

---

**City of Tipp City**  
**Miami County, Ohio**

Independent Auditors' Report on  
Internal Controls and Compliance

December 31, 2009





Mary Taylor, CPA  
Auditor of State

City Council  
City of Tipp City  
260 South Garber Drive  
Tipp City, Ohio 45371

We have reviewed the *Independent Auditors' Report* of the City of Tipp City, Miami County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2009 through December 31, 2009. 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 City of Tipp City is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

June 18, 2010

**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**

City Council  
City of Tipp City, Ohio  
260 South Garber Drive  
Tipp City, Ohio 45371

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tipp City, Ohio (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 7, 2010. 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 City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

2525 north limestone street, ste. 103  
springfield, oh 45503

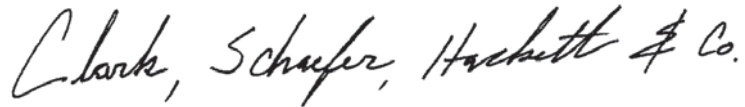
www.cshco.com  
p. 937.399.2000  
f. 937.399.5433

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, 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*.

We noted a certain matter that we reported to management of the City in a separate letter dated June 7, 2010.

This report is intended for the information and use of the City Council, the management, others within the City, the Auditor of the State of Ohio 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 "Clark, Schaefer, Hachitt & Co." The signature is written in black ink and is positioned above the typed name and date.

Springfield, Ohio  
June 7, 2010



At Clark Schaefer Hackett, we are the sum of our individuals. Each team member's training, experience and drive is well-suited to each client's needs and goals. We are committed to providing insightful and flexible service – from efficient compliance to sophisticated consulting – to help each client prosper today and plan for future success



# **City of Tipp City, Ohio**

## **Comprehensive Annual Financial Report**

# **2009**

**Year Ended December 31, 2009**



Tipp City



# City of Tipp City, Ohio

## Miami County



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2009

*Prepared by the Finance Department*

Richard U. Drennen, Director



**TABLE OF CONTENTS**

**CITY OF TIPP CITY  
MIAMI COUNTY, OHIO**

---

**I** **INTRODUCTORY SECTION**

**A** Letter of Transmittal .....v  
**B** List of Principal Officials .....xi  
**C** City Organizational Chart .....xii  
**D** Certificate of Achievement for Excellence in Financial Reporting.....xiii

**II** **FINANCIAL SECTION**

**A** Independent Auditors’ Report..... 1  
**B** Management’s Discussion and Analysis.....3  
**C** Basic Financial Statements:  
    Government-wide Financial Statements:  
        Statement of Net Assets..... 14  
        Statement of Activities ..... 16  
    Fund Financial Statements:  
        *Governmental Funds:*  
            Balance Sheet .....18  
            Reconciliation of Total Governmental Fund Balances to Net Assets of  
            Governmental Activities.....20  
            Statement of Revenues, Expenditures and Changes in Fund Balances .....22  
            Reconciliation of the Statement of Revenues, Expenditures and Changes  
            in Fund Balances to the Statement of Activities.....24  
            Statement of Revenues, Expenditures and Changes in Fund Balance  
            (Budget and Actual):  
                General Fund .....25  
        *Proprietary Funds:*  
            Statement of Fund Net Assets.....26  
            Statement of Revenues, Expenses and Changes in Fund Net Assets.....30  
            Statement of Cash Flows .....32  
        *Fiduciary Funds:*  
            Statement of Assets and Liabilities – Agency Funds .....36  
Notes to the Basic Financial Statements.....37

**D Combining and Individual Fund Statements and Schedules:**

Nonmajor Governmental Financial Statements:

Combining Balance Sheet.....	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	77
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	80
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	83

Individual Schedules of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual):

Major Governmental Funds:

<i>General Fund</i> .....	84
<i>Debt Service Fund:</i>	
Special Assessment Bond Retirement Fund.....	89
<i>Capital Projects Funds:</i>	
Capital Improvement Reserve Fund.....	90
Kinna Drive Construction Fund.....	91
25-A Construction Fund.....	92

Nonmajor Governmental Funds:

*Special Revenue Funds:*

Swimming Pool Fund.....	93
Street Construction, Maintenance and Repair Fund.....	94
State Highway Improvement Fund.....	95
Municipal Road Fund.....	96
Law Enforcement Fund.....	97
Enforcement and Education Fund.....	98
Drug Law Enforcement Fund.....	99
Federal Emergency Management Agency (FEMA) Grant Fund.....	100
Emergency Medical Services (EMS) Donation Trust Fund.....	101
Police Donation Trust Fund.....	102

*Debt Service Fund:*

General Bond Retirement Fund.....103

*Capital Projects Funds:*

Parks Capital Improvement Fund.....104

Ohio Public Works Commission (OPWC) Grant Fund.....105

Clean Ohio Grant Fund .....106

Fiduciary Funds – Agency Funds:

Combining Statement of Changes in Assets and Liabilities .....109

Capital Assets Used in the Operation of Governmental Funds:

