

**MONTGOMERY COUNTY TRANSPORTATION
IMPROVEMENT DISTRICT, OHIO**

Independent Auditors' Report on
Internal Controls and Compliance

December 31, 2007



Mary Taylor, CPA

Auditor of State

Board of Trustees
Montgomery County Transportation Improvement District
1 Chamber Plaza
Dayton, Ohio 45402-2400

We have reviewed the *Independent Auditors' Report* of the Montgomery County Transportation Improvement District, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2007 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Montgomery County Transportation Improvement District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 12, 2008

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Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees
Montgomery County Transportation Improvement District, Ohio:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County Transportation Improvement District, Ohio (District) as of and for the year ended December 31, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 27, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of 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 entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

We consider the deficiency described below to be a significant deficiency in internal control over financial reporting:

Finding 2006-1 – Restatement of Net Assets and Fund Balance

As disclosed in Note 14 of the financial statements, the District restated net assets of Governmental Activities and fund balance of the Austin Center Interchange Fund as of December 31, 2006 by \$3,397,812. These restatements were necessary due to correct errors related to the improper deferral of receivables related to a loan receivable from the Dayton Port Authority.

Management response: Management concurs.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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 deficiencies in the internal control that might be significant deficiencies and accordingly, would not disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe the significant deficiency described above is a material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's response to the finding identified in our audit is described above. We did audit the District's response and, accordingly, we express no opinion on it.

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



Cincinnati, Ohio
May 27, 2008

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MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

PREPARED BY
SEAN FRAUNFELTER, CPA
FINANCE DIRECTOR

INTRODUCTORY

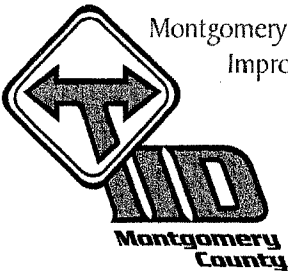


SECTION

**MONTGOMERY COUNTY, OHIO TRANSPORTATION IMPROVEMENT DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2007**

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Montgomery County Transportation
Improvement District

1 Chamber Plaza
Fifth and Main Streets
Dayton, Ohio 45402-2400

May 31, 2008

Citizens of Montgomery County
Members of the Board of Trustees

We are pleased to submit the Montgomery County Transportation Improvement District's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2007.

This report is a culmination of the efforts of many people. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects, that it is presented in a manner designed to set forth fairly the financial position of the District's operations, and that all disclosures necessary to enable the reader to gain maximum understanding of the District's financial affairs have been included.

MONTGOMERY COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

The mission of the Montgomery County Transportation Improvement District is to expedite projects that will improve transportation and support economic development in Montgomery County. The District was created in 2001 when the Montgomery County Commission saw the need to expedite transportation related construction projects throughout the county. The District started off with great expectations but no set project to lead its way. The District became involved with the City of Huber Heights and their interchange projects on Interstate 70. From working on that from late 2001 through 2006, the District has seen other opportunities start to present themselves with the District becoming heavily involved in the Austin Center Interchange Project, which is discussed further below.

DISTRICT ORGANIZATION AND REPORTING ENTITY

The reporting entity includes the primary government and component units and is organized to ensure the financial statements of the District are not misleading.

Component units are also part of the reporting entity. These are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization or (2) the District is entitled to or can otherwise access the organization's resources. In this case, the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization or the District is obligated for the debt of the organization. Component units may also include organizations in which the District approves the budget, the issuance of debt or the levying of taxes. The District has no component units.

The District is associated with the following jointly governed organization: Miami Valley Regional Planning Commission, which is presented in Note 11 to the basic financial statements.

ECONOMIC CONDITION AND MAJOR INITIATIVES

Montgomery County is the fourth largest county in Ohio with a population of approximately 559,000. Its county seat and largest municipality is the City of Dayton with a population of approximately 166,000. Two of the nation's most heavily traveled interstate highways, I-75 and I-70, intersect in Montgomery County and are primary transportation and development corridors that serve and support the region.

Road Improvements

Austin Center Interchange

The District has been working with a variety of local governments; including Montgomery County, the City of Miamisburg, Miami Township, the City of Springboro, the City of Dayton, Washington Township, the City of Centerville, the Dayton-Montgomery County Port Authority, the Miami Valley Regional Planning Commission and ODOT, to modify the current Austin Pike/Miamisburg-Springboro Road overpass at Interstate 75. The participating governments have agreed to a multi-jurisdictional land use plan for the proposed interchange area.

The local governments approved the finance plan that we have been working on since 2004 relating to the Austin Center Interchange. The governments addressed three phases of the plan. First the interchange proper, which is the overpass and approximately one thousand feet east and west of the overpass. The second phase is the relocation of Byers Road and completion of the widening from Austin Road to State Route 725. The third phase is the relocation of Austin Road to the north and widening to State Route 741. The financing plan along with Miamisburg school district approval was approved in late 2005 and is being restructured based on some additional financing abilities that will benefit all the parties involved.

The District received final approval has been received from the Federal Highway Administration and Ohio Department of Transportation on the right of way plan and has started with appraisals and negotiations on the parcels that need acquired for the project. During 2007, the District was able to acquire several parcels and relocated some of the other residents but there is still a significant number of parcels to acquire and the District will need to focus highly on those parcels to certify the right of way to the Ohio Department of Transportation for the construction project in 2009.

Engineering and environmental work has continued on the relocation of Byers Road to road intersect with Wood Road on the south. Austin Center Interchange will open up over 1,000 acres of developable land by 2009 in the southern portion of Montgomery County.

During 2007, the District continued engineering efforts on Byers Road and working with the local governments to bring the various aspects of financial support into the project. The District has been working to issue debt related to the interchange in 2008 in order to purchase significant right-of-way, start construction on the infrastructure and push the relocation of Byers Road ahead. All the local governments involved have been very supportive through time and financial commitments, understanding this project is significant for their success, as well as Montgomery County's future tax base.

State Route 202 and 201 Interchanges at Interstate 70

The District has worked with the City of Huber Heights and the Ohio Department of Transportation (ODOT) on the City's portion of the interchange projects. ODOT completed a lane addition project on Interstate 70 that was completed during 2006. The City was required to modify their two interchanges on Interstate 70 as part of that project. The City requested the District to help aid them in expediting the process. The District was involved in right of way acquisition, design plan review and negotiation, and financing the local share of the reconstruction of both interchanges. With the help of the District, the City was able to meet the requirements from ODOT to move along the Interstate 70 project. The District has completed their obligation to the project during 2007.

Kingsridge Drive Project

The District was requested by Miami Township to help improve the infrastructure surrounding the Dayton Mall area. There is significant developable land on the south side of the mall area that will bring in additional commercial development. The Township sees the need for improved road access to generate these businesses. The District and Township are working together on engineering the project including the financing aspect. The construction would start in 2008 on the proposed improvements.

CAPITAL ASSETS

The District continued work on the Austin Center Interchange and Kingsridge projects and ended the fiscal year with \$4,609,921 of capital assets. For more information on the District's capital assets see Note 3 to the financial statements.

DEBT ADMINISTRATION

The District had no debt obligations at December 31, 2007.

CASH MANAGEMENT

The District Finance Director is in charge of the District's cash management program. All District cash is pooled for investment purposes. Longer term investments consist of Certificates of Deposit insured by the Federal Deposit Insurance Corporation or protected by either pledged collateral held in trust by the Federal Reserve Bank or pooled collateral, United States Agency Obligations and commercial paper. During 2007, the District earned \$31,805 in interest. A majority of the District's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 110 percent of the public funds on deposit. Trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions hold the collateral. The District regularly reviews the market value of the pool to insure that adequate collateral is being provided.

