MONTGOMERY COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
MONTGOMERY COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2017

Dave Yost • Auditor of State

MONTGOMERY COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
MONTGOMERY COUNTY
DECEMBER 31, 2017

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

Montgomery County Transportation Improvement District
Montgomery County
451 West Third Street
Dayton, Ohio 45422

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and each major fund of the Montgomery County Transportation Improvement District, Montgomery County, (the District) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 29, 2018, wherein we noted the District restated Governmental Activities Net Position and General Fund and Kingsridge Fund balances at December 31, 2016.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2017-001 to be a material weakness.

Compliance and Other Matters

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

District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

Purpose of this Report

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

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

June 29, 2018

SCHEDULE OF FINDINGS
DECEMBER 31, 2017

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2017-001

Material Weakness – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement,* paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Governmental Accounting Standards Board (GASB) Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions* established criteria for reporting governmental fund balances based upon constraints placed upon the use of the resources reported in the governmental funds. The five classifications are non-spendable, restricted, committed, assigned, and unassigned.

The following misstatements occurred on the District's financial statements:

- State Infrastructure Bank (SIB) loan proceeds in the amounts of $572,712 and $1,838,005 were recorded as Intergovernmental revenue in the Austin Center Interchange and Brookville funds, respectively, and were reclassified as loan proceeds. Adjustments were also made to record the additional SIB Loan Payable in the amount of $2,410,717 as a liability in governmental activities. Because local governments pledge revenue for repayment of the SIB loans, an adjustment was needed to increase Intergovernmental Receivable and Deferred Inflows- Intergovernmental Revenues in the amounts of $572,712, $1,838,005, and $2,410,717 in the Austin Center Interchange and Brookville funds and governmental activities, respectively.
- The District's subsequent year appropriations exceeded the estimated receipts in the General fund by $113,500. As a result, a reclassification was made to report that amount as assigned fund balance required to meet subsequent year appropriations in accordance with GASB 54 par. 16 (GASB cod. 1800.176);
- Revenues totaling $3,580,000 that were pledged by other local governments for the repayment of the District's outstanding bonds and loans were classified as unearned revenue in governmental activities and were reclassified as Capital Grants and Contributions;
- A restatement of beginning net position and fund balance for governmental activities and the General fund in the amount of $70,000 was required to correct the understatement of 2016 liabilities and expenditures and the overstatement of 2017 expenditures as the retention bonus paid to the Executive Director in 2017 should have been recorded as a payable at December 31, 2016;
- A restatement of beginning fund balance for the General and Kingsridge Drive Project funds in the amount of $473,624 was required to report fund balance in the appropriate funds and to remove the interfund receivable/payable; and
- The final budgeted expenditures were overstated by $850,000 and $1,548,860 on the Austin Center Interchange and I70/I75 Development Funds budgetary schedules, respectively.

FINDING NUMBER 2017-001
(Continued)

The misstatements noted above are reflected on the accompanying financial statements and have been posted to the District's accounting records. In addition to the adjustments and reclassifications listed above, we also identified additional misstatements ranging from $143,656 to $511,673, which we have brought to the District's attention.

Additionally, although the total balance of all funds as documented in the District's accounting system agreed to the total cash reported on the District's financial statements, the individual fund balances of the General, Austin Interchange, Kingsridge Drive, and I70/I75 Development funds per the District's accounting system did not agree to individual cash balances for each fund. The accounting system net change in fund balance agreed to the financial statements and the prior year cash balances agreed to the prior year audited statements. The differences are attributed to accounting for each project separately and general operating funds used in anticipation of future revenues.

The failure to correctly classify financial activity in the accounting records and financial statements may impact the users' understanding of the financial operations, the Board's and management's ability to make decisions, and could result in materially misstated reports.

The District should implement policies and procedures to provide for accurate and complete reporting of financial activity and balances in the accounting records and financial statements to assist in the effective management and reporting of financial resources.

Officials' Response:

The TID agreed with all the adjustments proposed by the audit staff. Additional information regarding some of the adjustments is described below.

The first bullet point was caught by the Finance Director and pointed out to the audit staff as a missed item. The two projects that make up the SIB loan proceeds were because the loans not closed out as of December 31, 2017. The amounts should have been picked up as a loan payable.

The third bullet point regarding $3,580,000 of revenue relates to the amount of principal paid on two projects that were deemed unearned revenues in prior years by the prior audit team but should now be reflected as revenue given the current status of the projects.

The fifth bulletin point regarding the fund balance issue was discussed at detail with the current audit staff and agreed to the best reporting was to properly classify those funds in the General fund and the District staff agreed.

The last bullet point regarding the budgeted figures resulted from a simple formula error.

Montgomery County Transportation
Improvement District

451 West Third Street • 10th Floor
Dayton, Ohio 45422-1075

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 31, 2017

Finding Number	Finding Summary	Status	Additional Information
2016-1	Material Weakness– Controls Related to Financial Reporting	Not completed	Fiscal year 2017 had several adjustments required related to missing reporting of loans entered into during the year for two construction project. The loans were not finalized during 2017. The financial statements also reported debt payments in the current and prior year as unearned revenue which should have been recorded as intergovernmental revenue. The second entry was recorded consistent with prior year audits but after discussion it was determined the correct reporting should be as revenue since the debt payment were made.

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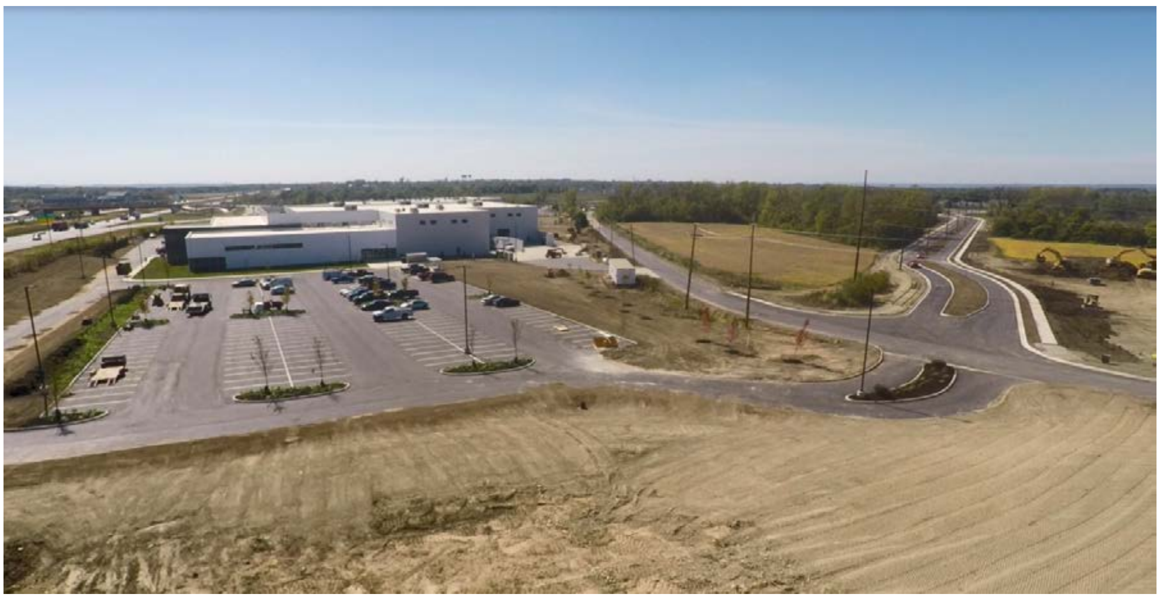
Montgomery County, Ohio
Transportation Improvement District

Comprehensive Annual
Financial Report



The District constructed the new road, Byers Road Connector, (pictured on the right) for the new constructed Miamisburg headquarters for United Grinding (pictured on the left).

For the Fiscal Year Ended
December 31, 2017

Montgomery County, Ohio
Transportation Improvement District

Comprehensive Annual
Financial Report

For the Fiscal Year Ended
December 31, 2017

Prepared by
Sean Fraunfelter, CPA
Finance Director

MONTGOMERY COUNTY, OHIO TRANSPORTATION IMPROVEMENT DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

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III. STATISTICAL SECTION

INTRODUCTORY

SECTION

Montgomery County Transportation
Improvement District

451 West Third Street • 10th Floor
Dayton, Ohio 45422-1075

June 29, 2018

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, 2017.

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. This report presents the financial activity of the District in conformity with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources, and is consistent with the reporting model as promulgated by GASB Statements No. 34, 54, 63 and 65.

GAAP requires management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditor.

MONTGOMERY COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

The mission of the Montgomery County Transportation Improvement District is to expedite and finance 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 high priority transportation and related infrastructure projects throughout the county that would support and promote economic development.

The District's first projects were in the City of Huber Heights beginning in 2001. The District worked with the City of Huber Heights, Montgomery County and the Ohio Department of Transportation (ODOT) to rebuild and improve existing interchanges on Interstate 70 at State Route 201 and State Route 202.

The District has been heavily involved with the Austin Center Interchange Project and related local roadway and infrastructure projects since 2003, discussed further below.

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The District secured initial ODOT grant allocations in 2011 to begin work on projects near the Dayton International Airport. The first of those projects was the realignment and reconstruction of Dog Leg Road, which was substantially completed as Union Airpark Boulevard in 2014 and services Proctor & Gamble's new Dayton Mixing Center in the City of Union. The second project (described in more detail below) was for the extension of freight rail service from a CSX main line east of Interstate 75 to what was intended to be multi-modal capacity to serve available development land on both the eastern and western sides of the interstate highway. The District completed sufficient preliminary engineering and environmental work on Phase 1 of the project (on the east side of I-75) to select the no-build alternative for that phase as a stand-alone project. Further work on the freight rail project will be pursued with local funds when a specific economic development opportunity presents itself. The District has also been working with the surrounding communities to develop an area-wide infrastructure plan that is focused on the potential of private sector development of logistics and manufacturing facilities in the northern portion of the county near the I-70/I-75 Interchange and the Dayton International Airport.

During 2016, the City of Brookville approached the District about working on a new road extension project to serve a new industrial park and a new fire station in the city. The road was completed and open at the end of 2017. This will open up hundreds of acres for development in the City near Interstate 70.

