term Liabilities:

Special Assessment Bonds Payable	865,000
Intergovernmental Payable	490,000
<i>Total Long-Term Liabilities</i>	<u>1,355,000</u>

<i>Total Liabilities</i>	<u>3,566,495</u>
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Net Position

Unrestricted (Deficit)	<u>(548,794)</u>
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<i>Total Net Position</i>	<u><u>(\$548,794)</u></u>
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See accompanying notes to the basic financial statements

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

***Statement of Revenues,
Expenses and Changes in Net Position
For the Year Ended December 31, 2017***

Operating Revenues	
City of Rossford/Perrysburg Township/NWWSD	<u>\$49,720</u>
Operating Expenses	
Legal and Accounting	41,707
Insurance	1,362
Other	34,720
<i>Total Operating Expenses</i>	<u>77,789</u>
<i>Operating Loss</i>	<u>(28,069)</u>
Non-Operating Revenues (Expenses)	
Interest Income	239,107
Interest and Fiscal Charges	<u>(310,357)</u>
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(71,250)</u>
<i>Change in Net Position</i>	(99,319)
<i>Net Position Beginning of Year</i>	<u>(449,475)</u>
<i>Net Position End of Year</i>	<u><u>(\$548,794)</u></u>

See accompanying notes to the basic financial statements

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

***Statement of Cash Flows
For the Year Ended December 31, 2017***

Decrease in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash Received from Customers	\$49,720
Cash Payments to Suppliers of Goods or Services	<u>(138,712)</u>
<i>Net Cash Used in Operating Activities</i>	<u>(88,992)</u>

**Cash Flows from Capital and
Related Financing Activities**

Payment of Intergovernmental Payable	(122,706)
Payment of Special Assessment Debt	(222,685)
Special Assessments	655,748
Net Interest Paid on all debt	<u>(310,357)</u>
<i>Net Cash from Capital and Related Financing Activities</i>	<u>-</u>

Net Decrease in Cash and Cash Equivalents (88,992)

Cash and Cash Equivalents Beginning of Year 91,283

Cash and Cash Equivalents End of Year \$2,291

**Reconciliation of Operating Loss to Net Cash
Used in Operating Activities**

Operating Loss (\$28,069)

Adjustments:

Decrease in Payable	(90,000)
Increase in Accounts Payable	<u>29,077</u>

Net Cash Used in Operating Activities (\$88,992)

See accompanying notes to the basic financial statements

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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 that 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*. 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.

Basis of accounting determines when transactions are recorded in the financial statements. The District's financial statements are prepared using the accrual basis of accounting.

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

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. Nonexchange transactions, in which the District receives value without directly giving equal value in return, include grants and donations. Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(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 position. The statement of revenues, expenses, and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its activity.

D. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its 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 first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

E. 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 acquisition 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. Depreciation is computed using the straight-line method over a useful life of 40 years for roads.

F. Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. For the District, these revenues consist of lease income. 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. Interest income comprises the non-operating revenues of the District. Non-operating expenses are comprised of interest and fiscal charges.

G. Estimates

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

H. Statement of Cash Flows

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

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

I. Trust Officer

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

NOTE 2 - CASH

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

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

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

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

Interim monies held by the District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry zero-coupon United States treasury security that is a direct obligation of 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);
7. The State Treasurer's investment pool (STAR Ohio).

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC). 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, 2017, none of the District's bank balance was exposed to custodial credit risk.

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

Investments

At December 31, 2017, the District had \$73 invested in federal securities and investments.

NOTE 3 - 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.

NOTE 4 - RECEIVABLES

Receivables at December 31, 2017, consisted of special assessments and accrued interest. Special assessments receivable in the amount of \$1,335,078 will not be received within one year. At December 31, 2017, the amount of delinquent special assessments were \$435,908.

NOTE 5 - BONDS PAYABLE

Long-term debt activity during 2017 was as follows:

	<u>Interest Rate</u>	<u>Balance 01/01/17</u>	<u>Retired</u>	<u>Balance 12/31/17</u>	<u>Due Within One Year</u>
Special Assessment Bonds:					
Perryburg Township	8.5%	\$2,417,583	\$222,685	\$2,194,898	\$1,329,898

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Special Assessment Bond debt service to maturity, including interest, as of December 31, 2017 is as follows:

<u>Year Ending December 31:</u>	<u>Assessment Bond Principal</u>	<u>Assessment Interest Payable</u>	<u>Total</u>
2018	\$1,329,898	\$106,250	\$1,436,148
2019	415,000	73,525	488,525
2020	450,000	38,250	488,250
Total	<u>\$2,194,898</u>	<u>\$218,025</u>	<u>\$2,412,923</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).

The 2017 interest activity follows:

	<u>2017</u>
Accrued interest, January 1	\$ -
Plus: Interest expense:	
Special Assessments Bonds	198,042
Lease Purchase	<u>112,315</u>
Total interest expense	<u>310,357</u>
Less: Interest paid:	
Special Assessments Bonds	198,042
Lease Purchase	<u>112,315</u>
Total paid	<u>310,357</u>
Total accrued interest at December 31	<u>\$ -</u>

NOTE 6 – DEFEASED DEBT

In 2015, the District reached a cooperative agreement with Perrysburg Township and the Northwestern Water & Sewer District in which all principal and interest on the Series 2000 Bonds were considered paid and all outstanding Series 2000 Bonds, if any, were considered defeased. At December 31, 2014 outstanding principal and interest owed by the District totaled \$2,429,625. The terms agreed upon were all future RTID-System Development Fees will be paid to Perrysburg Township and the Northwestern Water & Sewer District.

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.

**ROSSFORD TRANSPORTATION IMPROVEMENT DISTRICT
WOOD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

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

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

NOTE 8 – PAYABLE

During 2016, the District received services from the Wood County Engineer for Buck Road and Lime City appraisals. At the end of 2017, the balance owed Wood County was \$84,000.

NOTE 9 - MANAGEMENT PLANS FOR FINANCIAL DIFFICULTY

Long-Term Debt (Note 5)

As of December 31, 2017, the District was in arrears in the amount of \$1,487,102 on its scheduled principal payments on the special assessment bonds and intergovernmental payable. This debt is to be paid from assessments on property owners benefitting from road improvements. When the assessments cease to be collected there are currently no practical or legal alternatives available to pay the amount in arrears at that time.

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 officials and natural disasters. The District contracted with Philadelphia Insurance Companies for Directors and Officers Liability coverage in the amount of \$1,000,000 per occurrence and in the aggregate. There have been no significant reductions in insurance coverage from the prior year, and no insurance settlement has exceeded insurance coverage during the last three years.



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(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

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

Rossford Transportation Improvement District
Wood County
c/o Wood County Engineer
One Courthouse Square
Bowling Green, Ohio 43402

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Rossford Transportation Improvement District, Wood County, Ohio (the District) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 2, 2019 wherein we noted the District has suffered recurring losses from operations, been unable to pay debt obligations when due, has a net deficiency, and has disclosed that substantial doubt exists about its ability to continue as a going concern.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

December 2, 2019

Rossford, Ohio Transportation Improvement District (RTID)

133 Osborn St.
Rossford, OH 43460

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2018 AND 2017

Finding Number	Finding Summary	Status	Additional Information
2016-001	Material weakness for financial reporting due to material audit adjustments.	Partially corrected and repeated in the management letter.	The District made improvements and will continue to review errors and make corrections in the future.

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OHIO AUDITOR OF STATE KEITH FABER



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
DECEMBER 19, 2019**