For more detailed information on the District's financial activity please refer to the Management's Discussion and Analysis starting on page 3 of the basic financial statements.

RISK MANAGEMENT

The District is adequately insured in all areas including buildings, contents, vehicles, equipment and general liability through Brower Insurance Agency. For more detailed information on the District's insurance see Note 6 to the financial statements.

INTERNAL CONTROLS

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

OTHER INFORMATION

Independent Audit

This report includes an unqualified audit report regarding the District's financial statements. Clark, Schaefer, Hackett & Co. conducted this year's audit. The Independent Auditors' Report on the basic financial statements is included in the financial section of this report.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial reporting (CAFR) for the fiscal year ended December 31, 2006. This was the fourth year the District submitted and received the award for excellence in financial reporting. In order to be awarded a Certificate of Achievement, the District must publish a clear and effective CAFR. The District feels the 2007 CAFR meets these requirements and will successfully receive the award also.


Acknowledgements

A note of sincere appreciation is extended to many hardworking and committed people who have contributed their time and effort to prepare this report. The District staff would like to extend their sincere appreciation to the hard working Board Members and those individuals at the Montgomery County Commission and Economic Development offices that made it possible for the District to achieve the success it has so far. The District would also like to thank our local government partners for their dedication and drive to see projects such as Austin Center Interchange become a reality.

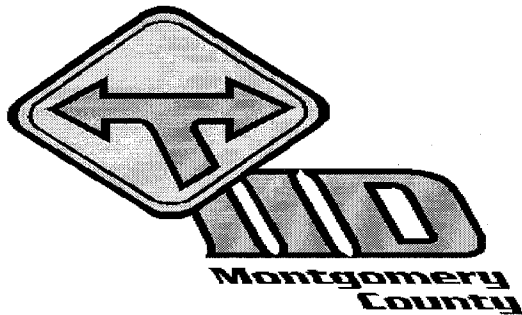
Respectfully submitted,



Executive Director



Secretary/Treasurer



**MONTGOMERY COUNTY
TRANSPORTATION IMPROVEMENT DISTRICT
2007 BOARD MEMBERS**

Voting:

Jonathan Hollingsworth, Chairperson (retired 12/31/07)	Jonathan Hollingsworth & Associates
Don Porter, Vice-Chairperson	Retired Architect
Eric Cluxton, Treasurer	Wells Fargo Insurance Services
Clark Beck	Wright State
Ron Budzik (2008 Chairman)	Dayton Business Committee

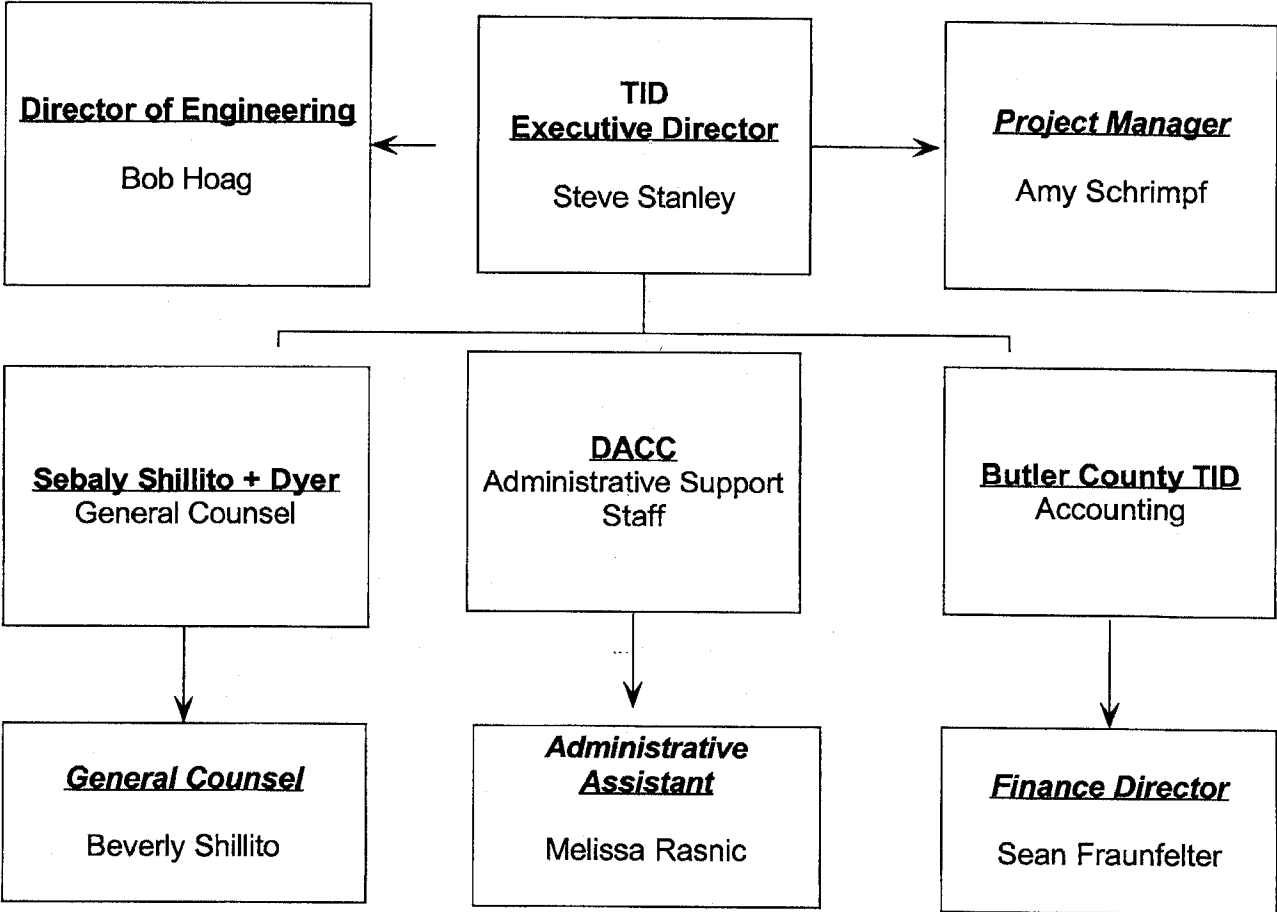
Non Voting:

Jeff Jacobson	Ohio Senate
Arlene Selzer	State Representative

**Montgomery County
Transportation Improvement District**

Board of Trustees

5 Voting appointed by County Commissioners
2 Non-Voting appointed by General Assembly



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Montgomery County
Transportation Improvement
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



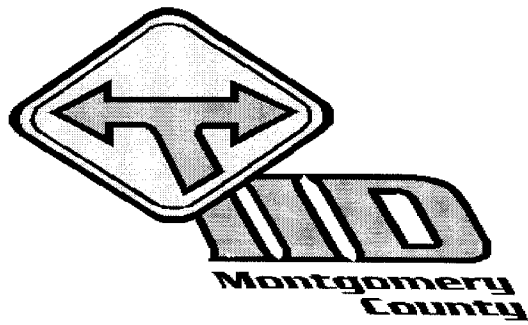
Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

FINANCIAL



SECTION



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Montgomery County Transportation Improvement District, Ohio:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Montgomery County Transportation Improvement District, Ohio (the District) as of and for the year ended December 31, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Montgomery County Transportation Improvement District, Ohio as of December 31, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 3-8 and 29-32, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Montgomery County Transportation Improvement District, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
May 27, 2008

MONTGOMERY COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

Our discussion and analysis of the Montgomery County Transportation Improvement District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2007. Please review it in conjunction with the basic financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- The District had \$8.7 million in net assets at December 31, 2007, an increase of 10.93 percent over fiscal year 2006.
- The District had \$0.93 million in program expenses that were offset by \$1.5 million of program revenues, which was more than enough to cover the expenses.
- Governmental fund revenues were \$1.8 million for 2007 with 84 percent of those revenues related to reimbursements for project costs of the District.
- The General fund had a fund balance decrease during 2007 while the other major funds combined to create slightly positive change in fund balance. That pushed the overall change for the District to (\$0.17) million for all governmental funds.
- The District also saw the activity in the Austin Center and Kingsridge projects increase significantly, which result in construction in progress increasing by 29 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9-10) provide information about the activities of the District as a whole and present a long-term view of the District's finances. Fund financial statements start on page 11. These statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most financially significant funds.