During 2017, the TID, Montgomery County and the Montgomery County Agricultural Society entered into an agreement to construct a new fairgrounds and related infrastructure. This project is discussed in more detail 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 9 to the basic financial statements.

ECONOMIC CONDITION AND MAJOR INITIATIVES

Montgomery County is the fourth largest county in Ohio with a population of 535,153 according to the 2010 Census. Its county seat and largest municipality is the City of Dayton with a population of 141,527 according to the 2010 Census. 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 worked 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 plan for and build the Austin Interchange. The participating governments agreed to a multi-jurisdictional land use plan for the proposed interchange area and continued to meet regularly to evaluate projects as development has moved significantly forward since 2011 with an estimated increased property valuation in the area of $181.5 million.

Participating local governments approved the initial finance plan during 2005. The governments addressed three phases of the plan. First the Austin Interchange, which included the overpass over I-75 and approximately one thousand feet east and west of the overpass (this phase was managed by ODOT). The second phase was the relocation of Byers Road and completion of its widening from Austin Boulevard to State Route 725. The third phase was the improvement and relocation of Austin Boulevard to the north on the east side of State Route 741 (this phase was managed by the Montgomery County Engineer). The tax increment financing plan along with Miamisburg School District approval was approved in late 2005 and has been amended three times in order to finance additional public infrastructure to support private sector development that has benefited all the parties involved.

During 2007 and 2008, the District was able to acquire all the necessary parcels and relocate affected businesses and residents in order to certify the acquisition of right of way to the Ohio Department of Transportation for the Austin Interchange. In January 2009, the District issued over $25 million in bond anticipation notes to make the required deposit for the construction of the interchange project start as managed by the Ohio Department of Transportation. Those notes came due in October but the District was able to reduce the overall obligation by $7 million when the notes were reissued.

Engineering work was finalized in 2010 on the relocation of Byers Road to align with Wood Road at Austin Boulevard. The District certified the final right of way to ODOT during January 2010. The District bid the construction of the Byers Road Project and started construction during the summer of 2010. The Austin Interchange opened up over 1,000 acres of developable land by 2010 in the southern portion of Montgomery County. The area has seen significant development on the northwest corner (Motoman), the southeast corner (the Conner Group), and northeast corner (Austin Landing and the Exchange.)

In connection with the Austin Interchange Project, the District has been involved with development activities on the northeast corner of the interchange, “Austin Landing”. This development was the first major activity adjacent to the interchange. The District, Montgomery County, Miami Township and the developer entered into agreements for financing and constructing significant public infrastructure to support a total of $94 million of new private sector development. The first two buildings were completed and occupied during 2010. The developer started another office building and parking garage during 2011 which were completed and opened in 2012. The Kohls on the southeast corner was open during 2011. The development has seen significant additional hospitality, retail and office space being built in 2013-16 and wrapping up in 2017. The respective notes for the second phase were replaced by revenue bonds in early 2015.

On the northwest corner, the District was involved in providing additional access from the Interchange and Austin Boulevard to the Motoman facility. The Byers Road Project was completed at the end of 2011 with improved access. The District was also able to receive a previous equity contribution as the Dayton-Montgomery County Port Authority sold the Long Farm property to the City of Miamisburg. The City of Miamisburg is looking at significant development around Byers Road and to the north of Motoman over the next several years, which will increase the incremental assessed valuation of property in the City near the Austin Interchange that is subject to TIF legislation enacted by the City in 2005. The City of Miamisburg saw United Grinding locate its new North American headquarters to the north of Motoman requiring the District to assist the City in providing the necessary infrastructure to access the facility. This agreement was approved in June 2017. The roadwork was completed in time for the facility to open in late 2017.

Dogleg Road

Since 2011, the District has applied for and received from ODOT grants for funding preliminary engineering costs of the Dog Leg Road (the “project”). The District managed the redesign of local roadways on this project to allow better access, traffic movement and open up additional land for economic development. The importance and scope of the project increased significantly as Montgomery County and the City of Union were able to secure one of Proctor and Gamble’s (P&G) new consolidated packaging and distribution facilities adjacent to the new planned alignment for Dogleg Road. P&G’s Dayton Mixing Center brought on additional construction activity for the District with related storm water and other utilities needed in the area. The Dayton Mixing Center is a 1.8 million square foot facility that has provided nearly 1,400 new jobs to the region and significantly contributed to increased valuation of the area. Through cooperative agreements with Montgomery County, the City of Union, and the Dayton-Montgomery County Port Authority, the District was successful in financing $11.7 million through the ODOT State Infrastructure Bank (amended in 2015 to $12.9 million) and receiving over $1.2 million from JobsOhio for the project, which subsequently has helped and will help the District, County and City of Union complete other needed improvements in the area including State Route 40 improvements.

Multi-Modal Rail Project

During 2012, the District entered into a contract with a consultant to perform preliminary engineering for the first phase of a multi-modal freight rail project. The District was able to secure a grant through the Transportation Review Advisory Council within the Ohio Department of Transportation to pay for the bulk of the work to date. The District, County and other local government partners see the potential for a rail-served distribution and industrial park near the Dayton International Airport and the Interchange at I-70 and I-75 that would generate significant new employment and tax base opportunity.

Market Street Extension

As briefly discussed above, the City of Brookville entered into a project, finance and management agreement with the District during 2016 to assist the City in extending Market Street north approximately 1,700 feet to Lewisburg Salem Road. The District with the support of the City obtained a State Infrastructure Loan for construction of the project. The City has been direct paying the District for costs incurred for engineering and other professional services. The road was completed in 2017.

Dayton International Airport Access

During 2016, the City of Dayton reached out to the District about providing assistance to design, finance and construct better roadway access to the north side of the Dayton International Airport from State Route 40. The Airport has substantial commercial acreage available for development on its north side. During 2016, the District also assisted Dayton with improved roadway access and utility service to industrial uses already located on Airport property and to the development of a new 570,000 SF warehousing, manufacturing, and research facility on the Airport for Spectrum Brands. The District was able to secure funding through ODOT Grants, Ohio Roadwork Development 629 funds, and the City of Dayton to construct the public improvements. This project was completed during late 2016.

Lyons Road Bridge Pedestrian Access

Miami Township entered into a project, management and finance agreement with the District to complete engineering on a possible pedestrian access across Interstate 75 at Lyons Road. The area around the Dayton Mall is heavily traveled and the Township wanted to provide safer routes for pedestrians and bicycle riders across the bridge. Engineering on the project was substantially completed during 2017. The District expects construction to be in 2018.

Montgomery County Fairgrounds

During 2017, the District entered into an agreement with Montgomery County to construct a new road in connection with the relocation of the Montgomery County Fairgrounds from Dayton to Jefferson Township. The District was able to secure a contractor and continues to work on the road project with estimated completion in May of 2018.

As part of the fairgrounds relocation, it was determined that without the District's assistance the new facilities would not be ready for the 2018 county fair. The District and Agricultural Society entered into an agreement to construct the new fairground's site and prepare it for future development. The project is expected to be completed by June 2018.

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.

SIGNIFICANT FINANCIAL POLICIES

The District's revenue is tied to the projects that it manages. The Board has made it a policy to charge fees for the projects the District manages or finances. The fee policy allows for the discretion of the Board to vary from the prescribed policy if the Board and Executive Director determine the District's involvement is critical to the completion of the project. The District typically takes the fee during the issuance of bonds on the projects. The District also has made a concerted effort to keep overhead costs low by having accounting contracted through the Butler County TID and having offices in Montgomery County building along with a shared service agreement to help reduce costs.

FACTORS AFFECTING FINANCIAL CONDITION

The District has a limited source of revenues that can be derived to help fund operations. The District is focusing on management charges for project development/completion to finance its operations. The District annually examines the list of current projects and other projects throughout Montgomery County that can be expedited through the District's streamlined process.

The County's unemployment rate for December 2017 was 4.4 percent, which is down 0.2 percent from the 2016 rate. As the economy continues to recover, the District has been lucky to have partners in Montgomery County, Miami Township, and Cities of Union, Miamisburg, Springboro, Dayton and Brookville that are forward thinking and willing to use their own balance sheets to finance development projects across Montgomery County. This activity will help alleviate the financial stress that reduced income taxes, property taxes and sales taxes have put on our local government partners as the anticipated development will produce a significant amount of revenue for all those governments. The District continues to work with a very small operating budget in comparison to the project activity.

OTHER INFORMATION

Independent Audit

This report includes an unqualified audit report regarding the District's financial statements. The State of Ohio Auditor's Office 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, 2016. This was the fourteenth 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 2017 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 and development partners for their dedication and drive to see projects such as the Fairgrounds, North Airport Access, Project Walnut, Austin Center Interchange, Byers Road and Austin Landing become a reality. We also want to make a special mention to our dedicated staff members Crystal Corbin and Linda Gum, for the hard work they do to help us deliver on our project commitments. A special note of thanks is extended to our legal counsel, Beverly Shillito, Gregory Daniels and Chris Franzmann, for their efforts to put together all the financing documents necessary to bring our projects to reality.

Respectfully submitted,

Executive Director

Secretary/Treasurer

2017 Montgomery County
Transportation Improvement District

Board of Trustees

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

TID Executive Director

Steve Stanley

Administrative Assistant

Linda Gum

Assistant TID Executive Director

Crystal Corbin

Sebaly Shillito + Dyer

General Counsel

Butler County TID

Accounting

General Counsel

Bev Shillito

Finance Director

Sean Fraunfelter

MONTGOMERY COUNTY
TRANSPORTATION IMPROVEMENT DISTRICT

2017 BOARD MEMBERS

Voting	*Occupation*	*Board Member Since*
Art Meyer, Chairperson	Community Leader	January 2008
Walt Hibner	Vectren	August 2017
Stephanie Singer – Vice Chairperson	Reed Elsevier Technology	February 2011
David Bills	Brown and Bills Group	June 2012
Tom Tatham- Treasurer	Dayton Power and Light	March 2015

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Montgomery County

Ohio Transportation Improvement District

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO

FINANCIAL

SECTION

INDEPENDENT AUDITOR'S REPORT

Montgomery County Transportation Improvement District
Montgomery County
451 West Third Street
Dayton, Ohio 45422

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Montgomery County Transportation Improvement District, Montgomery, Ohio (the District), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Montgomery County Transportation Improvement District, Montgomery, Ohio, as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the District restated Governmental Activities Net Position and General Fund and Kingsridge Fund balances at December 31, 2016. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

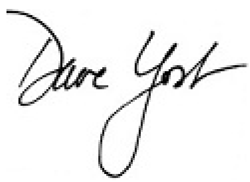
The introductory section, the financial section's individual fund schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

June 29, 2018

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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, 2017. Please review it in conjunction with the basic financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- The District had $35.1 million in net position at December 31, 2017, an increase of $11.7 million over fiscal year 2016 mainly from additional construction in progress for the projects located in the western part of the County.
- The District had $4.4 million in program expenses that were offset by $15.9 million of program revenues.
- Governmental fund revenues were $16.3 million for 2017 with 94 percent of those revenues related to reimbursements for project costs or debt service of the District.
- The District received over $12.2 million from Montgomery County Agricultural Society and Montgomery County for construction of a new county fairground and related infrastructure (mostly reported as unearned revenue in the Fairground Fund.)

