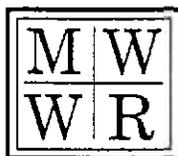


PIQUA IMPROVEMENT CORPORATION  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
YEARS ENDED DECEMBER 31, 2000 and 1999  
with  
INDEPENDENT AUDITOR'S REPORT



Murray Wells Wendeln & Robinson CPAs, Inc.

Certified Public Accountants  
Advisors



**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street,  
1<sup>st</sup> Floor  
Columbus, Ohio 43215  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-728-7398  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Piqua Improvement Corporation  
326 North Main Street  
Piqua, Ohio 45356

We have reviewed the Independent Auditor's Report of the Piqua Improvement Corporation, Miami County, prepared by Murray Wells Wendeln & Robinson, for the audit period January 1, 1999 through December 31, 2000. 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 Piqua Improvement Corporation is responsible for compliance with these laws and regulations.

JIM PETRO  
Auditor of State

May 11, 2001

# **PIQUA IMPROVEMENT CORPORATION**

## **FINANCIAL STATEMENTS**

**DECEMBER 31, 2000**



Murray Wells Wendeln & Robinson CPAs, Inc.

Certified Public Accountants • Advisors

*Board of Trustees  
Piqua Improvement Corporation*

*Independent Auditor's Report*

We have audited the accompanying statements of financial position of the Piqua Improvement Corporation as of December 31, 2000 and 1999, and the related statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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. We believe that our audits provide 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 Piqua Improvement Corporation as of December 31, 2000 and 1999, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

The supplementary information is not a required part of the basic financial statements. However, this information has been subjected to the auditing procedures applied in the audits of the basic financial statements, and in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

*Murray Wells Wendell & Robinson*

January 17, 2001

**PIQUA IMPROVEMENT CORPORATION**

**BALANCE SHEETS**

**December 31, 2000 and 1999**

<b>ASSETS</b>	<b><u>2000</u></b>	<b><u>1999</u></b>
<b>CURRENT ASSETS:</b>		
Cash	\$ 78,037	\$ 77,944
Accounts receivable	2,420	-
Grants receivable	18,412	16,438
Prepaid expenses	6,242	1,726
	<hr/>	<hr/>
<b>Total current assets</b>	105,111	96,108
 <b>PROPERTY AND EQUIPMENT:</b>		
Buildings	200,325	200,325
Leasehold improvements	360	360
Office equipment	39,137	39,137
	<hr/>	<hr/>
	239,822	239,822
Less accumulated depreciation	52,150	43,440
	<hr/>	<hr/>
	187,672	196,382
	<hr/>	<hr/>
	\$ 292,783	\$ 292,490
	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES AND NET ASSETS</b>		
 <b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 2,230	\$ 4,869
Advance	18,755	18,755
Accrued taxes	-	14
	<hr/>	<hr/>
<b>Total current liabilities</b>	20,985	23,638
 <b>NET ASSETS:</b>		
Unrestricted	165,284	183,481
Unrestricted - board designated	106,514	79,371
Temporarily restricted	-	6,000
	<hr/>	<hr/>
	271,798	268,852
	<hr/>	<hr/>
	\$ 292,783	\$ 292,490
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes.

**PIQUA IMPROVEMENT CORPORATION**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
*Years ended December 31, 2000 and 1999*

	2000			<u>1999</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
<b>REVENUES, GAINS AND OTHER SUPPORT:</b>				
Grants	\$ 172,409		\$ 172,409	\$ 170,450
Contributions	39,400	2,000	41,400	61,990
Rent income	11,260		11,260	11,400
Interest	628		628	368
Miscellaneous	150		150	150
Net assets released from restrictions	8,000	(8,000)	-	-
	231,847	(6,000)	225,847	244,358
<b>EXPENSES AND LOSSES:</b>				
General and administrative expenses	163,084	-	163,084	175,391
Program expenses	59,817	-	59,817	52,554
	222,901	-	222,901	227,945
<b>Change in net assets</b>	8,946	(6,000)	2,946	16,413
Net assets at beginning of year	262,852	6,000	268,852	252,439
Net assets at end of year	\$ 271,798	\$ -	\$ 271,798	\$ 268,852

See accompanying notes.

**PIQUA IMPROVEMENT CORPORATION**

**STATEMENTS OF CASH FLOWS**

**Years ended December 31, 2000 and 1999**

	<u>2000</u>	<u>1999</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 2,946	\$ 16,413
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,710	8,798
(Increase) decrease in assets:		
Accounts receivable	(2,420)	150
Grants receivable	(1,974)	152
Prepaid expenses	(4,516)	497
Increase (decrease) in liabilities:		
Accounts payable	(2,639)	1,942
Accrued taxes	(14)	3
	<hr/>	<hr/>
<b>Net increase in cash</b>	<b>93</b>	<b>27,955</b>
Cash at beginning of year	<u>77,944</u>	<u>49,989</u>
<b>Cash at end of year</b>	<b><u><u>\$ 78,037</u></u></b>	<b><u><u>\$ 77,944</u></u></b>

See accompanying notes.