Reporting the District as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the District as a whole begins here. One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse as a result of the year's activities?" As the net assets increased by \$0.86 million, the answer is still yes. The question we hope to answer is, "Where is the District going and will it be able to get there?"

The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer those two questions. These statements include all the assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in them. One can think of the District's net assets, the difference between assets (what the District owns) and liabilities (what the District owes) as one way to measure the District financial health, or *financial position*. Over time, *increases or decreases* in the District's net assets are one indicator of whether its *financial health* is improving or deteriorating. One will need to consider other nonfinancial factors, however, such as changes in the District's jurisdiction, the availability of capital projects, and continuing local government support to assess the **overall health** of the District.

Reporting the District's Most Significant Funds

Fund Financial Statements

Major Funds – General

**State Route 201/202 Project
Austin Center Interchange
Kingsridge Road Project**

Our analysis of the District's major funds begins on page 6. The fund financial statements begin on page 11 and provide detailed information about the most significant funds, not the District as a whole. Some funds are required to be established by State law. However, the Board establishes other funds to help control and manage money for a particular purpose (ex. various capital project funds). The District has governmental and agency funds.

Governmental Funds: The District's services are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between *governmental activities* (reported in the government-wide statements) and the governmental funds in the reconciliation at the bottom of the fund financial statements.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The basic fiduciary fund financial statement can be found on pages 13 of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 15-27 of this report.

Individual Fund Schedules. The individual fund schedules provide more detailed information about each individual fund for the District. These schedules can be found starting on page 33 of this report.

Statistical Information. Statistical information presents a year by year comparison of how the District is doing in several areas. This information can be found starting on page 37 of this report.

THE DISTRICT AS A WHOLE

As stated previously, the Statement of Net Assets looks at the District as a whole. The following table provides a summary of the District's net assets for 2007 compared to 2006.

	Net Assets		
	2006 (Restated)	2007	Change
Current Assets	\$4,309,891	\$4,179,728	(\$130,163)
Capital Assets	3,571,394	4,609,921	1,038,527
Total Assets	7,881,285	8,789,649	908,364
Current Liabilities	35,731	87,625	51,894
Net Assets:			
Invested in Capital Assets	3,571,394	4,609,921	1,038,527
Restricted	3,397,812	3,397,812	0
Unrestricted	876,348	694,291	(182,057)
Total Net Assets	\$7,845,554	\$8,702,024	\$856,470

The District saw a 10.94 percent increase in net assets from 2006 to 2007 as the District invested more in engineering the Austin Center Interchange project and all the bi-products of that project forward. The District finalized its involvement in the State Route 202 and 201 project with the final right of way item being settled. The District pushed through a majority of the engineering on the Kingsridge Road Project around the Dayton Mall area.

The following tables look at the change in the District's revenues and expenses from 2006 to 2007.

	Statement of Activities		
	2006	2007	Change
Program Revenues:			
Charges for Services	\$0	\$13,625	\$13,625
Capital Grants	449,750	1,488,210	1,038,460
General Revenues:			
Operating Grants	312,500	250,000	(62,500)
Interest	40,704	31,805	(8,899)
Other	10	10,084	10,074
Total Revenue	802,964	1,793,724	(61,325)
Program Expenses			
General Government	565,258	569,382	4,124
Interest and Fiscal Charges	367,872	367,872	0
Total Expenses	933,130	937,254	4,124
Change in Net Assets	(130,166)	856,470	986,636
Beginning Net Assets	7,975,720	7,845,554	(130,166)
Ending Net Assets	\$7,845,554	\$8,702,024	\$856,470

The large change in revenues from 2006 to 2007 can be explained by the District receiving reimbursements from ODOT through the local participation agreement with part of the Austin Center project. The District continues working on engineering of the local roadways and finalizing the financing agreements. During fiscal year 2006, the District was successful in receiving the Ohio Department of Development 629 Grant monies for operating purposes that was also received for 2007; however, in 2006 the District received a final allocation of \$62,500 from the County that resulted in the District receiving less unrestricted grants in 2007 than the prior year.

The District's program expenses stayed constant from the prior year despite the fact that increased engineering and right of way activity on both Austin Center and Kingsridge projects were going on during the year.

THE DISTRICT'S FUNDS

The following is a summary of the individual funds and an analysis of the ending fund balances.

General	\$1,163,277
Austin Center Interchange	2,919,215
Kingsridge Road Project	(49,379)

The general fund balance is used to fund the other projects until certain financing obligations are received. The general fund saw a reduction of \$0.18 million as the District had more employees during the year than in any previous years. The State Route 201/202 project was closed out when the City of Huber Heights paid its final obligation with the final right of way parcel being settled. The Austin Center Interchange project saw a fund balance decrease by \$12,000 as the District expended additional monies on the Byers Road portion of the project that is reimbursed by the participating governments.

The District expended \$1.98 million in governmental funds during the year with 52.60 percent being spent on the District's infrastructure projects.

Original and Final Budgets – General Fund

The original budget was prepared in July 2006 when the District was still not certain on how it would finance certain projects and with some known facts about revenues that would be received. The budget actually decreased certain project fees expected by the end of year as they were pushed into 2008 (**Charges for Services decreased \$165,000**).

The District increased final budget expenditures by 11% as the District added staff to aid in various management aspects of the Austin Center Interchange project. The District did not account for additional staffing with the original budget.

Final versus Actual Budget – General Fund

The District saw the figure for **Charges for Services** end up even less than what was projected as several of the financing agreements were being modified at year end that did not allow the debt financing to occur during 2007.

The District's actual expenditures were under final budget by just over 15% as the District had several invoices that were expected to be paid by the end of year but were moved into 2008.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District capitalized \$1.04 million in construction in progress during the year. The District will track the project expenditures as construction in progress and once the project is completed the various improvements will be dedicated to the appropriate agency. See note 3 of the financial statements for more information.

The District had no need for issuing debt during the fiscal year.

