



**FORT RECOVERY COMMUNITY IMPROVEMENT CORPORATION
MERCER COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FORT RECOVERY COMMUNITY IMPROVEMENT CORPORATION
MERCER COUNTY**

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Fort Recovery Community Improvement Corporation
Mercer County
P.O. Box 567
Fort Recovery, Ohio 45846 - 0567

To the Board of Directors:

We have audited the accompanying financial statements of the Fort Recovery Community Improvement Corporation, Mercer County (the Corporation), as of and for the years ended December 31, 2000 and December 31, 1999, as listed in the table of contents. These financial statements are the responsibility of the Corporation'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 discussed in Note 1, the Corporation prepares its financial statements on a modified cash basis of accounting, 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 assets and fund balance of the Corporation as of December 31, 2000 and December 31, 1999, and its receipts, disbursements and depreciation 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 October 4, 2001, on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. 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.

Jim Petro
Auditor of State

October 4, 2001

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**FORT RECOVERY COMMUNITY IMPROVEMENT CORPORATION
MERCER COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	ASSETS	2000	1999
Current Assets:			
Cash - Checking Accounts		\$300	\$34
Cash - Money Market Fund		<u>20,901</u>	<u>24,484</u>
 Total Current Assets		 <u>21,201</u>	 <u>24,518</u>
 Property and Equipment:			
Land and Building		102,017	94,635
Equipment		<u>43,079</u>	<u>43,055</u>
Subtotal		145,096	137,690
Less: Accumulated Depreciation		<u>43,510</u>	<u>36,005</u>
 Total Fixed Assets		 <u>101,586</u>	 <u>101,685</u>
 Total Assets		 <u><u>\$122,787</u></u>	 <u><u>\$126,203</u></u>
	 FUND BALANCES		
Fund Balances		<u><u>\$122,787</u></u>	<u><u>\$126,203</u></u>

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

**FORT RECOVERY COMMUNITY IMPROVEMENT CORPORATION
MERCER COUNTY**

**STATEMENT OF SUPPORT, REVENUE AND EXPENSES
AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	2000	1999
Revenue and Support:		
Beverage and Food Sales	\$31,025	\$32,355
Sales of Extra Food/Beverages	1,712	1,665
Admissions - Tractor Pulls	133,536	157,715
Snowmobile	5,576	6,790
Commission - Food/MDSE Sales	12,636	10,528
Sponsorships	1,050	1,050
Miscellaneous Donations	240	2,320
Interest Income	363	584
Other Receipts	5,112	6,066
 Total Revenue and Support	 191,250	 219,073
 Expenses:		
Professional and Technical	36,737	36,160
Contract Services	4,400	4,400
Advertising	21,707	21,200
Snowmobile Club Profit Share	3,235	3,426
Repair Services	704	3,205
Insurance	5,482	5,232
Licenses and Taxes	345	340
Telephone Services	612	684
Real Estate Taxes	1,819	2,034
Postage	2,090	1,946
Electric	3,835	4,265
Heating Oil	372	294
Printing	3	2,416
Purse Payout	78,800	76,940
Office Supplies	443	775
Food and Beverages	17,229	18,049
Supplies and Materials	2,897	4,931
Fuel-Lunch Stand/Water Heater	144	150
Fuel-Vehicles	843	722
Depreciation	7,797	5,964
Interest	54	35
Other Expenses	1,260	1,177
Accounting and Auditing	1,200	1,850
NTPA Banquet/Entertainment	801	950
Donations	1,827	3,350
Loss on Disposal of Fixed Assets	30	0
 Total Expenses	 194,666	 200,495
 Excess (Deficit) of Revenue and Support Over Expenses	 (3,416)	 18,578
 Fund Balance - January 1	 126,203	 107,625
 Fund Balance - December 31	 \$122,787	 \$126,203

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

**FORT RECOVERY COMMUNITY IMPROVEMENT CORPORATION
MERCER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Fort Recovery Community Improvement Corporation (the Corporation) is a non-profit organization established for advancing, encouraging and promoting industrial, economic, commercial, and civic development of Fort Recovery, Ohio.

B. Basis of Accounting

The Corporation's policy is to prepare its financial statements on the cash basis of accounting; consequently, revenues are recognized when received rather than earned, and expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. The Corporation has chosen to report fixed assets and recognize depreciation.

C. Cash and Investments

Cash deposits are valued at cost.

D. Property, Plant and Equipment

Land and building, equipment, and furniture are stated at cost, if purchased, or at fair market value, if donated. Property and equipment are depreciated over their estimated useful lives using a straight-line method of depreciation.

E. Use of Estimates

The preparation of financial statements using and other comprehensive basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. NON-PROFIT ORGANIZATION - TAX STATUS

The Corporation is a non-profit organization under IRC Section 501 (c) (3) and is exempt from paying federal income taxes.

3. DONATED SERVICES

The value of donated services is not reflected in the accompanying financial statements since there is no objective basis available to value them. There are a number of volunteers who have donated significant amounts of time for various events and improvements.

4. SHORT-TERM DEBT

The Corporation has an operating line of credit for \$36,000 which is renewable annually. The line of credit has a variable interest rate with interest payable quarterly. The following table documents the amount drawn against the line of credit during the years ending December 31, 2000 and December 31, 1999.

**FORT RECOVERY COMMUNITY IMPROVEMENT CORPORATION
MERCER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

4. SHORT-TERM DEBT (Continued)

Date	Amount Drawn Against Line of Credit	Repayment Date	Interest Rate
July 16, 1999	\$17,000	July 20, 1999	8.00%
August 27, 1999	\$20,900	August 31, 1999	8.00%
July 11, 2000	\$3,000	July 18, 2000	8.25%
July 14, 2000	\$23,540	July 18, 2000	8.25%
August 25, 2000	\$19,000	August 31, 2000	8.25%

The Community Improvement Corporation paid \$35 in interest during 1999 and \$54.11 during 2000.

5. CONCENTRATION OF RISK - MAJOR REVENUE SOURCE

Over 90% of the Corporation's funding comes from holding a national tractor pull during July and August of each year. Income is primarily generated from admissions and concession stand sales at these two events. The success of these two summer tractor pulls each year accounts for most of the profit the Corporation has available to carry out its mission.

6. RISK MANAGEMENT

The Corporation has obtained commercial insurance for the following risks:

- Comprehensive general liability
- Vehicles

The Corporation is uninsured for the following risks:

- Comprehensive property liability



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800-443-9274
Facsimile 937-285-6688
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND
ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Fort Recovery Community Improvement Corporation
Mercer County
P.O. Box 567
Fort Recovery, Ohio 45846-0567

To the Board of Directors:

We have audited the financial statements of the Fort Recovery Community Improvement Corporation (the "Corporation") as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated October 4, 2001. 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 Corporation'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*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Corporation in a separate letter dated October 4, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Corporation in a separate letter dated October 4, 2001.

Fort Recovery Community Improvement Corporation
Mercer County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

October 4, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

FORT RECOVERY COMMUNITY IMPROVEMENT CORPORATION

MERCER 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
NOVEMBER 8, 2001**