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 12-13) 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 14. 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 funds.

Reporting the District as a Whole

The Statement of Net Position 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 position increased significantly, the answer is very much yes. The District continues to work on critical projects for Montgomery County to provide an economic development tool with projects such as Austin Center Interchange, infrastructure for Proctor & Gamble Dayton mixing center and development projects located near the Dayton International Airport. The question we hope that we are answering is, "Where is the District going and are we headed in the right direction?"

The Statement of Net Position 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, deferred outflows of resources, liabilities and deferred inflows of resources 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 position* and change in it. One can think of the District's net position, the difference between assets (what the District owns), deferred outflows of resources, liabilities (what the District owes) and deferred inflows of resources as one way to measure the District financial health, or *financial position*. Over time, *increases or decreases* in the District's net position is 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

<u>Major Funds</u>
General
Austin Center Interchange
Kingsridge Drive Project
I70/I75 Development
Brookville
Fairgounds

<u>Fund Financial Statements</u>

Our analysis of the District's major funds begins on page 9. The fund financial statements begin on page 14 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 only has governmental 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.

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 18-42 of this report.

Required Supplementary Information: The District presents budgetary information for the General fund in the required supplementary information along with notes that described the District's budgetary process. The related information for GASB 68 pension disclosure is presented as well. The required supplementary information can be found on pages 43-49 of this report.

Individual Fund Schedules. The individual fund budgetary versus actual schedules provide more detailed information about each individual fund for the District. These schedules can be found on pages 50-54 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 55 of this report.

THE DISTRICT AS A WHOLE

As stated previously, the Statement of Net Position looks at the District as a whole. The following table provides a summary of the District's net position for 2017 compared to 2016.

Net Position

	Restated 2016	2017	Change
Current Assets and Other Assets	$44,190,864	$54,858,212	$10,667,348
Capital Assets	42,416,429	54,850,420	12,433,991
Total Assets	86,607,293	109,708,632	23,101,339
Deferred Outflows of Resources	160,692	236,250	75,558
Current Liabilities	6,770,303	16,235,392	9,535,089
Long-Term Liabilities			
Net Pension Liability	358,204	493,225	135,021
Other Long-Term Liabilities	38,297,184	38,502,145	204,961
Total Liabilities	45,425,691	55,230,762	9,875,071
Deferred Inflows of Resources	17,944,280	19,621,646	1,677,366
Net Position:			
Net Investment in Capital Assets	24,269,489	33,181,136	8,911,647
Restricted	5,409,116	1,723,280	(3,685,836)
Unrestricted	(6,280,591)	188,058	6,398,649
Total Net Position	$23,398,014	$35,092,474	$11,624,460

The District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2 Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

Other than pensions, net position of the District's activities increased significantly. The District saw the current assets increased over 24 percent as the combined cash held at December 31, 2017 increased over $11.8 million from December 31, 2016 with the deposits the City of Miamisburg made on the Byers Road Connector and the fairground's deposits. Capital assets increased over 29 percent with the additional infrastructure projects around the Dayton International Airport to accommodate the new manufacturing facility, continued work on the State Route 40 project, the Byers Road Connector and the fairgrounds.

The current liabilities increased over 142 percent as the District increased unearned revenue for the fairground deposits as the contractual obligations have not been fulfilled as of December 31, 2017. There was also a significant amount reported for contracts and retainage payable on the fairground's projects.

The following tables look at the change in the District's revenues and expenses from 2017 to 2016.

Statement of Activities

	Restated 2016	2017	Change
Program Revenues:			
Charges for Services	$981,737	$497,403	($484,334)
Capital Grants	10,901,057	15,354,842	4,453,785
General Revenues:			
Interest	1,379	16,882	15,503
Other	198,938	202,626	3,688
Total Revenue	12,083,111	16,071,753	3,988,642
Program Expenses			
General Government	949,093	892,110	(56,983)
Transportation	183,522	183,522	0
Intergovernmental	1,423,270	1,598,480	175,210
Interest and Fiscal Charges	1,903,612	1,703,181	(200,431)
Total Expenses	4,459,497	4,377,293	(82,204)
Change in Net Position	7,623,614	11,694,460	$4,070,846
Beginning Net Position - Restated	15,774,400	23,398,014	
Ending Net Position	$23,398,014	$35,092,474	

After several years of delayed administration fees, 2016 saw the amount of fees (charges for services) increase for the District. The District finally received the Dogleg project administration fee of $450,000. The initial funding on the new SEED program was received early in the year as well. Add in fees from several other projects related to the northern projects and the District was very successful in covering operating costs for the year. The District's largest administrative fee in 2017 was related to the Byers Road Connector project for $235,000.

Capital grants increased as the District received additional revenue for construction on the Byers Road Connector project for the new United Grinding facility and also for the construction of the new fairground facility in Jefferson Township.

The District increased the general government expenses as additional personnel costs were paid to catch up on payments held for several years as the unrestricted cash balance in prior years was not sufficient to pay them and work through project cash flow needs.

The District also reports an intergovernmental expense as the District makes the debt service payments on behalf of the City of Union related to the State Infrastructure Bank loan and Dayton Montgomery County Port Authority loans on the Dog leg project.

THE DISTRICT'S FUNDS

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

General	$ 609,832
Austin Center Interchange	1,158,195
Kingsridge Drive Project	0
I70/I75 Development Fund	636,941
Brookville	(88,383)
Fairgrounds	(1,535,788)

The general fund balance is used to fund the other projects until certain financing obligations are received. The fund balance of the general fund increased with the collection of over $497,000 in administration fees on various projects. The largest amount was noted in the government-wide section.

The Austin Center Interchange project saw a fund balance increase by $0.9 million. The District collected some of the outstanding amounts due on projects that are accounted for in this fund as well as additional deposits were made that are being held by the District.

The Kingsridge Drive project is used to account for the debt service payments and contributions.

The I70/I75 Development fund is used to account for several different projects in the northern portion of the county. The District has been working with our northern local governments on a logistics park study around the Dayton International Airport, several economic development projects in the same area, improvements along State Route 40 after having just completed improvements to Dogleg Road for the new Proctor and Gamble facility. The fund balance increased significantly as TIF deposits were larger than last year although the payments on the respective Dayton Montgomery County Debt Obligations (reported as intergovernmental expense by the District since obligations of the Dayton Montgomery County Port Authority) comes out of the City of Union TIF deposits held by the District under our intergovernmental agreement.

The Brookville fund is used to account for the extension of Market Street in the City of Brookville to open up hundreds of acres for development in the city. The project was constructed and open to traffic during 2017.

The Fairgrounds fund is used to account for costs associated with the construction of a new fairground facility and the related infrastructure. The majority of the revenue is considered unearned as the project is expected to be completed in 2018. The majority of the outstanding contracts are reported in note 5.

Original and Final Budgets – General Fund

The original budget was prepared in July 2016 when the District believed there would be some project fees in 2017 based on current plans; however, additional fees were realized as new projects were added during 2017 resulting in a total increase of $102,800.

The District increased final budget expenditures by 42% as the District anticipated paying out several year end bonuses in 2016 but were not executed until early 2017.

Final versus Actual Budget – General Fund

The final budget to actual revenues were pretty much in line as the charges for services from several smaller sources were not included in the final budget. The final expenditures were decreased from the final budget as the 2017 bonuses were not paid until the following year

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District capitalized $12.6 million in construction in progress during the year. The District tracks the project expenditures as construction in progress and once the project is completed the various improvements will be dedicated to the appropriate agency. The District removes projects when all the contractual obligations the District agreed to complete were finished and the improvements have been turned over to another government. See note 3 of the financial statements for more information.

The District has five bonds and three state infrastructure bank loans outstanding totaling $41.2 million for projects in the Austin Center area, Kingsridge Drive project, Byers Road project and Market Street project. For more information, see note 7 of the financial statements.

ECONOMIC FACTORS

The District was created to operate on a countywide basis. In the winter, 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 2017 work plan meeting, which includes looking at several projects around the Dayton International Airport. One of the main projects includes work on City of Union logistics park that could possibly duplicate the valuation success the District has brought to southern portion of the County. 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 focus on the Austin Center area to the south of the City of Dayton wrapping up in 2018, the area has seen Phase 2 development increase that brings the increase to over $181 million in development into the area adjacent to the Interchange at the end of 2017.

The District continues to evaluate the northern, 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. The future provides an opportunity for the District to work with our northern county governments to make improvements to areas in their jurisdiction.

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 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, 451 West Third Street, Dayton, Ohio 45422.