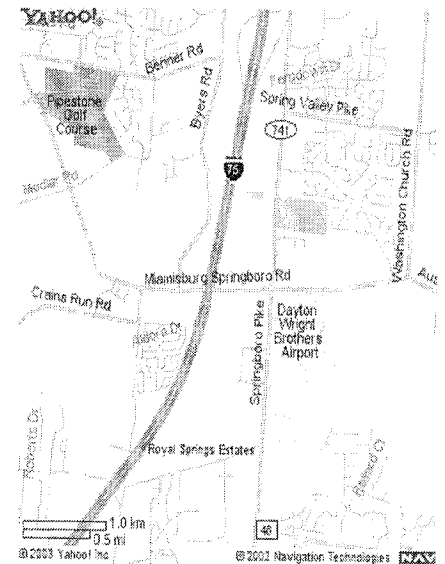
ECONOMIC FACTORS

The District was created to operate on a countywide basis. In the summer, the staff and Trustees met to discuss and reprioritize projects. The District updated the list of needed projects that covers the various areas of the county during the 2007 retreat. The County is divided by one of the major north-south interstates in the country and is a prime location for midwest companies to locate.

With the District's main focus on Austin Center Interchange to the south of the City of Dayton, the District is trying to work with all communities located in the county having completed work on the northern interchange in Huber Heights.

The District continues to evaluate the eastern and western corridors of Montgomery County as a way to expedite economic growth throughout the county. The Interstate corridor will be a major development down the road as the District, the Miami Valley Regional Planning Commission and Department of Transportation jointly tackle this task.

It is important that the District is able to succeed in the development of the listed and future projects not only for Montgomery County and its residents, but also for the longevity of the District. The TID is currently included in the Ohio Department of Development Grant for the next two fiscal years. The District will need to generate management fees from mature projects to continue to absorb early stage costs of developing projects. With additional projects to better the transportation quality of Montgomery County, the District will be able to prosper while providing the residents with an easier way to get from one place to the next.



Request for Information

The financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Montgomery County Transportation Improvement District, 1 Chamber Plaza, Dayton, Ohio 45402-2400.

A handwritten signature in black ink, appearing to read "S. Stanley", written in a cursive style.

Steven B. Stanley
Executive Director

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

STATEMENT OF NET ASSETS
DECEMBER 31, 2007

Assets:

Current Assets:

Equity in Pooled Cash and Cash Equivalents	\$ 640,933
Intergovernmental Receivable	140,983
Intergovernmental Loan Receivable	3,397,812
<i>Total Current Assets</i>	<u>4,179,728</u>

Noncurrent Assets:

Capital Assets - Construction in Progress	4,609,921
<i>Total Noncurrent Assets</i>	<u>4,609,921</u>
Total Assets	<u><u>8,789,649</u></u>

Liabilities:

Current Liabilities:

Accounts Payable	39,982
Contracts Payable	47,643
Total Liabilities	<u><u>87,625</u></u>

Net Assets:

Invested in Capital Assets	4,609,921
Restricted for:	
Debt Service	3,397,812
Unrestricted	694,291
Total Net Assets	<u><u>\$ 8,702,024</u></u>

See accompanying notes to the financial statements

**MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT**

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

<u>Functions/Programs</u> Primary Government:	Program Revenues			Net (Expense) Revenue and Change in Net Assets
Governmental Activities:	Charges for Services	Capital Grants and Contributions	Primary Government Governmental Activities	Primary Government Governmental Activities
General Government	\$ 569,382	\$ 13,625	\$ 1,120,338	\$ 564,581
Interest and Fiscal Charges	367,872	-	367,872	-
Total Primary Government	\$ 937,254	\$ 13,625	\$ 1,488,210	\$ 564,581
General Revenues:				
Grants and Contributions not Restricted to Specific Programs				250,000
Unrestricted Investment Earnings				31,805
Miscellaneous				10,084
Total General Revenues				291,889
Change in Net Assets				856,470
Net Assets - Beginning (restated)				7,845,554
Net Assets - Ending				\$ 8,702,024

See accompanying notes to the financial statements

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

BALANCE SHEET -
GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	General	State Route 201/202 Project	Austin Center Interchange	Kingsridge Road Project	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 640,933	\$ -	\$ -	\$ -	\$ 640,933
Receivables:					
Intergovernmental	-	-	124,092	16,891	140,983
Loan	-	-	3,397,812	-	3,397,812
Interfund Loan	545,161	-	-	-	545,161
Total Assets	\$ 1,186,094	\$ -	\$ 3,521,904	\$ 16,891	\$ 4,724,889
Liabilities					
Payable:					
Accounts	\$ 22,817	\$ -	\$ 14,570	\$ 2,595	39,982
Contracts	-	-	10,957	36,686	47,643
Interfund Loan	-	-	535,063	10,098	545,161
Deferred Revenue	-	-	42,099	16,891	58,990
Total Liabilities	22,817	-	602,689	66,270	691,776
Fund Balances					
Reserved for:					
Debt Service	-	-	3,397,812	-	3,397,812
Unreserved, reported in:					
General	1,163,277	-	-	-	1,163,277
Capital Projects (Deficit)	-	-	(478,597)	(49,379)	(527,976)
Total Fund Balances (Deficit)	1,163,277	-	2,919,215	(49,379)	4,033,113
Total Liabilities and Fund Balances	\$ 1,186,094	\$ -	\$ 3,521,904	\$ 16,891	

**Amounts reported in governmental activities in
the statement of net assets are different because:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

4,609,921

Long-term receivables are not available to pay for current period expenditures and therefore are deferred in the funds.

58,990

Net Assets of Governmental Activities

\$ 8,702,024

See accompanying notes to the financial statements

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	General	State Route 201/202 Project	Austin Center Interchange	Kingsridge Road Project	Total Governmental Funds
Revenues:					
Intergovernmental	\$ 250,000	\$ 40,192	\$ 920,761	\$ 166,184	\$ 1,377,137
Charges for Services	13,625	-	-	-	13,625
Investment Earnings	31,805	-	-	-	31,805
All Other	84	-	377,872	-	377,956
Total Revenues	295,514	40,192	1,298,633	166,184	1,800,523
Expenditures:					
Current:					
General Government	425,938	-	-	-	425,938
Capital Outlay	-	25,725	942,691	213,555	1,181,971
Debt Service:					
Interest	-	-	367,872	-	367,872
Total Expenditures	425,938	25,725	1,310,563	213,555	1,975,781
Excess (Deficiency) of Revenues Over (Under) Expenditures	(130,424)	14,467	(11,930)	(47,371)	(175,258)
Other Financing Sources (Uses):					
Transfers In	-	51,578	-	-	51,578
Transfers Out	(51,578)	-	-	-	(51,578)
Total Other Financing Sources (Uses)	(51,578)	51,578	-	-	-
Net Change in Fund Balances	(182,002)	66,045	(11,930)	(47,371)	(175,258)
Fund Balances (Deficit) - beginning (restated)	1,345,279	(66,045)	2,931,145	(2,008)	
Fund Balances (Deficit) - ending	<u>\$ 1,163,277</u>	<u>\$ -</u>	<u>\$ 2,919,215</u>	<u>\$ (49,379)</u>	

**Amounts reported for the governmental activities
in the statement of activities are different because:**

Capital Additions are reported as expenditures in governmental funds.

However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

The District only reports construction in progress with no depreciation in the current period, this amount is:

1,038,527

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

(6,799)

Change in Net Assets of Governmental Activities

\$ 856,470

See accompanying notes to the financial statements

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2007

	<u>Advocacy Agency Fund</u>
Assets:	
Cash and Cash Equivalents in Segregated Accounts	\$ 12,213
Total Assets	<u>12,213</u>
Liabilities:	
Undistributed Monies	<u>12,213</u>
Total Liabilities	<u>\$ 12,213</u>

See accompanying notes to the basic financial statements



MONTGOMERY COUNTY, OHIO TRANSPORTATION IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Montgomery County Transportation Improvement District (the “District”) is a body, both corporate and politic, created for the purpose of financing, constructing, maintaining, repairing and operating selected transportation projects. The District was specifically formed under Ohio Revised Code, Chapter 5540, as amended, and created by action of the Board of County Commissioners of Montgomery County on August 14, 2001.

