



**Auditor of State  
Betty Montgomery**



VILLAGE OF RIVERLEA  
FRANKLIN COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Village of Riverlea  
Franklin County  
P.O. Box 191  
Worthington, Ohio 43085

To the Village Council:

We have audited the accompanying financial statements of the Village of Riverlea, Franklin County, Ohio, (the Village) as of and for the years ended December 31, 2003 and December 31, 2002. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of the Village of Riverlea, Franklin County, Ohio, as of December 31, 2003 and December 31, 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2004 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Village Council and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

May 6, 2004

**VILLAGE OF RIVERLEA  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

|  | <u>Governmental Fund Types</u> |                            | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|--------------------------------|----------------------------|---|
|  | <u>General</u>                 | <u>Special<br/>Revenue</u> |   |
| <b>Cash Receipts:</b>  |                                |                            |   |
| Property Tax and Other Local Taxes   | \$74,919                       | \$0                        | \$74,919                                |
| Intergovernmental Receipts   | 58,178                         | 8,041                      | 66,219                                  |
| Fines, Licenses, and Permits   | 2,932                          | 0                          | 2,932                                   |
| Earnings on Investments  | 5,678                          | 386                        | 6,064                                   |
|  | <u>141,707</u>                 | <u>8,427</u>               | <u>150,134</u>                          |
| <b>Cash Disbursements:</b>   |                                |                            |   |
| Current:   |                                |                            |   |
| Security of Persons and Property   | 62,762                         | 0                          | 62,762                                  |
| Public Health Services   | 3,298                          | 0                          | 3,298                                   |
| Leisure Time Activities  | 8,406                          | 0                          | 8,406                                   |
| Community Environment  | 1,651                          | 0                          | 1,651                                   |
| Basic Utility Services   | 37,429                         | 0                          | 37,429                                  |
| Transportation   | 2,821                          | 0                          | 2,821                                   |
| General Government   | 37,405                         | 0                          | 37,405                                  |
|  | <u>153,772</u>                 | <u>0</u>                   | <u>153,772</u>                          |
| Total Receipts Over/(Under) Disbursements  | <u>(12,065)</u>                | <u>8,427</u>               | <u>(3,638)</u>                          |
| <b>Other Financing Receipts and (Disbursements):</b>   |                                |                            |   |
| Other Sources  | 7,891                          | 0                          | 7,891                                   |
| Other Uses   | (3,089)                        | 0                          | (3,089)                                 |
|  | <u>4,802</u>                   | <u>0</u>                   | <u>4,802</u>                            |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | (7,263)                        | 8,427                      | 1,164                                   |
| Fund Cash Balances, January 1  | <u>574,293</u>                 | <u>36,038</u>              | <u>610,331</u>                          |
| <b>Fund Cash Balances, December 31</b>   | <b><u>\$567,030</u></b>        | <b><u>\$44,465</u></b>     | <b><u>\$611,495</u></b>                 |
| Reserves for Encumbrances, December 31   | <u>\$8,000</u>                 | <u>\$0</u>                 | <u>\$8,000</u>                          |

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

**VILLAGE OF RIVERLEA  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

|  | <u>Governmental Fund Types</u> |                            | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|--|--------------------------------|----------------------------|---|
|  | <u>General</u>                 | <u>Special<br/>Revenue</u> |   |
| <b>Cash Receipts:</b>  |                                |                            |   |
| Property Tax and Other Local Taxes   | \$68,678                       | \$0                        | \$68,678                                |
| Intergovernmental Receipts   | 110,106                        | 7,196                      | 117,302                                 |
| Fines, Licenses, and Permits   | 4,123                          | 0                          | 4,123                                   |
| Earnings on Investments  | 20,932                         | 1,419                      | 22,351                                  |
|  | <u>203,839</u>                 | <u>8,615</u>               | <u>212,454</u>                          |
| <b>Total Cash Receipts</b>   |                                |                            |   |
| <b>Cash Disbursements:</b>   |                                |                            |   |
| Current:   |                                |                            |   |
| Security of Persons and Property   | 60,435                         | 0                          | 60,435                                  |
| Public Health Services   | 3,020                          | 0                          | 3,020                                   |
| Leisure Time Activities  | 8,885                          | 0                          | 8,885                                   |
| Community Environment  | 1,730                          | 0                          | 1,730                                   |
| Basic Utility Services   | 34,696                         | 0                          | 34,696                                  |
| Transportation   | 4,260                          | 7,572                      | 11,832                                  |
| General Government   | 39,422                         | 0                          | 39,422                                  |
|  | <u>152,448</u>                 | <u>7,572</u>               | <u>160,020</u>                          |
| <b>Total Cash Disbursements</b>  |                                |                            |   |
| Total Receipts Over Disbursements  | <u>51,391</u>                  | <u>1,043</u>               | <u>52,434</u>                           |
| <b>Other Financing Receipts and (Disbursements):</b>   |                                |                            |   |
| Other Sources  | 3,012                          | 0                          | 3,012                                   |
| Other Uses   | (1,012)                        | 0                          | (1,012)                                 |
|  | <u>2,000</u>                   | <u>0</u>                   | <u>2,000</u>                            |
| <b>Total Other Financing Receipts/(Disbursements)</b>  |                                |                            |   |
| Excess of Cash Receipts and Other Financing<br>Receipts Over/(Under) Cash Disbursements<br>and Other Financing Disbursements | 53,391                         | 1,043                      | 54,434                                  |
| Fund Cash Balances, January 1  | <u>520,902</u>                 | <u>34,995</u>              | <u>555,897</u>                          |
| <b>Fund Cash Balances, December 31</b>   | <b><u>\$574,293</u></b>        | <b><u>\$36,038</u></b>     | <b><u>\$610,331</u></b>                 |
| Reserves for Encumbrances, December 31   | <u>\$2,000</u>                 | <u>\$0</u>                 | <u>\$2,000</u>                          |