Steven B. Stanley
Executive Director

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

STATEMENT OF NET POSITION
DECEMBER 31, 2017

Assets:		
Current Assets:		
Cash and Cash Equivalents	$	1,514,811
Restricted Cash and Cash Equivalents		12,899,413
Intergovernmental Receivable		36,221,144
Interest Receivable		4,222,844
Total Current Assets		54,858,212
Noncurrent Assets:		
Depreciable Capital Assets		4,257,137
Nondepreciable Capital Assets		50,593,283
Total Noncurrent Assets		54,850,420
Total Assets		109,708,632
Deferred Outflows - Pension		236,250
Liabilities:		
Current Liabilities:		
Accounts Payable		51,942
Contracts Payable		1,655,505
Retainage Payable		508,593
Accrued Interest Payable		159,016
Current Portion of State Infrastructure Bank Loan Payable		317,842
Current Portion of Special Obligation Bonds Payable		1,875,000
Unearned Revenue		11,667,494
Total Current Liabilities		16,235,392
Noncurrent Liabilities:		
Net Pension Liability		493,225
State Infrastructure Bank Loan Payable		3,423,051
Special Obligation Bonds Payable		35,079,094
Total Noncurrent Liabilities		38,995,370
Total Liabilities		55,230,762
Deferred Inflows of Resources:		
Pension		2,886
Intergovernmental Revenues		19,618,760
Total Deferred Inflows of Resources:		19,621,646
Net Position:		
Net Investment in Capital Assets		33,181,136
Restricted for Capital Purposes		1,723,280
Unrestricted		188,058
Total Net Position	$	35,092,474

See accompanying notes to the financial statements

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MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

		Program Revenues		Net (Expense) Revenue and Change in Net Position
				Primary Government
Functions/Programs	**Expenses**	**Charges for Services**	**Capital Grants and Contributions**	**Governmental Activities**
Primary Government:				
Governmental Activities:				
General Government	$ 892,110	$ 497,403	$ 13,082,674	$ 12,687,967
Transportation	183,522	-	-	(183,522)
Intergovernmental	1,598,480	-	-	(1,598,480)
Interest and Fiscal Charges	1,703,181	-	2,272,168	568,987
Total Primary Government	$ 4,377,293	$ 497,403	$ 15,354,842	11,474,952
General Revenues:				
Unrestricted Investment Earnings				16,882
Miscellaneous				202,626
Total General Revenues				219,508
Change in Net Position				11,694,460
Net Position - Beginning (Restated)				23,398,014
Net Position - Ending				$ 35,092,474

See accompanying notes to the financial statements

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

BALANCE SHEET -
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	General	Austin Center Interchange	Kingsridge Drive Project
Assets:			
Cash and Cash Equivalents	$ 533,986	$ 832,628	$ -
Receivables:			
Interest	-	4,222,844	-
Intergovernmental	2,400	30,874,694	3,400,000
Interfund Loan	88,383	-	-
Restricted Assets:			
Restricted Cash and Cash Equivalents	-	2,217,194	-
Total Assets	$ 624,769	$ 38,147,360	$ 3,400,000
Liabilities			
Payable:			
Accounts	$ 14,937	$ 1,533	$ -
Contracts	-	197,513	-
Retainage	-	421,552	-
Interfund	-	-	-
Unearned Revenue	-	1,518,736	-
Total Liabilities	14,937	2,139,334	-
Deferred Inflows of Resources:			
Intergovernmental and Interest Revenues	-	34,849,831	3,400,000
Total Deferred Inflows of Resources:	-	34,849,831	3,400,000
Fund Balances			
Assigned for Budget Appropriations	113,500	-	-
Restricted for Capital Purposes	-	1,158,195	-
Unassigned	496,332	-	-
Total Fund Balances	609,832	1,158,195	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 624,769	$ 38,147,360	$ 3,400,000

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

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

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

The pension liability is not due and payables in the current period; therefore, the liability and related deferred inflows/outlfows are not reporting in governmental funds.

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Special Obligation Bonds
Premium/Discount
State Infrastructure Loan
Accrued Interest Payable

Net Position of Governmental Activities

See accompanying notes to the financial statements

I70/I75 Development	Brookville	Fairgounds	Total Governmental Funds
$ 148,197	$ -	$ -	$ 1,514,811
-	-	-	4,222,844
-	1,944,050	-	36,221,144
-	-	-	88,383
533,877	-	10,148,342	12,899,413
$ 682,074	$ 1,944,050	$ 10,148,342	$ 54,946,595
$ 34,417	$ -	$ 1,055	51,942
10,716	-	1,447,276	1,655,505
-	-	87,041	508,593
-	88,383	-	88,383
-	-	10,148,758	11,667,494
45,133	88,383	11,684,130	13,971,917
-	1,944,050	-	40,193,881
-	1,944,050	-	40,193,881
-	-	-	113,500
636,941	-	-	1,795,136
-	(88,383)	(1,535,788)	(1,127,839)
636,941	(88,383)	(1,535,788)	780,797
$ 682,074	$ 1,944,050	$ 10,148,342	
			54,850,420
			20,575,121
			(259,861)
			(36,735,000)
			(219,094)
			(3,740,893)
			(159,016)
			$ 35,092,474

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General	Austin Center Interchange	Kingsridge Road Project	I70/I75 Development	Brookville	Fairgrounds	Total Governmental Funds
Revenues:							
Intergovernmental	$ 300,000	$ 9,632,770	$ 402,500	$ 2,769,702	$ 50,000	$ 2,091,242	$ 15,246,214
Charges for Services	497,403	-	-	-	-	-	497,403
Investment Earnings	6,241	367,043	-	-	-	9,802	383,086
All Other	2,345	185,062	-	-	-	-	187,407
Total Revenues	805,989	10,184,875	402,500	2,769,702	50,000	2,101,044	16,314,110
Expenditures:							
Current:							
General Government	721,682	91,447	-	11,942	5,717	17,110	847,898
Capital Outlay	-	6,344,427	-	706,729	1,935,088	3,619,722	12,605,966
Intergovernmental	-	-	-	1,548,480	50,000	-	1,598,480
Debt Service:							
Principal	-	1,893,517	230,000	-	-	-	2,123,517
Interest	-	1,537,405	172,500	-	-	-	1,709,905
Total Expenditures	721,682	9,866,796	402,500	2,267,151	1,990,805	3,636,832	18,885,766
Excess of Revenues Over (Under) Expenditures	84,307	318,079	-	502,551	(1,940,805)	(1,535,788)	(2,571,656)
Other Financing Sources:							
Loan Proceeds	-	572,712	-	-	1,838,005	-	2,410,717
Net Change in Fund Balances	84,307	890,791	-	502,551	(102,800)	(1,535,788)	(160,939)
Fund Balances - beginning (Restated)	525,525	267,404	-	134,390	14,417	-	941,736
Fund Balances - ending	$ 609,832	$ 1,158,195	$ -	$ 636,941	$ (88,383)	$ (1,535,788)	$ 780,797

See accompanying notes to the financial statements

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Net Change in Fund Balances - Total Governmental Funds		($160,939)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays 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. In the current period, these amounts are:		
Construction in progress additions	12,617,513	
Depreciation expense	(183,522)	
Additions over depreciation expense		12,433,991
Because some revenues will not be collected for several months after the District's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds.		
Intergovernmental	(3,036,852)	
Accreted Interest	368,559	
		(2,668,293)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The difference in the amount of interest on the Statement of Activities is the result of the following:		
Amortization of debt premium/discount	12,914	
Decrease in accrued interest payable	9,029	
		21,943
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current fiscal year, these amounts consist of:		
Bond payments		2,123,517
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		63,107
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(118,866)
Change in Net Position of Governmental Activities		$11,694,460

See Accompanying Notes to the Basic Financial Statements

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 Trustees ("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 Trustees 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 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 position and the statement of activities) report information on all of the activities of the primary government.

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. The District has chosen to present all funds as major funds.

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 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 deferred outflows or resources and liabilities and deferred inflows of resources is reported as fund balance.

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.

Austin Center Interchange – The District continues working with local municipalities around the Austin Interchange on Interstate 75. The District is finalizing the Austin Landing projects that is already showing significant development into the northeast corner of the Interchange in two separate phases for the project. The District is working with the Austin Center JEDD on a new aesthetic project to improve the look of the interchange.

Kingsridge Drive Project – The District worked with Miami Township to improve certain infrastructure around the Dayton Mall and surrounding area. The project was completed in 2010 and the District finalized the right of way appropriation cases and a portion of the remaining fund balance to the Township during 2011. The improvements have been very successful in helping the traffic flow around the Dayton Mall and Walmart store.

I70/I75 Development – The District has successfully received funding from the Transportation Review Advisory Council and the State of Ohio House Bill 114 funding to work on the logistics park analysis and Dogleg Road project in the northern part of the County. The District also worked with the City of Union and Montgomery County on the logistic park (referred to locally as Project Walnut) to provide infrastructure needs to support the Proctor and Gamble large manufacturing facility. The District has since moved its focus to around the Dayton International Airport. During 2016, the District was able to complete what is referred to as the Air Cargo project providing new access to over a 500,000 square foot manufacturing facility.

Brookville – In 2016, the District entered into an agreement with the City of Brookville to extend Market Street for future commercial development and the City's new fire house. The District worked on the engineering for the project during 2016 with funds provided by the City.

Fairgrounds – In 2017, the District entered into an agreement with the Montgomery County Agricultural Society and Montgomery County to construct new fairground facilities in Jefferson Township and the related infrastructure. The District was engaged to prepare the site, vendor area, camp grounds and two building structures.

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 Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 10.

Deferred Inflows of Resources

Deferred inflows of resources 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 inflows of resources. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred inflows of resources. The District reports a very large deferred inflow of resources resulting from local governments' pledge of payment to the District in relation to the capital appreciation bonds or general obligation bonds they issued for payment of the District's related special obligation bonds and loans. The District also reports a deferred inflow for pension related items. The deferred inflows of resources related to pension are explained in Note 10.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenue

The District reports unearned revenue in relation to the grant revenue received from Miami Township in respect to the Park and Recreational Trail project around the Austin Landing Development. The Township provided the money to the District but the District has the obligation to complete the respective projects in order to recognize the revenue.
The District also reports unearned revenue in relation to the revenue received from Montgomery County Agricultural Society and Montgomery County in respect to the Fairgrounds project. The Agricultural Society and County provided the money to the District but the District has the obligation to complete the project in order to recognize the 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.

Cash and Cash Equivalents

Cash received by the District is held for operating and construction purposes. Cash related to operating purposes is presented as “Cash and Cash Equivalents” on the statement of net position and governmental fund balance sheet by activity or fund. The District also maintains cash for construction purposes that was obtained through bond issuance or grants from Montgomery County. The cash related to those purposes is presented as “Restricted Cash and Cash Equivalents.”