The District is a jointly governed entity administered by a Board of Directors (“Board”) that acts as the authoritative and legislative body of the entity. The Board is comprised of seven board members, of which five are voting and two are non-voting appointed by the County and State governments. Of the seven, three are elected as officers of the District; Chair(person), Vice-Chair(person), and Secretary-Treasurer. Each Officer serves a one-year term; there are no term limits for reappointment. No Board Members receive compensation for serving on the Board.

The Board of Directors annually appoints the Chair(person) of the Board from existing Board members. The Chair responsibilities are to preside at all meetings of the Board; to be the chief officer of the District; perform all duties commonly incident to the position of presiding officer of a board, commission or business organization and to exercise supervision over the business of the District, its officers and employees.

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, “*The Financial Reporting Entity*,” and amended for provisions under GASB Statement No. 34, “*The New Reporting Model – Management’s Discussion and Analysis*” in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization’s governing body and either (1) the District’s ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government.

MONTGOMERY COUNTY, OHIO TRANSPORTATION IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Revenue from intergovernmental agreements and interest associated with the current fiscal period is considered being susceptible to accrual and has been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the District receives cash.

Fund Accounting

The District uses funds 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. The District uses governmental and agency funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

MONTGOMERY COUNTY, OHIO TRANSPORTATION IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources of the District except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio and the bylaws of the District.

State Route 201/202 Project – This fund is used to account for the District’s involvement with the reconfiguration of the Interstate 70 ramps and overpasses at State Route 201 and 202 in the City of Huber Heights. The District was acting as the City’s agent to finalize appropriated right of way acquisitions. The construction project was handled through the Ohio Department of Transportation and was completed during 2005. The City was able to close out the remaining issues during 2007. This fund has been reported as a major fund and for the final year is presented as such in this report.

Austin Center Interchange – The District is working with local municipalities in coordination of modifying the existing overpass into a full interchange with Interstate 75. Currently, the District has finished the multi-jurisdictional land use plan while still working on completion of the financing plan. The District has initiated right of way acquisition for the project. Initial engineering work on the Byers Road realignment is underway also.

Kingsridge Road Project – The District is working with Miami Township to improve certain infrastructure around the Dayton Mall and surrounding area. Currently, the District has started the engineering design work and is finalizing the financing plan for the project.

Additionally, the District reports the following fund type:

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: private purpose trust funds, pension trust funds, investment trust funds and agency funds. The District maintains one fiduciary agency fund: Advocacy fund that accounts for the collection and distribution of monies used for legislative matters in the State of Ohio and Federal Government. The District’s agency fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations.

MONTGOMERY COUNTY, OHIO TRANSPORTATION IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within thirty-one days of fiscal year-end. Under the modified accrual basis, only revenue from intergovernmental agreements are considered to be both measurable and available at fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving value in return, includes grants and donations. On an accrual basis, revenue from grants and agreements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must be available before it can be recognized.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

D. Cash and Cash Equivalents

Cash received by the District is pooled for investment purposes. Equity interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents” on the statement of net assets and governmental fund balance sheet by activity or fund. During fiscal year 2007, the District had no investments.

MONTGOMERY COUNTY, OHIO TRANSPORTATION IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Following Ohio statutes, the Board of Directors has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2007 amount to \$31,805, no amounts were assigned from other District funds as they maintained a negative cash balance for the year.

For presentation in the financial statements, investments with an original maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an original maturity of more than three months that are not purchased from the pool are reported as investments.

E. Interfund Transactions

During the course of normal operations, the District has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Transfers are reported as “Other Financing Sources and Uses” in the governmental funds, as “Transfers In” by the recipient fund, and “Transfers Out” by the disbursing fund.

F. Capital Assets

Capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not.

G. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as contributions awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. For the District, the majority of intergovernmental revenues are derived through reimbursement contracts with participating local governments for repayment of expense incurred related to engineering or construction related projects.

H. Reservations of Fund Balance

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore, are not available for appropriations or expenditure in the governmental fund balance sheet. Unreserved fund balance indicates that portion of fund equity, which is available for appropriations, in future periods. The reserve for debt service is the required contribution under the agreement with the Dayton/Montgomery County Port Authority regarding the purchase of 121 acres along the Austin Interchange project.

MONTGOMERY COUNTY, OHIO TRANSPORTATION IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Net Assets

Net assets present the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

K. Interfund Activity

Short-term interfund loans are classified as “interfund receivables” and “interfund payables”. These amounts are eliminated in the statement of net assets.

NOTE 2 – DEPOSIT AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds. Statutes require the classification of funds held by the District into three categories.

Category 3 consists of “interim” funds – those funds not needed for immediate use, but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities 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;

MONTGOMERY COUNTY, OHIO TRANSPORTATION IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 2 – DEPOSIT AND INVESTMENTS (Continued)

- Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- The State Treasury Asset Reserve of Ohio (STAR Ohio);
- Certain banker’s acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
- Under limited circumstances, corporate debt interest rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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 it will be held to maturity. Investments may be made only upon delivery of the securities representing the investments to the Finance Director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits

At fiscal year-end, the carrying value of the District’s deposits was \$653,146 and the bank balance was \$759,537. \$100,000 of the District’s deposits was insured by federal depository insurance. Based on criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2007, \$659,537 of the District’s bank balance of \$759,537 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the District’s name.

MONTGOMERY COUNTY, OHIO TRANSPORTATION IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 2 – DEPOSIT AND INVESTMENTS (Continued)

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

Investments

As of December 31, 2007, the District had no investments.

Interest Rate Risk - The District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk - The District has no investment policy that would further limit its investment choices.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk - The District places no limit on the amount it may invest in any one issuer.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2007, was as follows:

	Balance 12/31/06	Increases	Decreases	Balance 12/31/07
Governmental Activities				
Capital Assets, not being depreciated				
Construction in Progress	\$3,571,394	\$1,038,527	\$0	\$4,609,921
Total	\$3,571,394	\$1,038,527	\$0	\$4,609,921

MONTGOMERY COUNTY, OHIO TRANSPORTATION IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 4 – INTERGOVERNMENTAL REVENUES

The following entities, which are a part of the District, have contributed the following funds during 2007.

<u>Member Name</u>	<u>Contribution (Modified Accrual Basis)</u>
Ohio Department of Transportation	\$900,258
Miami Township	214,042
Montgomery County	173,309
City of Huber Heights	40,192
City of Miamisburg	24,668
City of Springboro	24,668
Total Intergovernmental Revenue	<u><u>\$1,377,137</u></u>

NOTE 5 – OUTSTANDING COMMITMENTS

The District has several outstanding contracts for professional and contract services. The following amounts remain on these contracts as of December 31, 2007:

<u>Vendor</u>	<u>Outstanding Balance</u>
LJB, Inc. – Work on Byers Road Engineering	\$323,628

NOTE 6 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees and natural disaster. During 2007, the District contracted with the Brower Insurance agency for liability, property, and crime damage. Coverages provided by the company are as follows:

Professional Liability (\$5,000 deductible)	\$1,000,000
Commercial General Liability	
Each Occurrence	1,000,000
Aggregate	2,000,000
Fire Damage	100,000
Medical Expenses	5,000
Automobile Liability	1,000,000
Umbrella Excess Liability	1,000,000
Crime Insurance:	
Public Employee’s Bond (\$1,000 deductible)	50,000

MONTGOMERY COUNTY, OHIO TRANSPORTATION IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 6 – RISK MANAGEMENT (Continued)

There have been no significant changes in coverage or claims made over the past three years and there has been no significant reduction in insurance coverage from last year.

