

RIVERSIDE COMMUNITY IMPROVEMENT CORPORATION
MONTGOMERY COUNTY, OHIO
REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2004

BALESTRA, HARR & SCHERER, CPAs, INC.
528 South West Street, P.O. Box 687
Piketon, Ohio 45661

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Fax (740) 289-3639
www.bhscpas.com



**Auditor of State
Betty Montgomery**

Board of Trustees
Riverside Community Improvement Corporation
1791 Harshman Road
Riverside, Ohio 45424

We have reviewed the *Independent Auditor's Report* of the Riverside Community Improvement Corporation, Montgomery County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2004 through December 31, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

April 18, 2006

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**RIVERSIDE COMMUNITY IMPROVEMENT CORPORATION
MONTGOMERY COUNTY**

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BALESTRA, HARR & SCHERER

CERTIFIED PUBLIC ACCOUNTANTS

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Independent Auditors' Report

Riverside Community Improvement Corporation
Montgomery County
1791 Harshman Road
Riverside, Ohio 45424

To the Board of Trustees:

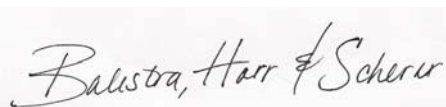
We have audited the accompanying statement of financial position of the Riverside Community Improvement Corporation, Montgomery County, as of December 31, 2004, and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Riverside Community Improvement Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Riverside Community Improvement Corporation, as of December 31, 2004 and 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2006 on our consideration of the Community Improvement Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit



Balestra, Harr & Scherer

March 1, 2006

**RIVERSIDE COMMUNITY IMPROVEMENT CORPORATION
MONTGOMERY COUNTY**

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2004**

ASSETS:

Land

\$ 120,380

LIABILITIES:

Loan Payable

\$ 120,380

The notes to the financial statements are an integral part of this statement.

**RIVERSIDE COMMUNITY IMPROVEMENT CORPORATION
MONTGOMERY COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004**

Revenues:		
Contributions	\$	<u>2,203</u>
Expenses:		
Professional Services		<u>2,203</u>
Change in Unrestricted Net Assets	\$	<u><u>-</u></u>

The notes to the financial statements are an integral part of these statements.

**RIVERSIDE COMMUNITY IMPROVEMENT CORPORATION
MONTGOMERY COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2004**

Cash Flows from Operating Activities:	
Cash Received from Contributions	\$ 2,203
Cash Paid for Services	<u>(2,203)</u>
Net Cash Paid by Operating Activities	<u>-</u>
Net Increase in Cash	-
Cash at Beginning of Year	-
Cash at End of Year	-
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	-
Adjustments to Reconcile Operating Income to Net Cash	<u>-</u>
Net Cash Provided by Operating Activities	<u><u>-</u></u>

The notes to the financial statements are an integral part of this statement.

**RIVERSIDE COMMUNITY IMPROVEMENT CORPORATION
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Riverside Community Improvement Corporation, Montgomery County (the Corporation) was formed for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial and civic development of the City of Riverside. The relationship between the City of Riverside and the Corporation is to promote development in the City. The financial statements of the Corporation are not material to the financial statements of the City of Riverside.

The Corporation's management believes the financial statements present all activities for which the Corporation is financially accountable.

B. Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis.

In 1994, the Corporation adopted Statement of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made" (SFAS No. 116) and Statement of Financial Accounting Standards No. 117, "Financial Statements for Not-For-Profit Organizations" (SFAS No. 117). The statement of the new standards have been applied to the year presented.

Under these provisions, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

- **Unrestricted net assets** – Net assets that are not subject to donor-imposed stipulations.
- **Temporary restricted net assets** – Net assets subject to donor-imposed stipulation that may or will be met either by actions of the organization and/or the passage of time.
- **Permanently restricted net assets** – Net assets subject to donor-imposed stipulation that they be maintained permanently or until all donor imposed restrictions are met by the organization. Generally, the donors of these assets permitted organizations to use all or part of the income earned on related investments for general or specific purposes.

C. Tax Status

The Corporation has been recognized by the State of Ohio as a tax exempt organization and by the Internal Revenue Service as a Section 501(C)(4) nonprofit organization. Accordingly, the federal tax status would reflect the Corporation's tax exempt status. By virtue of Ohio law, the Corporation is not subject to Ohio income taxes.

**RIVERSIDE COMMUNITY IMPROVEMENT CORPORATION
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

2. Land and Loan Payable

On January 4, 1999 the Corporation purchased 22.99 acres of land located along Brandt Pike in Riverside, Ohio from the Archdiocese of Cincinnati as the Corporation does not currently have an operating cash account.

The transaction was financed through an interest free loan of \$120,380 from the City of Riverside, Ohio. The principal of the loan will become due and payable when the Corporation sells all or part of the land. The amount of principal to be repaid shall be \$120,000 multiplied by the percentage calculated by dividing the acres of land sold by 22.99 acres. The amount shall be paid within three business days of the closing sale. Within fifteen days of any principal repayment, the additional \$380 is due in full.

3. Professional Services

The City of Riverside, Ohio has agreed to provide contributions to offset external auditing services. This amounted to \$2,203 for the year ended December 31, 2004.

4. Contingent Liabilities

The Corporation is involved in a lawsuit. Although the outcome of the lawsuit is not presently determinable, in the opinion of the Corporation's management, this matter will not have a material adverse affect on the financial condition of the Corporation.

5. Prior Period Adjustment

The beginning net assets balance has been restated to reclassify an amount that was previously reported as temporarily restricted net assets. It was discovered that a liability should have been recorded for the balance of a loan payable to the City of Riverside as described in more detail in note 2. The following reflects the net effect of this restatement on net assets.

December 31, 2003 Net Assets, as previously stated	\$120,380
Restatement	<u>(120,380)</u>
January 1, 2004 Net Assets, as Restated	<u>\$ 0</u>

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Riverside Community Improvement Corporation
Montgomery County
1791 Harshman Road
Riverside, Ohio 45424

To the Board of Trustees:

We have audited the financial statements of the Riverside Community Improvement Corporation, Montgomery County, as of and for the year ended December 31, 2004, and have issued our report thereon dated March 1, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

.In planning and performing our audit, we considered the Riverside Community Improvement Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over the financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

Board of Trustees
Riverside Community Improvement Corporation
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*
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This report is intended solely for the information and use of the audit committee, management and Board of Trustees, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer
March 1, 2006



**Auditor of State
Betty Montgomery**

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RIVERSIDE 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
MAY 4, 2006**