Following Ohio statutes, the Board of Trustees has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2017 amount to $6,241, no amounts were assigned from other District funds as they receive interest from the restricted cash sources. The Austin Center Interchange fund also received interest in the restricted construction account of $839. The Austin Center Interchange fund also reported interest revenue in relation to the local government’s pledged revenue payments from their capital appreciation bonds that are used to pay off the District’s outstanding debt. The amount reported for fiscal year 2017 was $366,204 for the Austin Interchange special obligation bonds and Byers Road State Infrastructure Bank Loan. The Fairgrounds fund received $9,802 for monies held from the Montgomery County Agricultural Society and Montgomery County for those projects.

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 position but are not reported in the fund financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The District reports the assets as construction in progress until the project is completed and either deeded over to the respective local government or a dedication plat is filed. For fiscal year 2017, the District reports land improvements for leases on parking lots (straight line depreciation over twenty-seven years) and park land (straight line depreciation over thirty years).

<u>Intergovernmental Revenues</u>

For governmental funds, intergovernmental revenues, such as grants and 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. The District also reports intergovernmental revenues from the current obligations due on the debt obligations the local governments have pledged their capital appreciation bonds against.

<u>Fund Balance</u>

The District reports the following categories:

-Restricted fund balances related to bond proceeds maintained in segregated accounts for construction and required to be held for payment of debt service obligations.

-Assigned fund balances are balances the District administration have specified for future use.

- Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted amounts are available.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net positon have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Net Position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is 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.

When both restricted and unrestricted net position are available for use, it is the District's policy to apply restricted net position first, and then unrestricted.

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.

NOTE 2 – DEPOSIT AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash and investments. The District may invest 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;

NOTE 2 – DEPOSIT AND INVESTMENTS (Continued)

- Written repurchase agreements in the securities listed above, provided that the fair 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. <u>Deposits</u>

At fiscal year-end, the carrying value of the District's deposits was $14,414,224 and the bank balance was $14,715,056. $8,389,754 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, 2017, $6,325,302 of the District's bank balance 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.

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 fair value at all times shall be at least one hundred five percent of the deposits being secured.

B. Investments

As of December 31, 2017, 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, 2017, was as follows:

	Balance 12/31/16	Increases	Decreases	Balance 12/31/17
Governmental Activities				
Capital Assets, not being depreciated				
Construction in Progress	$37,975,770	$12,617,513	$0	$50,593,283
Capital Assets, being depreciated				
Land Improvements	4,991,225	0	0	4,991,225
Accumulated Depreciation				
Land Improvements	(550,566)	(183,522)	0	(734,088)
Total	$42,416,429	$12,433,991	$0	$54,850,420

NOTE 4 – INTERGOVERNMENTAL REVENUES

The following entities, which are a part of the District, have contributed the following funds during 2017.

Member Name	Contribution (Modified Accrual Basis)
City of Miamisburg	$6,787,829
Miami Township	2,396,317
City of Union	1,769,491
Montgomery County Agricultural Society	1,666,427
Ohio Department of Transportation	736,251
Montgomery County	724,815
City of Dayton	600,302
Austin Center JEDD	281,752
City of Springboro	216,530
City of Brookville	50,000
Dayton Mall JEDD	16,500
Total Intergovernmental Revenue	$15,246,214

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, 2017:

Vendor	Outstanding Balance
Double Jay Construction – River Front Park	$469,701
IBI – 70/75 logistics	726,224
Fairgrounds Related	
D & M Excavating	3,727,264
Dryden Construction	853,778
Saturn Electric	1,215,207
Fyre Mechanical	557,426
Brumbaugh Construction	1,496,994

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 2017, the District contracted with the U.S Specialty Insurance agency for liability, property, and crime damage. Coverages provided by the company are as follows:

NOTE 6 – RISK MANAGEMENT (Continued)

Professional Liability ($10,000 deductible)	$1,000,000
Commercial General Liability	
Each Occurrence/Aggregate	1,000,000/3,000,000
Fire Damage	100,000
Medical Expenses	10,000
Automobile Liability	1,000,000
Umbrella Excess Liability ($10,000 deductible)	6,000,000
Crime Insurance:	
Public Employee's Bond ($500 deductible)	50,000

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 – LONG TERM LIABILITIES

The changes in the District's long-term obligations (non-current liabilities) during the year consist of the following:

	Obligation Outstanding 12/31/16	Additions	Reductions	Obligation Outstanding 12/31/17	Amounts Due in One Year
1 - Special Obligation Bonds	$3,630,000	$0	($230,000)	$3,400,000	$240,000
Bond Discount	(27,089)	0	2,305	(24,784)	0
2 - Special Obligation Bonds	16,780,000	0	(710,000)	16,070,000	730,000
Bond Premium	252,157	0	(14,833)	237,324	0
3 - Special Obligation Bonds	7,335,000	0	(400,000)	6,935,000	420,000
4 – State Infrastructure Bank Loan	1,638,693	0	(308,517)	1,330,176	317,842
5 - Special Obligation Bonds	10,805,000	0	(475,000)	10,330,000	485,000
Bond Premium	6,940	0	(386)	6,554	0
6 – State Infrastructure Bank Loan	0	1,838,005	0	1,838,005	0
7 – State Infrastructure Bank Loan	0	572,712	0	572,712	0
Net Pension Liability	358,204	135,021	0	493,225	0
Total	$40,778,905	$2,545,738	($2,136,431)	$41,188,212	$2,192,842

The net pension liability will be paid from the general fund which is the same fund where the salaries are paid. It should be noted the District is only required to pay the annual contractually required amount per the pension system.

1 - Special Obligation Bonds - On September 4, 2008, the District issued $4,885,000 in special obligation bonds for the purpose of the Kingsridge Drive project. The bonds were issued for a twenty year period with a final maturity of December 1, 2028. The bonds will be retired from the TIF revenues pledged by Miami Township in the Kingsridge Drive Project fund and pay interest at rates ranging from 2.25% to 5%.

NOTE 7 – LONG TERM LIABILITIES (Continued)

The District had pledged all intergovernmental revenues from Miami Township's tax increment financing revenues to repay the $4.89 million special obligation bonds. The bonds are solely payable from revenues assigned from Miami Township to the District as part of the funding agreement between the two parties. Total principal and interest remaining on the bonds is $4,467,948 through December 2028. $402,500 was received from Miami Township through the agreement and $230,000 was paid during the current year on the outstanding bonds.

The amortization on the Kingsridge Drive special obligations bonds were as follows:

	1 – Special Obligation Bonds		
Fiscal Year Ending December 31,	Principal	Interest	Total
2018	$240,000	$161,574	$401,574
2019	255,000	151,676	406,676
2020	265,000	139,944	404,944
2021	280,000	127,756	407,756
2022	290,000	114,874	404,874
2023-2027	1,680,000	352,624	2,032,624
2028	390,000	19,500	409,500
Totals	$3,400,000	$1,067,948	$4,467,948

2 - Special Obligation Bonds - On July 30, 2010, the District issued $20,335,000 in special obligation bonds for the purpose of the constructing the Austin Center Interchange project. The bonds were issued for a twenty-three year period with a final maturity of December 1, 2033. The bonds will be retired from the TIF revenues pledged by Miami Township, the City of Miamisburg and the City of Springboro in the project area and pay interest at rates ranging from 2% to 5%.

The District had pledged all intergovernmental revenues from local government's tax increment financing revenues to repay the $20.34 million special obligation bonds. The bonds are solely payable from revenues assigned from local governments to the District as part of the funding agreement between the parties. Total principal and interest remaining on the bonds is $22,636,935 through December 2033. The District received $6.2 million in federal earmarks as part of the financing package on the project and those earmarks will be used to cover debt service over the first four years. The District received $1,414,860 from the three governments for the 2017 debt service. The bonds will be retired from the Austin Centre Interchange fund.

NOTE 7 – LONG TERM LIABILITIES (Continued)

The amortization on the Austin Center Interchange special obligations bonds were as follows:

Fiscal Year Ending December 31	2 – Special Obligation Bonds Principal	Interest	Total
2018	$730,000	$683,560	$1,413,560
2019	765,000	647,060	1,412,060
2020	795,000	620,285	1,415,285
2021	825,000	592,460	1,417,460
2022	850,000	559,460	1,409,460
2023-2027	4,805,000	2,272,285	7,077,285
2028-2032	5,950,000	1,131,075	7,081,075
2033	1,350,000	60,750	1,410,750
Totals	$16,070,000	$6,566,935	$22,636,935

3 - Special Obligation Bonds - On March 16, 2010, the District issued $9,200,000 in special obligation bonds under the economic recovery zone classification for the purpose of the constructing the Austin Landings project. The bonds were issued for a nineteen year period with a final maturity of December 1, 2029. The bonds will be retired from the TIF revenues pledged by Miami Township from the development area and pay interest at rates ranging from 2% to 6.625%. The bonds are split between taxable and recovery zone economic development bonds with the District receiving a forty-five percent tax credit for the interest payments that is used to help the Township reduce the debt payments.

The District had pledged all intergovernmental revenues from Township's tax increment financing revenues to repay the $9.2 million special obligation bonds. The bonds are solely payable from revenues assigned from Township to the District as part of the funding agreement between the parties. Total principal and interest remaining on the bonds is $10,107,316 through December 2029. The District received $649,017 in revenue during 2017 related to the payments. The bonds will be retired from the Austin Centre Interchange fund.

The amortization on the Austin Landings special obligations bonds were as follows:

Fiscal Year Ending December 31	3 – Special Obligation Bonds Principal	Interest	Total
2018	$420,000	$423,018	$843,018
2019	440,000	403,068	843,068
2020	460,000	381,068	841,068
2021	485,000	357,608	842,608
2022	515,000	328,024	843,024
2023-2027	3,085,000	1,125,830	4,210,830
2028-2029	1,530,000	153,700	1,683,700
Totals	$6,935,000	$3,172,316	$10,107,316

NOTE 7 – LONG TERM LIABILITIES (Continued)

4 – State Infrastructure Bank Loan – In October 2011, the District made the final draw on the State Infrastructure Loan for construction of the Byers Road improvements. The loan was issued for a ten year period with a final maturity of January 31, 2021. The loan will be retired from the TIF revenues pledged by Miami Township and the City of Miamisburg from the development area and pay interest at 3% with the first twelve months being interest free and the next year's interest of $75,330 accrued and paid over the remaining eight years.