NOTE 7 – ACCOUNTABILITY

At December 31, 2007, the Kingsridge Road Project Capital Projects fund had a deficit fund balance of \$49,379. The deficit was created by application of generally accepted accounting principles. The general fund provides cash to this fund; however that does not happen until needed.

NOTE 8 – DAYTON PORT AUTHORITY LOAN RECEIVABLE

The District and the Dayton Port Authority (the “Port”) have a vested interest in the Long Farm property in the northwest corner of the proposed Austin Centre Interchange. The District placed \$3,029,940 on deposit with the Port to enable the financing of the purchase of 121 acres that includes an equity infusion and additional unreimbursed costs. The Port’s first debt service payment came due on November 14, 2006, and the District made the payment as a developer has not been selected at this point. The District through an intergovernmental agreement agreed to pay this payment and record it as debt service on behalf of the Port. The payment of \$367,872 increased the equity infusion the District made initial and will be repaid at the end of the term or when the property is sold. The equity infusion will be repaid as the Port sells the real property over the following amortization schedule.

Fiscal Year	Amount Due
2008	\$922,742
2009	357,912
2010	368,730
2011	379,874
2012	391,357
2013-2014	977,197
Total	\$3,397,812

During 2007, the Port was in negotiations on an agreement with the developer. The May debt service payment needed to be made by the District as the previous November payment was made. The Port was able to execute a purchase option agreement with the developer and was able to reimburse the District for the May 2007 payment. The remaining balance due from the Port to the District will be paid upon closing of the sale of the property.

NOTE 9 - CONTIGENCIES

The District is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position or changes in net assets of the District.

MONTGOMERY COUNTY, OHIO TRANSPORTATION IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 10 – INTERFUND TRANSACTIONS

Interfund asset and liability balances and transfers at December 31, 2007, were as follows:

Fund	Interfund		Transfers	
	Receivable	Payable	In	Out
MAJOR FUNDS				
General Fund	\$545,161	\$0	\$0	\$51,578
State Route 201/202 Project	0	0	51,578	0
Austin Centre Interchange	0	535,063	0	0
Kingsridge Road Project	0	10,098	0	0
Total Major Funds	\$545,161	\$545,161	\$51,578	\$51,578

The interfund loans from the General Fund to the capital projects are expected to be reimbursed with one year incurred for project related expenditures reimbursed in the next fiscal year. The transfer from the General Fund to the State Route 201/202 project was to close out the fund with the transfer. In the beginning of the fund, the District paid for certain expenditures from the State Route 201/202 project fund that were eventually reimbursed into the General Fund.

NOTE 11 – JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Regional Planning Commission

The Miami Valley Regional Planning Commission (MVRPC), a jointly governed organization, was established to provide coordinated planning services to the appropriate federal, state and local governments, their political subdivisions, agencies, departments, instrumentalities, and special districts, in connection with the preparation and development of comprehensive and continuing regional transportation and development plans within the MVRPC Region. MVRPC members include Montgomery, Darke, Greene, Miami, Clark, Warren and Preble Counties.

MVRPC contracts periodically for local funds and other support with the governing board of each of the governments who are members of MVRPC or with such other persons as may be appropriate to provide such funds and support. The support is based on the population of the area represented. A Board of Trustees was created for conducting the activities of the MVRPC. This Board consists of one elected official of each City and municipal corporation, one individual selected by each City planning agency or commission and one person selected by each planning agency or commission of each municipal corporation located in each member City. This Board of Trustees then selects not more than ten residents of the MVRPC Region. The total membership of the Board of Trustees shall not exceed 100. Any member of MVRPC may withdraw its membership upon written notice to MVRPC be effective two years after receipt of the notice by MVRPC. The District paid \$1,000 to MVRPC during 2007. To obtain financial information, write to Gary Bellotti, Controller. To obtain financials statements of the Miami Valley Regional Planning Commission, write to MVRPC at One Dayton Center, One South Main Street, Suite 260, Dayton, Ohio 45402.

MONTGOMERY COUNTY, OHIO TRANSPORTATION IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 12 – DEFINED BENEFIT PENSION PLAN

Public Employees Retirement System

The District contributes to the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 466-8025 or 1-800-222-OPERS (7377).

In 2003, OPERS expanded the retirement options for covered employees. OPERS administers three separate pension plans as described below:

- The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan
- The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon.
- The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

Plan members are required to contribute 9.5 percent of their annual covered salary to fund pension obligations. Contributions are authorized by State statute. The contribution rates are determined actuarially. The District's required contributions to OPERS for the years ended December 31, 2007, 2006, and 2005 were \$19,976, \$17,849, and \$11,408. 86 percent has been contributed for 2007 and 100% for 2006 and 2005 with the remainder being reported as a liability within the general fund.

MONTGOMERY COUNTY, OHIO TRANSPORTATION IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 13 - POST EMPLOYMENT BENEFITS

Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 employer contribution rate was 13.85 percent of covered payroll; 5.00 percent from January 1, 2007 through June 30, 2007 and 6.00 percent from July 1, 2007 through December 31, 2007 was the portion that was used to fund health care for 2007.

Benefits are advance-funded using an entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed December 31, 2006 include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually.

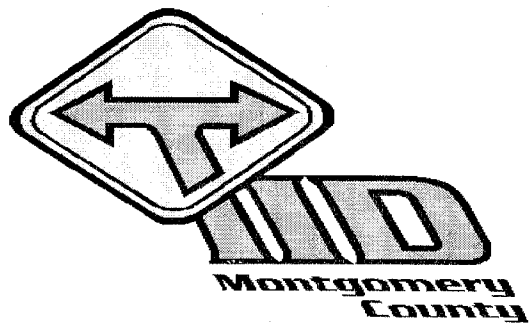
All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

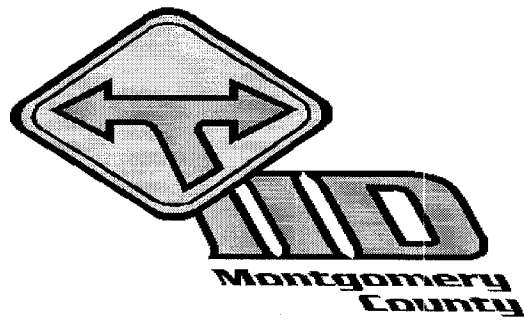
As of December 31, 2006 (latest information available), the actuarial value net assets available for future OPEB payments were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$30.7 billion and \$18.7 billion, respectively. At December 31, 2007, the total number of benefit recipients eligible for OPEB through PERS was 374,979. The District's actual contributions for 2007 that were used to fund OPEB were \$11,436.