# **PIQUA IMPROVEMENT CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2000**

### **NOTE 1 – ORGANIZATION**

Piqua Improvement Corporation is a community improvement corporation, tax exempt under Section 501 (c)(6) of the Internal Revenue Code.

### **NOTE 2 – SUMMARY OF ACCOUNTING POLICIES**

#### **BASIS OF PRESENTATION**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. 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 Corporation and changes therein are classified and reported as follows:

**Unrestricted net assets** - Net assets that are not subject to donor-imposed stipulations and are available for general purposes.

**Temporarily restricted funds** - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Corporation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**PIQUA IMPROVEMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2000**

**NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (CONT.)**

**BASIS OF PRESENTATION (CONT.)**

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Corporation. Generally, the donors of these assets permit the Corporation to use all or part of the income earned on any related investments for general or specific purposes. The Corporation had no permanently restricted net assets at December 31, 2000 or 1999.

**DEPRECIATION**

Property, plant and equipment are carried at cost with depreciation computed on the straight-line method. The following guideline years have been used in computing depreciation:

Buildings	39 years
Leasehold improvements	3 years (lease term)
Office equipment	7 years

Depreciation expense was \$8,710 and \$8,798 in 2000 and 1999, respectively.

# **PIQUA IMPROVEMENT CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2000**

### **NOTE 2 - SUMMARY OF ACCOUNTING POLICIES (CONT.)**

#### **USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### **CASH AND CASH EQUIVALENTS**

For purposes of the statement of cash flows, the Corporation classifies as cash and cash equivalents cash on deposit in banks.

### **NOTE 3 - ADVANCE**

Twenty-five thousand dollars was advanced to the Corporation by the City of Piqua as permanent operating capital. Subsequently, \$6,245 of expenses were not reimbursed by the City of Piqua. The expenses not reimbursed have been treated as a reduction of the advance.

# **PIQUA IMPROVEMENT CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2000**

### **NOTE 4 - GRANTS**

On October 15, 1984 resolutions were passed by the City of Piqua designating the Piqua Improvement Corporation as its agency and instrumentality for industrial, commercial, distribution and research development. Under the agreement, the City of Piqua provides funds to the Piqua Improvement Corporation annually from its municipal power, water and utility revenues for use in funding development activities. This agreement expired in November 2000, but was renewed for one additional year. The maximum funding level is \$200,000. Grants received and receivable were \$172,409 for 2000 and \$170,450 for 1999.

### **NOTE 5 - LEASES**

The Corporation conducts its operations from facilities that are leased on a month-to-month basis. Rent expense for all operating leases was \$4,250 in 2000 and \$6,162 in 1999.

### **NOTE 6 - RETIREMENT**

As required by the Executive Director's employment agreement, the Corporation participates in a defined contribution retirement plan administered by a national group. Under the plan, Piqua Improvement Corporation remits to the Fund an amount which is a percentage of the participant's salary. The total pension expense was \$7,369 in 2000 and \$8,494 in 1999.

**PIQUA IMPROVEMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2000**

**NOTE 7 - UNRESTRICTED - BOARD DESIGNATED NET ASSETS**

Unrestricted net assets which are board designated at December 31, 2000 and 1999 represent pledge income received from donors other than the City of Piqua. These funds are designated by the board for use in covering the cost of the quarterly newsletter, specific marketing campaigns, and other program expenses as specified by the board.

**NOTE 8 - NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose. During 2000, temporarily restricted net assets were released for building repairs.

***SUPPLEMENTARY INFORMATION***

**PIQUA IMPROVEMENT CORPORATION**

**EXPENSES AND LOSSES**

**Years ended December 31, 2000 and 1999**

	<u>2000</u>	<u>1999</u>
<b>GENERAL AND ADMINISTRATIVE</b>		
<b>EXPENSES:</b>		
Salaries		
- administrative	\$ 61,255	\$ 62,572
- office	24,960	28,391
Depreciation	8,710	8,798
Dues	5,243	5,043
Insurance		
- general	497	908
- group	13,099	12,607
- director liability	1,290	1,290
- workers	286	115
- life	680	680
Maintenance and repairs	809	819
Meetings and seminars	4,049	8,213
Office supplies and expense	1,985	4,198
Postage	3,753	3,819
Professional	7,010	6,811
Rent	4,250	4,200
Retirement	7,369	8,494
Taxes - F.I.C.A.	6,595	6,959
- unemployment	248	324
Telephone	4,011	3,732
Travel	1,832	1,998
Vehicle expense	5,153	5,420
	<u>163,084</u>	<u>175,391</u>
<b>PROGRAM EXPENSES:</b>		
Advertising	15,357	11,085
Annexation expenses	3,560	-
Dues and subscriptions	2,612	2,585
Donations	-	100
Hotel expenses	34,673	33,242
Industrial Fair	-	1,588
Newsletter	1,570	1,390
Miscellaneous	2,045	2,564
	<u>59,817</u>	<u>52,554</u>
	<u>\$ 222,901</u>	<u>\$ 227,945</u>

See accompanying notes.



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

**PIQUA IMPROVEMENT CORPORATION**

**MIAMI 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 22, 2001**