The District had pledged all intergovernmental revenues from City's and Township's tax increment financing revenues to repay the $2.9 million state infrastructure loan. The loan is solely payable from revenues assigned from City and Township to the District as part of the funding agreement between the parties. Total principal and interest remaining on the loan is $1,464,168 through January 2021. The District received $341,977 revenue during 2017 related to the payments. The bonds will be retired from the Austin Centre Interchange fund.

The amortization on the Byers Road Improvement State Infrastructure Bank Loan were as follows:

	4- State Infrastructure Bank Loan		
Fiscal Year Ending December 31	Principal	Interest	Total
2018	$317,842	$48,200	$366,042
2019	327,448	38,594	366,042
2020	337,345	28,697	366,042
2021	347,541	18,501	366,042
Totals	$1,330,176	$133,992	$1,464,168

5 - Special Obligation Bonds - On February 4, 2015, the District issued $5,535,000 in special obligation bonds that were tax exempt and $6,110,000 in special obligation bonds that were taxable for the purpose of the constructing the additional infrastructure referred as to Austin Landings Phase 2. The bonds were issued for a twenty year period with a final maturity of December 1, 2034. The bonds will be retired from the TIF revenues pledged by Miami Township from the development area and pay interest at rates ranging from 0.55% to 4%.

The District had pledged all intergovernmental revenues from Township's tax increment financing revenues to repay the $11.645 million special obligation bonds. The bonds are solely payable from revenues assigned from Township to the District as part of the funding agreement between the parties. Total principal and interest remaining on the bonds is $13,764,363 through December 2034. The District received $809,000 in revenue during 2017 related to the payments. The bonds will be retired from the Austin Centre Interchange fund.

NOTE 7 – LONG TERM LIABILITIES (Continued)

The amortization on the Austin Landings special obligations bonds were as follows:

	5 – Special Obligation Bonds		
Fiscal Year Ending December 31	Principal	Interest	Total
2018	$485,000	$325,650	$810,650
2019	495,000	315,950	810,950
2020	510,000	305,412	815,412
2021	520,000	294,562	814,562
2022	525,000	282,138	807,138
2023-2027	2,855,000	1,184,274	4,039,274
2028-2032	3,405,000	643,026	4,048,026
2033-2034	1,535,000	83,351	1,618,351
Totals	$10,330,000	$3,434,363	$13,764,363

6 – State Infrastructure Bank Loan – In May 2017, the District closed on a State Infrastructure Loan for construction of the Market Street Extension in the City of Brookville. The loan was issued for a twenty year period with a final maturity of June 1, 2038. The loan will be retired from the TIF revenues pledged by the City of Brookville from the development area and pay interest at 3% with the first twelve months being interest free and the next year's interest of $55,320 accrued and paid over the remaining eighteen years. The loan is not finalized so the amortization schedule has not been finalized as of December 31, 2017.

7 – State Infrastructure Bank Loan – In September 2017, the District closed on a State Infrastructure Loan for Austin Road Enhancements for aesthetic improvements along the interchange ramps at Austin Road and Interstate 75. The loan was issued for a ten year period with a final maturity of September 22, 2027. The loan will be retired from the JEDD revenues pledged by the Austin Joint Economic Development District's income tax revenue and pay interest at 3% with the first twelve months being interest free. The loan is not finalized so the amortization schedule has not been finalized as of December 31, 2017.

NOTE 8 - CONTINGENCIES

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 position of the District.

NOTE 9 – 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 2017 for membership.

To obtain financial information, write to Gary Bellotti, Controller. To obtain financials statements of the Miami Valley Regional Planning Commission, write to MVRPC at 10 North Ludlow, Suite 700, Dayton, Ohio 45402.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents District's proportionate share of the pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of the pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, District does receive the benefit of employees' services in exchange for compensation including pension.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of the plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on the accrual basis of accounting.

Plan Description – The District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

	Group A Eligible to retire on or before January 7, 2013*	**Group B** Eligible to retire on or before January 7, 2013	**Group C** Eligible to retire after January 7, 2013
Full Benefits	Any age with 30 years or service credit; or Age 65 with 5 years of service credit	Any age with 32 years or service credit; or Age 60 with 5 years of service credit; or Age 52 with 31 years of service credit.	Age 55 with 32 years or service credit; or Age 67 with 5 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 5 years of service credit; or Age 57 with 25 years of service credit

* Members with 25 years of service credit as of January 2013 will be included in this plan.

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0
Total Employer	14.0 %
Employee	10.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District’s contractually required contribution was $63,107 for the year ending December 31, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on District’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportion of the Net Pension Liability - prior measurement date	0.002068%
Proportion of the Net Pension Liability - current measurement date	0.002172%
Change in proportionate share	0.000104%
Proportionate Share of the Net Pension Liability	$493,225
Net Pension Expense	$ 104,713

At December 31, 2017 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following source:

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$72,472
Differences between expected and actual experience	669
Changes in proportionate share	21,772
Changes in assumptions	78,230
District contributions subsequent to the measurement date	63,107
Total Deferred Outflows of Resources	$236,250
Deferred Inflows of Resources	
Differences between expected and actual experience	$2,886

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

$63,107 reported as deferred outflows of resources related to pension resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
Fiscal Year Ending June 30:	
2018	$76,497
2019	69,438
2020	26,475
2021	(2,153)
Total	$170,257

Actuarial Methods and Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0% down to 7.5%, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Wage Inflation	3.25 percent
Projected Salary Increases	3.25 percent to 10.75 percent (Includes wage inflation %)
COLA or Ad Hoc COLA	Pre 1/7/2013 Retirees: 3 percent Simple Post 1/7/13 Retirees: 3% simple through 2018, then 2.15% simple
Investment Rate of Return	7.50 percent
Actuarial Cost Method	Individual Entry Age

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

The most recent experience study was completed for the five-year period ended December 31, 2015.

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other Investments	18.00	4.92
Total	100.00 %	5.66%

Discount Rate

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	$753,510	$493,225	$276,322

NOTE 11 –POSTEMPLOYMENT BENEFITS PLANS

A. Plan Description

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees (OPERS Board) in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml#CAFR, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377

B. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

NOTE 11 –POSTEMPLOYMENT BENEFITS PLANS (Continued)

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, State and Local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited for Member-Directed Plan participants for 2017 was 4.0%.

The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017, 2016 and 2015 were $4,854, $5,474, and $5,131 respectively; 100 percent has been contributed for fiscal year 2017, 2016 and 2015.

NOTE 12 – INTERFUND ACTIVITY

The General Fund has an interfund receivable with the Brookville fund as the remaining SIB reimbursement was not received before year end. The interfund receivable will be repaid within one year.

NOTE 13 – CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2017, the District implemented the following Governmental Accounting Standards Board (GASB) Statements that had no impact on the beginning net position:

GASB Statement No. 81 "Irrevocable Split-Interest Agreements". The Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the District.

GASB Statement No. 82 "Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73". The statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the District.

NOTE 14 – PRIOR PERIOD ADJUSTMENT

In the prior year, the District reported interfund activity between the General Fund and Kingsridge Drive Project Fund. The District also did not report a payable in fiscal year 2016 that impacted the General Fund and Government Type Activities. The following table shows the effect of the restatements on the various fund balance and governmental type activities net position:

	General Fund	Kingsridge Drive Project	Governmental Type Activities
Net Position/Fund Balance at 12/31/2016	$121,901	$473,624	$23,468,014
Restatement:			
Unrecorded Payable	(70,000)	0	(70,000)
Interfund Activity	473,624	(473,624)	0
Restated Net Positions/Fund Balance at 12/31/2016	$525,525	$0	$23,398,014

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, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental Revenue	$ 300,000	$ 300,000	$ 300,000	$ -
Charges for Services	385,300	488,100	495,003	6,903
Investment Earnings	10,000	10,000	6,241	(3,759)
All Other		-	2,345	2,345
Total Revenues	695,300	798,100	803,589	5,489
Expenditures:				
Current:				
General Government	647,700	916,820	787,180	129,640
Total Expenditures	647,700	916,820	787,180	129,640
Excees (Deficiency) of Revenues Over (Under) Expenditues	47,600	(118,720)	16,409	135,129
Other Financing Sources:				
Transfers In	1,500,000	850,000	-	(850,000)
Net Change in Fund Balance	1,547,600	731,280	16,409	(714,871)
Fund Balance Beginning of Year (Restated)	616,433	616,433	616,433	-
Fund Balance End of Year	$ 2,164,033	$ 1,347,713	$ 632,842	$ (714,871)

Budget Basis	$ 16,409
Revenue Accruals	2,400
Expenditure Accruals	65,498
GAAP Basis	$ 84,307

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 schedules reflect the amounts in the final budget resolution issued during 2017.

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 schedules reflect the appropriations in the first complete appropriated budget. 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 balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations.

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 THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS (1)

	2017	2016	2015	2014
The District's Proportion of the Net Pension Liability	0.002172%	0.002068%	0.001778%	0.001778%
The District's Proportion Share of the Net Pension Liability	493,225	358,204	214,413	209,570
The District's Covered-Employee Payroll	273,725	254,625	209,200	211,277
The District's Proportion Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	180.19%	140.68%	102.49%	99.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

(1) Information prior to 2014 is not available

Note: Amounts presented as of the District's measurement date which is the prior period year end.