NOTE 14 – RESTATEMENT OF FUND BALANCE/NET ASSETS

Beginning balances required restatement due to the Dayton Port Authority receivable being essentially a loan and should not have been reported as deferred revenue in the prior year. This restatement had the following effect of beginning balances:

	Governmental Activities	Austin Center Interchange Fund
Net Assets/Fund Balance, December 31, 2006	\$4,447,742	(\$466,667)
Loan Reclassification	3,397,812	3,397,812
Restated Net Assets/Fund Balance, December 31, 2006	\$7,845,554	\$2,931,145





REQUIRED
SUPPLEMENTARY
INFORMATION

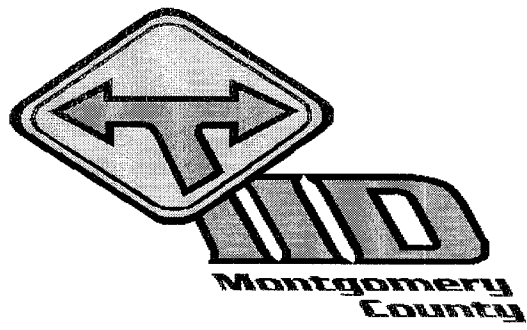
MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Charges for Services	265,000	100,000	13,625	(86,375)
Investment Earnings	35,000	35,000	31,805	(3,195)
All Other	-	-	55	55
Total Revenues	<u>550,000</u>	<u>385,000</u>	<u>295,485</u>	<u>(89,515)</u>
Expenditures:				
Current:				
General Government	444,065	496,843	422,988	73,855
Total Expenditures	<u>444,065</u>	<u>496,843</u>	<u>422,988</u>	<u>73,855</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>105,935</u>	<u>(111,843)</u>	<u>(127,503)</u>	<u>(15,660)</u>
Other Financing Uses:				
Transfers Out	-	-	(51,578)	(51,578)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(51,578)</u>	<u>(51,578)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	<u>105,935</u>	<u>(111,843)</u>	<u>(179,081)</u>	<u>(67,238)</u>
Fund Balance Beginning of Year	1,365,146	1,365,146	1,365,146	-
Fund Balance End of Year	<u>\$ 1,471,081</u>	<u>\$ 1,253,303</u>	<u>\$ 1,186,065</u>	<u>\$ (67,238)</u>

Budget Basis	\$ (179,081)
Revenue Accruals	29
Expenditure Accruals	(2,950)
GAAP Basis	<u>\$ (182,002)</u>

See accompanying notes to the required supplementary information



NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. Legally, the Ohio Revised Code does not strictly impose a requirement on the District to follow the budgetary process but the District chose to follow these laws by an act within their entity's by-laws. The major documents prepared are the estimated revenues and the appropriation resolution, both of which are prepared on the budgetary basis of accounting.

The estimated revenues and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated revenues, as certified by resolution of the District Board. All funds are required to be budgeted and appropriated. The level of budgetary control is at the fund level for the District. Any budgetary modifications at this level may only be made by resolution of the District Board.

Under the District's By-laws, revenues not specifically related to a particular fund shall be deposited into the District's General Fund. Moneys can only be transferred from the General Fund by resolution of the District Board.

1. **Estimated Revenues**

As part of the District's budgetary process, the Board approves the estimated revenues as part of the budget resolution. The estimated revenues resolution states the projected revenue of each fund. Prior to December 31, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the resolution. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the estimated revenues are amended to include any unencumbered balances from the preceding year.

The estimated revenues may be further amended during the year if the Board determines an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final budget resolution issued during 2007.

MONTGOMERY COUNTY, OHIO TRANSPORTATION IMPROVEMENT DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Appropriations

An annual appropriation resolution must be passed by July 15 of the preceding year for the period January 1 to December 31. The appropriation resolution fixes spending authority at the fund level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated revenues, as certified. The allocation of appropriations among funds may be modified during the year only by a resolution of the Board. The amounts reported as the original budgeted amounts in the budgetary statements reflect the appropriations in the first complete appropriated budget, including amounts automatically carried over from prior years. The amounts reported as final budgeted amounts in the schedules of budgetary comparison represent the final appropriation amounts, including all supplemental appropriations.

3. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

4. Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than GAAP. The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures are recorded when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting on the governmental fund statements and on the full accrual basis on the government-wide statements.

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE ROUTE 201 AND 202 FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental Revenue	\$ 115,789	\$ 40,221	\$ 40,221	\$ -
All Other	-	-	-	-
Total Revenues	115,789	40,221	40,221	-
Expenditures:				
Current:				
Capital Outlay	50,000	26,010	26,010	-
Total Expenditures	50,000	26,010	26,010	-
Excess of Revenues Over Expenditures	65,789	14,211	14,211	-
Other Financing Sources:				
Transfers In	-	51,578	51,578	-
Total Other Financing Sources	-	51,578	51,578	-
Excess of Revenues and Other Financing Sources over Expenditures	65,789	65,789	65,789	-
Fund Balance (Deficit) Beginning of Year	(65,789)	(65,789)	(65,789)	-
Fund Balance End of Year	\$ -	\$ -	\$ -	\$ -

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUSTIN CENTER INTERCHANGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 7,263,191	\$ 1,357,268	\$ 838,768	\$ (518,500)
All Other	3,397,812	377,872	377,872	-
Total Revenues	<u>10,661,003</u>	<u>1,735,140</u>	<u>1,216,640</u>	<u>(518,500)</u>
Expenditures:				
Capital Outlay	5,940,000	919,000	930,765	(11,765)
Debt Service:				
Interest and Fiscal Charges	-	367,872	367,872	-
Total Expenditures	<u>5,940,000</u>	<u>1,286,872</u>	<u>1,298,637</u>	<u>(11,765)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,721,003</u>	<u>448,268</u>	<u>(81,997)</u>	<u>(530,265)</u>
Fund Balance Beginning of Year	(453,066)	(453,066)	(453,066)	-
Fund Balance (Deficit) End of Year	<u>\$ 4,267,937</u>	<u>\$ (4,798)</u>	<u>\$ (535,063)</u>	<u>\$ (530,265)</u>

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
KINGSRIDGE PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

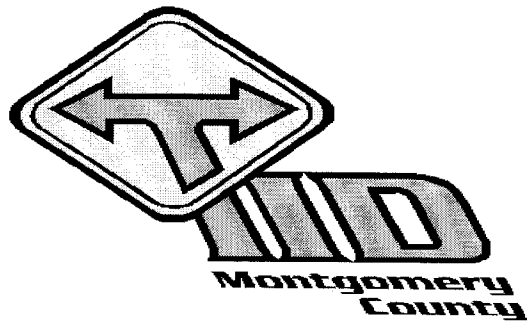
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ 5,365,000	\$ 225,000	\$ 166,184	\$ (58,816)
All Other		-		-
Total Revenues	<u>5,365,000</u>	<u>225,000</u>	<u>166,184</u>	<u>(58,816)</u>
Expenditures:				
Capital Outlay	<u>5,365,000</u>	<u>225,000</u>	<u>176,282</u>	<u>48,718</u>
Total Expenditures	<u>5,365,000</u>	<u>225,000</u>	<u>176,282</u>	<u>48,718</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(10,098)</u>	<u>(10,098)</u>
Fund Balance Beginning of Year	-	-	-	-
Fund Balance (Deficit) End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,098)</u>	<u>\$ (10,098)</u>

**MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT**

**SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2007**

	Balance December 31, 2006	Additions	Deletions	Balance December 31, 2007
<u>Assets:</u>				
Cash and Cash Equivalents	\$1,322	\$50,000	\$39,109	\$12,213
Total Assets	<u>\$1,322</u>	<u>\$50,000</u>	<u>\$39,109</u>	<u>\$12,213</u>
<u>Liabilities:</u>				
Due to Other Governments	1,322	50,000	39,109	12,213
Total Liabilities	<u>\$1,322</u>	<u>\$50,000</u>	<u>\$39,109</u>	<u>\$12,213</u>