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



**VILLAGE OF RIVERLEA  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Riverlea, Franklin County, Ohio (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including trash removal, park operations (leisure time activities), and police services. The Village contracts with the City of Worthington police department to provide security of persons and property.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposits and U.S. Treasury Notes are valued at cost. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Fund**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

*Street Construction, Maintenance and Repair Fund* - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

**VILLAGE OF RIVERLEA  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

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

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function, object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over and need not be re-appropriated.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Village maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

|                                | <u>2003</u>             | <u>2002</u>             |
|--------------------------------|-------------------------|-------------------------|
| Demand deposits                | \$10,170                | \$11,883                |
| Certificates of deposit        | 93,000                  | 93,000                  |
| Total deposits                 | <u>103,170</u>          | <u>104,883</u>          |
| U.S. Treasury Notes            | 199,251                 | 198,902                 |
| STAR Ohio                      | 309,074                 | 306,546                 |
| Total investments              | <u>508,325</u>          | <u>505,448</u>          |
| Total deposits and investments | <u><u>\$611,495</u></u> | <u><u>\$610,331</u></u> |

**VILLAGE OF RIVERLEA  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**Investments:** U.S. Treasury Notes are held in book-entry form by the Federal Reserve, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2003 and December 31, 2002 follows:

| 2003 Budgeted vs. Actual Receipts |                      |                    |          |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance |
| General                           | \$134,626            | \$149,598          | \$14,972 |
| Special Revenue                   | 8,200                | 8,427              | 227      |
| Total                             | \$142,826            | \$158,025          | \$15,199 |

| 2003 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |          |
|---|----------------------------|---------------------------|----------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance |
| General   | \$220,350                  | \$164,861                 | \$55,489 |
| Special Revenue                                       | 31,500                     | 0                         | 31,500   |
| Total   | \$251,850                  | \$164,861                 | \$86,989 |

| 2002 Budgeted vs. Actual Receipts |                      |                    |          |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance |
| General                           | \$134,061            | \$206,851          | \$72,790 |
| Special Revenue                   | 8,200                | 8,615              | 415      |
| Total                             | \$142,261            | \$215,466          | \$73,205 |

| 2002 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |          |
|---|----------------------------|---------------------------|----------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance |
| General   | \$218,350                  | \$155,460                 | \$62,890 |
| Special Revenue                                       | 31,500                     | 7,572                     | 23,928   |
| Total   | \$249,850                  | \$163,032                 | \$86,818 |

**VILLAGE OF RIVERLEA  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

**5. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Errors and omissions.

**Risk Pool Membership**

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability;



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Riverlea  
Franklin County  
P.O. Box 191  
Worthington, Ohio 43085

To the Village Council:

We have audited the financial statements of Village of Riverlea, Franklin County, Ohio, (the Village) as of and for the years ended December 31, 2003 and December 31, 2002, and have issued our report thereon dated May 6, 2004. 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.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village'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 assurance 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 financial reporting that might be material weaknesses. A material weakness is a 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 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. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Village in a separate letter dated May 6, 2004.

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This report is intended for the information and use of management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

May 6, 2004



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
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Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

**VILLAGE OF RIVERLEA**

**FRANKLIN 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 1, 2004**