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MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

SCHEDULE OF DISTRICT'S CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2017	2016	2015	2014
Contractually Required Contributions	$ 63,107	$ 32,847	$ 30,555	$ 25,104
Contributions in Relation to the Contractually Required Contribution	(63,107)	(32,847)	(30,555)	(25,104)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
The District Covered-Employee Payroll	$ 485,438	$ 273,725	$ 254,625	$ 209,200
Contributions as a Percentage of Covered-Employee Payroll	13.00%	12.00%	12.00%	12.00%

2013	2012	2011	2010	2009	2008
$ 27,466	$ 22,558	$ 25,373	$ 21,721	$ 19,616	$ 20,911
(27,466)	(22,558)	(25,373)	(21,721)	(19,616)	(20,911)
$ -	$ -	$ -	$ -	$ -	$ -
$ 211,277	$ 225,580	$ 281,922	$ 271,513	$ 280,229	$ 298,729
13.00%	10.00%	9.00%	8.00%	7.00%	7.00%

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, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental Revenue	$ 5,216,920	$ 10,671,921	$ 10,779,869	$ 107,948
Investment Earnings	100	100	839	739
All Other	190,000	195,400	185,062	(10,338)
Total Revenues	5,407,020	10,867,421	10,965,770	98,349
Expenditures:				
Current:				
General Government	20,000	105,298	105,052	246
Capital Outlay	150,000	5,863,509	5,762,096	101,413
Intergovernmental	489,722	-	-	-
Debt Service:				
Principal Retirement	1,893,517	1,893,517	1,893,517	-
Interest and Fiscal Charges	1,537,403	1,537,405	1,537,405	-
Total Expenditures	4,090,642	9,399,729	9,298,070	101,659
Excess of Revenues Over Expenditures	1,316,378	1,467,692	1,667,700	200,008
Other Financing Sources (Uses):				
Loan Proceeds	-	700,000	572,712	(127,288)
Transfers Out	(1,500,000)	(850,000)	-	850,000
Total Other Financing Sources (Uses)	(1,500,000)	(150,000)	572,712	722,712
Net Change in Fund Balance	(183,622)	1,317,692	2,240,412	922,720
Fund Balance - Beginning of Year	809,410	809,410	809,410	-
Fund Balance - End of Year	$ 625,788	$ 2,127,102	$ 3,049,822	$ 922,720

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
KINGSRIDGE DRIVE PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental Revenue	$ 402,500	$ 402,500	$ 402,500	$ -
Total Revenues	402,500	402,500	402,500	-
Expenditures:				
Debt Service:				
Principal Retirement	230,000	230,000	230,000	-
Interest and Fiscal Charges	172,500	172,500	172,500	-
Total Expenditures	402,500	402,500	402,500	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year (Restated)	-	-	-	-
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)
I70/I75 DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental Revenue	$ 2,193,031	$ 2,968,031	$ 2,953,449	$ (14,582)
Expenditures:				
Current:				
General Government	-	1,000	13,998	(12,998)
Capital Outlay	987,000	1,838,000	1,800,367	37,633
Intergovernmental	1,534,689	1,548,860	1,548,480	380
Total Expenditures	2,521,689	3,387,860	3,362,845	25,015
Net Change in Fund Balance	(328,658)	(419,829)	(409,396)	10,433
Fund Balance Beginning of Year	1,088,969	1,088,969	1,088,969	-
Fund Balance End of Year	$ 760,311	$ 669,140	$ 679,573	$ 10,433

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BROOKVILLE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues:				
Intergovernmental Revenue	$ -	$ 477,000	$ 50,000	$ (427,000)
Expenditures:				
Current:				
General Government	1,000	20,000	5,717	14,283
Capital Outlay	70,000	2,377,000	1,935,088	441,912
Intergovernmental	-	50,000	50,000	-
Debt Service:				
Issuance Costs	-	6,000	-	6,000
Total Expenditures	71,000	2,453,000	1,990,805	462,195
Excess of Revenues (Under) Expenditures	(71,000)	(1,976,000)	(1,940,805)	35,195
Other Financing Sources:				
Loan Proceeds	-	1,976,000	1,838,005	(137,995)
Net Change in Fund Balance	(71,000)	-	(102,800)	(102,800)
Fund Balance - Beginning of Year	14,417	14,417	14,417	-
Fund Balance (Deficit) End of Year	$ (56,583)	$ 14,417	$ (88,383)	$ (102,800)

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FAIRGROUNDS FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental Revenue	$ -	$ 12,240,000	$ 12,240,000	$ -
Investment Earnings	-	7,800	9,802	2,002
Total Revenues	-	12,247,800	12,249,802	2,002
Expenditures:				
Current:				
General Government	-	45,000	16,661	28,339
Capital Outlay	-	2,372,686	2,084,799	287,887
Total Expenditures	-	2,417,686	2,101,460	316,226
Net Change in Fund Balance	-	9,830,114	10,148,342	318,228
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	$ -	$ 9,830,114	$ 10,148,342	$ 318,228

STATISTICAL

SECTION

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT
STATISTICAL SECTION DESCRIPTIONS
DECEMBER 31, 2017

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.

Contents **Pages**

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MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

Net Position by Component
Last Ten Years
(accrual basis of accounting)

	2017	Restated 2016	2015	Restated 2014	Restated 2013
Governmental Activities					
Net Investment in Capital Assets	$ 33,181,136	$ 24,269,489	$ 18,617,545	$ 29,627,520	$ 14,441,402
Restricted	1,723,280	5,409,116	5,463,443	7,631,387	0
Unrestricted	188,058	(6,280,591)	(8,306,588)	(9,942,858)	9,175,148
Total Governmental Activities Net Position	$ 35,092,474	$ 23,398,014	$ 15,774,400	$ 27,316,049	$ 23,616,550

	2012	Restated 2011	2010	2009	2008
Governmental Activities	$ 7,588,734	$ 22,710,058	$ 18,016,902	$ 14,015,176	$ 11,358,499
Net Investment in Capital Assets	2,722,366	6,274,970	3,663,800	4,045,907	4,422,178
Restricted	4,873,477	1,405,203	3,017,539	1,632,684	749,911
Unrestricted					
	$ 15,184,577	$ 30,390,231	$ 24,698,241	$ 19,693,767	$ 16,530,588
Total Governmental Activities Net Position					

Change in Net Position
Last Ten Years
(accrual basis of accounting)

	2017	Restated 2016	2015	2014	2013	2012	2011	2010	2009	2008
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	$ 497,403	$ 981,737	$ 3,737	$ -	$ -	$ 514,000	$ 50,000	$ 536,542	$ -	$ 160,625
Capital Grants and Contributions	15,354,842	10,901,057	27,059,916	6,840,733	10,602,187	5,838,388	6,232,446	5,755,285	5,204,416	11,602,053
Total Governmental Activities Program Revenues	15,852,245	11,882,794	27,063,653	6,840,733	10,602,187	6,352,388	6,282,446	6,291,827	5,204,416	11,762,678
Expenses										
Governmental Activities:										
General Government	892,110	949,093	960,345	1,350,214	851,730	547,657	1,157,449	830,600	1,716,604	869,574
Transportation	183,522	183,522	33,733,338	183,522	600,000	19,286,659	-	-	-	-
Intergovernmental	1,598,480	1,423,270	1,909,518	-	-	-	2,542,277	-	-	3,164,998
Interest and Fiscal Charges	1,703,181	1,903,612	2,256,912	1,831,432	1,801,309	1,926,686	1,653,183	1,154,737	1,134,615	55,924
Total Governmental Activities Expenses	4,377,293	4,459,497	38,860,113	3,365,168	3,253,039	21,761,002	5,352,909	1,985,337	2,851,219	4,090,496
Net (Expense)/Revenue										
Governmental Activities	11,474,952	7,423,297	(11,796,460)	3,475,565	7,349,148	(15,408,614)	929,537	4,306,490	2,353,197	7,672,182
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Grants and Entitlements not Restricted to Specific Programs	0	0	0	0	0	0	6,289,354	500,000	608,272	141,728
Investment Earnings	16,882	1,379	853	4,847	13,385	14,346	10,979	13,384	50,944	12,154
Other	202,626	198,938	253,958	403,553	239,237	188,614	298,960	184,600	150,766	2,500
Total Governmental Activities	219,508	200,317	254,811	408,400	252,622	202,960	6,599,293	697,984	809,982	156,382
Change in Net Position										
Governmental Activities	$ 11,694,460	$ 7,623,614	$ (11,541,649)	$ 3,883,965	$ 7,601,770	$ (15,205,654)	$ 7,528,830	$ 5,004,474	$ 3,163,179	$ 7,828,564

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

	2017	2016 (1)	2015 (1)	2014	2013	2012	2011	2010	2009	2008
General Fund										
Assigned	$ 113,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unassigned*	496,332	525,525	(336,092)	97,087	617,322	1,050,843	1,064,264	-	-	-
Unreserved	-	-	-	-	-	-	-	1,498,964	1,137,496	1,015,355
Total General Fund	609,832	525,525	(336,092)	97,087	617,322	1,050,843	1,064,264	1,498,964	1,137,496	1,015,355
All Other Governmental Funds										
Restricted for Capital Purposes	1,795,136	1,223,227	1,656,185	7,210,785	473,624	1,698,425	6,839,443	-	-	-
Reserved	-	-	-	-	-	-	-	3,121,323	3,397,812	3,397,812
Unassigned, Reported in:										
Capital Projects Funds (Deficit)	(1,624,171)	(807,016)	(1,526,140)	(5,788,495)	(3,786,755)	(72,627)	-	5,498,405	(15,657,249)	1,827,801
Total All Other Governmental Funds	170,965	416,211	130,045	1,422,290	(3,313,131)	1,625,798	6,839,443	8,619,728	(12,259,437)	5,225,613
Total Governmental Funds	$ 780,797	$ 941,736	$ (206,047)	$ 1,519,377	$ (2,695,809)	$ 2,676,641	$ 7,903,707	$ 10,118,692	$(11,121,941)	$ 6,240,968

* The District reported governmental fund balances starting in 2011 under GASB 54.
(1) Restated