STATISTICAL



SECTION

**MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT
STATISTICAL SECTION DESCRIPTIONS
DECEMBER 31, 2007**

This part of the District's report presents detailed information as a context for understanding what the information in the financial statements, note disclosure, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and situation have changed over time.	38-41
Revenue Capacity (The District has no specific revenue source to present)	
Debt Capacity (The District does not have debt to present)	
Demographic and Economic Information	
This schedule offers demographic and economic indicators to help the reader understand the environment within in which the District's financial activities takes place.	42-43
Operating Information	
These schedules contain operational data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	44-45

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

Net Assets by Component
 Last Four Years
(accrual basis of accounting)

	2007	2006	2005	2004
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 4,609,921	\$ 3,571,394	\$ 3,489,791	\$ 3,412,284
Restricted	3,397,812	3,397,812	0	0
Unrestricted	694,291	876,348	1,088,117	1,468,647
<i>Total Governmental Activities Net Assets</i>	<u>\$ 8,702,024</u>	<u>\$ 7,845,554</u>	<u>\$ 4,577,908</u>	<u>\$ 4,880,931</u>

NOTE: The District's first year reporting under GASB 34 was 2004.

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

Changes in Net Assets
 Last Four Years
(accrual basis of accounting)

	2007	2006	2005	2004
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 13,625	\$ -	\$ 95,000	\$ 19,490
Capital Grants and Contributions	1,488,210	449,750	79,854	499,506
<i>Total Governmental Activities Program Revenues</i>	<u>1,501,835</u>	<u>449,750</u>	<u>174,854</u>	<u>518,996</u>
Expenses				
Governmental Activities:				
General Government	569,382	565,258	510,824	625,444
Interest and Fiscal Charges	367,872	367,872	-	-
<i>Total Governmental Activities Expenses</i>	<u>937,254</u>	<u>933,130</u>	<u>510,824</u>	<u>625,444</u>
Net (Expense)/Revenue				
Governmental Activities	<u>564,581</u>	<u>(483,380)</u>	<u>(335,970)</u>	<u>(106,448)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Grants and Entitlements not Restricted				
to Specific Programs	250,000	312,500	-	312,500
Investment Earnings	31,805	40,704	32,947	18,177
Other	10,084	10	0	0
<i>Total Governmental Activities</i>	<u>291,889</u>	<u>353,214</u>	<u>32,947</u>	<u>330,677</u>
Change in Net Assets				
Governmental Activities	<u>\$ 856,470</u>	<u>\$ (130,166)</u>	<u>\$ (303,023)</u>	<u>\$ 224,229</u>

NOTE: The District's first year reporting under GASB 34 was 2004.

**MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT**

Fund Balances, Governmental Funds
Last Six Years
(modified accrual basis of accounting)

	2007	2006	2005	2004	2003	2002
General Fund						
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,400
Unreserved	1,163,277	1,345,279	1,341,044	1,489,107	1,281,788	108,773
<i>Total General Fund</i>	<u>1,163,277</u>	<u>1,345,279</u>	<u>1,341,044</u>	<u>1,489,107</u>	<u>1,281,788</u>	<u>111,173</u>
All Other Governmental Funds						
Reserved	3,397,812	3,397,812	25,318	38,857	28,873	6,744
Undesignated, Reported in:						
Capital Projects Funds (Deficit)	(527,976)	(534,720)	(483,275)	(232,145)	89,105	29,290
Total All Other Governmental Funds	<u>2,869,836</u>	<u>2,863,092</u>	<u>(457,957)</u>	<u>(193,288)</u>	<u>117,978</u>	<u>36,034</u>
<i>Total Governmental Funds</i>	<u>\$ 4,033,113</u>	<u>\$ 4,208,371</u>	<u>\$ 883,087</u>	<u>\$ 1,295,819</u>	<u>\$ 1,399,766</u>	<u>\$ 147,207</u>

* The District's first reporting year was 2002.

**MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT**

Changes in Fund Balances, Governmental Funds
Last Six Years
(modified accrual basis of accounting)

	2007	2006	2005	2004	2003	2002
Revenues						
Intergovernmental	\$ 1,377,137	\$ 901,491	\$ 20,866	\$ 462,582	\$ 6,657,876	\$ 304,575
Charges for Services	13,625	-	95,000	137,368	31,025	-
Investment Earnings	31,805	40,704	32,947	18,177	12,747	1,442
Other	377,956	10	26,786	199,234	700	19
Total Revenues	1,800,523	942,205	175,599	817,361	6,702,348	306,036
Expenditures						
Current:						
General Government	425,938	348,979	276,010	260,726	217,391	144,278
Capital Outlay	1,181,971	297,882	312,321	660,582	5,232,398	14,551
Debt Service:						
Interest	367,872	367,872	-	-	-	-
Total Expenditures	1,975,781	1,014,733	588,331	921,308	5,449,789	158,829
Excess of Revenues Over (Under) Expenditures	(175,258)	(72,528)	(412,732)	(103,947)	1,252,559	147,207
Other Financing Sources (Uses)						
Transfers In	51,578	-	-	-	-	50,000
Transfers Out	(51,578)	-	-	-	-	(50,000)
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	\$ (175,258)	\$ (72,528)	\$ (412,732)	\$ (103,947)	\$ 1,252,559	\$ 147,207
Debt Service as a Percentage of Noncapital Expenditures	N/A	N/A	N/A	N/A	N/A	N/A

* The District's first reporting year was 2002.

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

Top Ten Principal Employers
One Year Ago

2006

Employer

Wright-Patterson Air Force Base	22,000
Premier Health Partners Inc.	12,291
Kettering Health Network	5,461
Delphi Corp	5,300
Montgomery County	4,840
Dayton Public Schools	4,000
GM Moriane Assembly Plant	3,209
Kroger Co	3,000
Lexis Nexis	3,000
AK Steel	3,000

Source: Montgomery County Annual Financial Report

Note: This information was most recently available information and nothing for previously years could be gathered.

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

Demographic Statistics
 Last Six Years

YEAR	POPULATION (1)	UNEMPLOYMENT
		RATE MONTGOMERY COUNTY (2)
2002	554,470	5.8%
2003	552,187	6.2%
2004	550,063	6.2%
2005	547,435	6.1%
2006	542,237	5.7%
2007	Not Available	6.2%

(1) SOURCE: Montgomery County Annual Financial Report

(2) SOURCE: Ohio Labor Market Information, Ohio Department of Job and Family Services

* The District's first reporting year was 2002.

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

Full-Time Equivalent Government Employees by Function/Program
 Last Six Years

<u>Function/program</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Government:	2.5	2.5	1	1	0	0

Source: Finance Department

Method: Using 1.0 for each full-time employee, and 0.50 for each part-time and seasonal employee

* The District's first reporting year was 2002 and did not officially hire an employee until 2004 as the current Executive Director was provided by a contract from the Dayton Chamber of Commerce. The District's administrative assistant and finance director are provided through contracts presently.

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

Miscellaneous Statistics
December 31, 2007

Date of Creation	2001
County:	Montgomery
County Seat:	Dayton, Ohio
Number of Interstate Highways inside the District:	3 (Interstate 75) (Interstate 70) (Interstate 675)

Source: Transportation Improvement District



Mary Taylor, CPA
Auditor of State

MONTGOMERY COUNTY TRANSPORTATION IMPROVEMENT 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
JUNE 24, 2008**