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

	2017	Restated 2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Intergovernmental	$ 15,246,214	$ 10,920,312	$ 7,703,074	$ 9,204,896	$ 10,706,079	$ 1,924,662	$ 11,857,861	$ 5,842,356	$ 5,832,602	$ 11,641,900
Charges for Services	497,403	981,737	3,737	-	-	514,000	50,000	536,542	-	160,625
Investment Earnings	383,086	322,270	279,121	328,005	185,290	140,607	10,979	13,384	50,944	28,559
Other	187,407	183,719	238,739	391,550	447,034	616,930	284,127	184,600	150,766	2,500
Total Revenues	16,314,110	12,408,038	8,224,671	9,924,451	11,338,403	3,196,199	12,202,967	6,576,882	6,034,312	11,833,584
Expenditures										
Current:										
General Government	847,898	705,706	552,046	816,423	724,401	544,687	780,968	823,214	490,227	462,429
Capital Outlay	12,605,966	5,200,550	3,575,579	13,039,331	13,069,936	5,033,046	11,230,728	12,216,465	21,790,747	10,390,150
Intergovernmental	1,598,480	1,423,270	1,909,518	-	-	-	2,542,277	-	-	3,164,998
Debt Service:										
Principal	2,123,517	2,049,465	13,335,680	6,082,152	1,145,000	1,025,000	805,000	5,000	5,000	-
Issuance Costs	-	-	-	-	-	-	-	1,016,073	214,035	421,266
Interest	1,709,905	1,881,264	2,229,984	1,836,359	1,801,835	1,926,455	1,559,969	1,560,787	897,212	25,781
Total Expenditures	18,885,766	11,260,255	21,602,807	21,774,265	16,741,172	8,529,188	16,918,942	15,621,539	23,397,221	14,464,624
Excess of Revenues Over (Under) Expenditures	(2,571,656)	1,147,783	(13,378,136)	(11,849,814)	(5,402,769)	(5,332,989)	(4,715,975)	(9,044,657)	(17,362,909)	(2,631,040)
Other Financing Sources (Uses)										
Sale of Assets	-	-	-	-	30,319	95,923	-	409,135	-	-
Face Value from Sale of Bonds/ SIB Loans	2,410,717	-	11,645,000	-	-	10,000	2,500,990	29,535,000	-	4,885,000
Face Value from Sale of Long Term Notes	-	-	-	11,435,000	-	-	-	-	-	-
Premium/(Discount) on Sale of Bonds	-	-	7,712	-	-	-	-	341,155	-	(46,105)
Inception of Capital Leases	-	-	-	4,630,000	-	-	-	-	-	-
Transfers In	-	-	-	-	50,000	-	-	-	30,401	-
Transfers Out	-	-	-	-	(50,000)	-	-	-	(30,401)	-
Total Other Financing Sources (Uses)	2,410,717	-	11,652,712	16,065,000	30,319	105,923	2,500,990	30,285,290	-	4,838,895
Net Change in Fund Balances	$ (160,939)	$ 1,147,783	$ (1,725,424)	$ 4,215,186	$ (5,372,450)	$ (5,227,066)	$ (2,214,985)	$ 21,240,633	$ (17,362,909)	$ 2,207,855
Debt Service as a Percentage of Noncapital Expenditures	61.2%	62.6%	84.4%	83.8%	77.0%	84.3%	39.0%	45.9%	31.8%	0.6%

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

Revenue Bond Coverage - Kingsridge Drive Project
Special Obligation Bonds
Last Ten Fiscal Years

Year	Gross Revenue (1)	Debt Service Requirement (2)	Coverage
2008	-	-	NA
2009	-	$ 278,229	NA
2010	$ 114,969	224,937	51.11%
2011	419,800	419,800	100.00%
2012	412,800	412,800	100.00%
2013	405,800	405,800	100.00%
2014	398,300	398,300	100.00%
2015	410,300	410,300	100.00%
2016	406,500	406,500	100.00%
2017	402,500	402,500	100.00%
Total	$ 2,970,969	$ 3,359,166	88.44%

Source: District's records

(1) The District receives intergovernmental revenue from Miami Township, Montgomery County.

(2) The 2008-2010 debt service payments were funded through capitalized interest issued in the bond amount.

SOURCE: District's financial records

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

Revenue Bond Coverage - Austin Center Interchange Project
Special Obligation Bonds
Last Eight Years

Year	Gross Revenue (1)	Debt Service Requirement	Coverage
2010	281,270	281,270	100.00%
2011	-	1,281,835	0.00%
2012	-	1,412,935	0.00%
2013	-	1,411,235	0.00%
2014	-	1,411,360	0.00%
2015	494,035	1,415,860	34.89%
2016	1,413,610	1,413,610	100.00%
2017	1,414,860	1,414,860	100.00%
Total	$ 3,603,775	$ 10,042,965	35.88%

Source: District's records

(1) The District receives intergovernmental revenue from Miami Township, Montgomery County and the Cities of Miamisburg and Springboro.

Note: The District received $6,289,354 in federal earmarks during 2011 that are used to pay debt service for 2011 through 2015 (partial).

SOURCE: District's financial records

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

Revenue Bond Coverage - Austin Landing Project Phase 1
Special Obligation Bonds
Last Eight Years

Year	Gross Revenue (1)	Federal Interest Subsidy (2)	Debt Service Requirement (3)	Coverage
2010	-	-	356,528	NA
2011	287,532	222,635	663,334	76.91%
2012	517,504	222,630	740,134	100.00%
2013	639,803	204,931	844,734	100.00%
2014	642,127	202,107	844,234	100.00%
2015	644,361	197,273	841,634	100.00%
2016	650,660	191,803	842,574	99.99%
2017	649,017	185,062	841,019	99.17%
Total	$ 4,031,004	$ 1,426,441	$ 5,974,191	91.35%

Source: District's records

(1) The District receives intergovernmental revenue from Miami Township, Montgomery County.

(2) The District issued these bonds under the American Recovery Zone Act and receives a portion of the interest payments back as a credit from the IRS.

(3) The 2010-2011 debt service payments were funded through capitalized interest issued in the bond amount. The 2016 and 2017 shortfall was covered by the District.

SOURCE: District's financial records

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

Revenue Bond Coverage - Austin Landing Project Phase 2
Special Obligation Bonds
Last Three Fiscal Years

Year	Gross Revenue (1)	Debt Service Requirement	Coverage
2015	$ 653,714	$ 653,714	100.00%
2016	806,050	806,050	100.00%
2017	809,000	809,000	100.00%

(1) The District receives intergovernmental revenue from Miami Township, Montgomery County.

SOURCE: District's financial records

Ratio of Special Obligation Bonds per Capita
Last Ten Fiscal Years

Fiscal Year	Special Obligation Bonds (1) Austin Interchange	Austin Landing Phase 1	Austin Landing Phase 2	Kingsridge	Long Term Notes	Total
2008	$ -	$ -	$ -	$ 4,839,471	$ -	$ 4,839,471
2009	-	-	-	4,836,776	-	4,836,776
2010	20,676,155	9,200,000	-	4,834,081	-	34,710,236
2011	20,216,322	9,040,000	-	4,636,386	-	33,892,708
2012	19,616,489	8,800,000	-	4,438,691	-	32,855,180
2013	19,006,656	8,450,000	-	4,240,996	-	31,697,652
2014	18,381,823	8,090,000	-	4,053,301	11,435,000	41,960,124
2015	17,721,990	7,720,000	11,277,326	3,825,606	-	40,544,922
2016	17,032,157	7,335,000	10,811,940	3,602,911	-	38,782,008
2017	16,307,324	6,935,000	10,336,554	3,375,216	-	36,954,094

Fiscal Year	State Infrastructure Loan Payable (2) Byers Road	Market Street	Austin Road Enhancement	All Outstanding Debt of District	Montgomery County Per Capita (3)	Net Debt Per Capita	Net Debt as a Percentage of Personal Income
2008	$ -	$ -	$ -	$ 4,839,471	$ 534,626	$ 9.05	0.03%
2009	-	-	-	4,836,776	532,562	9.08	0.03%
2010	-	-	-	34,710,236	535,153	64.86	0.18%
2011	2,500,990	-	-	36,393,698	535,153	68.01	0.17%
2012	2,530,219	-	-	35,385,399	535,153	66.12	0.17%
2013	2,557,996	-	-	34,255,648	535,153	64.01	0.16%
2014	2,228,838	-	-	44,188,962	535,153	82.57	0.20%
2015	1,938,158	-	-	42,483,080	535,153	79.38	0.19%
2016	1,638,693	-	-	40,420,701	535,153	75.53	NA
2017	1,330,176	1,838,005	572,712	40,694,987	535,153	76.04	NA

Source: District records
(1) Includes premiums and discounts with the par value of the bond issue outstanding.
(2) Includes accreted interest receivable with the par value of the loan oustanding.
(3) Information U.S Census Bureau 2010 numbers are used.

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

Top Ten Principal Employers
Last year and Nine Years ago

2016

Employer	Employees	Percentage of Total Employment
Wright-Patterson Air Force Base	27,585	11.62%
Premier Health Partners Inc.	13,500	5.69%
Kettering Health Network	8,288	3.49%
Montgomery County	4,389	1.85%
Kroger Co	4,267	1.80%
Wright State University	3,715	1.56%
Sinclair Community College	3,206	1.35%
LexisNexis	3,000	1.26%
University of Dayton	2,535	1.07%
Dayton Public Schools	2,271	0.96%

2007

Employer		
Wright-Patterson Air Force Base	22,000	8.64%
Premier Health Partners Inc.	12,019	4.72%
Kettering Health Network	6,831	2.68%
Delphi Corp	6,000	2.36%
Montgomery County	4,498	1.77%
General Motors Corp	4,000	1.57%
Dayton Public Schools	3,844	1.51%
AK Steel	3,415	1.34%
The Kroger Company	3,000	1.18%
Wright State University	2,704	1.06%

Source: Montgomery County Annual Financial Report 2016

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

Demographic Statistics
Last Ten Years

YEAR	POPULATION (1)	UNEMPLOYMENT RATE MONTGOMERY COUNTY (2)	PERSONAL INCOME (3)	PER CAPITA PERSONAL INCOME
2008	534,626	6.6%	19,266,895,000	34,732
2009	532,562	12.0%	18,995,875,000	35,669
2010	535,153	10.0%	19,451,335,000	36,347
2011	535,153	8.3%	20,258,807,000	37,856
2012	535,153	7.0%	21,263,616,000	39,734
2013	535,153	7.1%	21,514,166,000	40,202
2014	535,153	4.8%	21,778,263,000	40,695
2015	535,153	4.7%	22,473,513,000	41,995
2016	535,153	4.6%	Not Available	Not Available
2017	535,153	4.4%	Not Available	Not Available

(1) SOURCE: Montgomery County Annual Financial Report and 2010 Census information
(2) SOURCE: Ohio Labor Market Information, Ohio Department of Job and Family Services
(3) SOURCE: Montgomery County Annual Financial Report 2016

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

Function/program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government:	3	3	4	3	2.5	3.5	3	3.5	2	2.5

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

MONTGOMERY COUNTY, OHIO
TRANSPORTATION IMPROVEMENT DISTRICT

Miscellaneous Statistics
December 31, 2017

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

Dave Yost • Auditor of State

MONTGOMERY COUNTY COMMUNITY IMPROVEMENT CORPORATION

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
JULY 24, 2018

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