Schedule by Source.....111

Schedule by Function and Activity.....112

Schedule of Changes by Function and Activity.....114



**III**

**STATISTICAL SECTION**

Net Assets by Component - Last Seven Years ..... S 2  
Changes in Net Assets - Last Seven Years..... S 4  
Fund Balances, Governmental Funds - Last Ten Years ..... S 8  
Changes in Fund Balances, Governmental Funds - Last Ten Years ..... S 10  
Income Tax Revenues by Source, Governmental Funds - Last Ten Years ..... S 14  
Top Ten Income Tax Withholders - Current Year and Nine Years Ago..... S 17  
Ratios of Outstanding Debt By Type - Last Ten Years..... S 18  
Ratios of General Bonded Debt Outstanding - Last Ten Years..... S 20  
Computation of Direct and Overlapping General Obligation Debt - Current Year..... S 23  
Debt Limitations - Last Ten Years ..... S 24  
Pledged Revenue Coverage - Last Six Years ..... S 26  
Demographic and Economic Statistics - Last Ten Years ..... S 28  
Principal Employers - Current Year and Nine Years Ago ..... S 31  
Full Time Equivalent Employees by Function - Last Ten Years ..... S 32  
Operating Indicators by Function - Last Ten Years ..... S 34  
Capital Asset Statistics by Function - Last Nine Years..... S 36

# Introductory Section



Tipp City





Council-Manager  
Government

June 8, 2010

To the Honorable Mayor, Members of City Council, and the Citizens of the City of Tipp City, Ohio:

The Comprehensive Annual Financial Report (CAFR) of the City of Tipp City, (the City) for the fiscal year ended December 31, 2009 is hereby submitted for your review.

Ohio Law requires that cities file their annual financial reports with the Auditor of State's office. Additionally, the Ohio Administrative Code requires that those reports be prepared pursuant to generally accepted accounting principles. The preparation of this CAFR represents the commitment of Tipp City to adhere to nationally recognized standards of excellence in financial reporting.

I believe this report presents financial and operating information about the City's activities during the year which should be useful to its citizens, taxpayers, and investors. Responsibility for the accuracy of the data and the completeness and fairness of the presentation including all disclosures rests with the City. To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Clark, Schaefer, Hackett and Co., Certified Public Accountants, audited the basic financial statements that are included in this report. They have issued an unqualified ("clean") opinion on the City of Tipp City's financial statements for the year ended December 31, 2009. The independent auditor's report is located at the front of the financial section of this report.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2009 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

This transmittal letter is designed to provide historical information about the City, as well as complement the required Management's Discussion and Analysis (MD&A). Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The City's MD&A, which focuses on the government wide statements, can be found immediately following the Independent Auditor's Report.

- v -

***Letter of Transmittal  
For the Year Ended December 31, 2009***

---

**PROFILE OF THE CITY**

The City of Tipp City is a progressive, growing community located fourteen miles north of Dayton on Interstate 75. The City was incorporated as a village in 1850, and became a City in 1960. Its seven square mile area serves a residential population of 9,221 (2000 Census). The City is served by diversified transportation facilities. Immediate access is to four State Highways and to Interstate Highways 70 and 75. The main line of the CSX Railroad (CSX), between Cincinnati and Toledo, passes through the City. Passenger and freight air service is provided by the Dayton International Airport located approximately 10 miles from the City. Easy access to both Interstates 70 and 75 places Tipp City within approximately a one-hour drive of Columbus, Cincinnati, and Indianapolis.

The City of Tipp City is a home rule municipal corporation operating under its own charter, first adopted by the voters in 1968 and which has been and may be amended by the voters from time to time. The City is also subject to some general laws applicable to all cities. Under the Ohio Constitution the City may exercise all powers of local self-government, and police powers to the extent not in conflict with applicable general laws. The Charter provides for a Council- Manager form of government.

The legislative body of Tipp City consists of a seven-member Council, all of who are elected at-large for overlapping four-year terms. The City Council appoints a City Manager, and a Council Clerk. The City Manager is the City's Chief Executive and Administrative Officer. He appoints all Department Heads and employees of the City.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading.

The primary government consists of all funds and departments which provide various services including police and fire protection, emergency medical response, parks and recreation, planning, zoning, street maintenance, and other governmental services. In addition, the City owns and operates a water treatment and distribution system, a wastewater treatment and collection system, and an electric distribution system, each of which is reported as an enterprise fund. Council and the City Manager have direct responsibility for these activities.

The City has representation on the board of two entities for the treatment of wastewater and production of potable water. The City is associated with the Tri-Cities North Regional Wastewater Authority (Tri-Cities), and the Northern Area Water Authority (NAWA), which are both defined as joint ventures. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. These organizations are presented in Note 18.

The City also participates in the Miami Valley Risk Management Association, Inc. (MVRMA), a risk sharing insurance pool, which provides insurance coverage to the City. The pool consists of twenty municipalities who pool risk for property, crime, liability, machinery, flood, earthquake, and public official liability. This separate entity does not meet the established criteria for inclusion in the reporting entity and, accordingly is not included in the City's financial report.

***Letter of Transmittal  
For the Year Ended December 31, 2009***

---

Tipp City Council adopts a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City of Tipp City's financial planning and control. The budget is prepared on a cash-encumbrance basis wherein transactions are recorded when cash is received or disbursed, or when a commitment has been recorded as an encumbrance against an applicable appropriation. Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the amount of the purchase.

**ECONOMIC CONDITIONS AND OUTLOOK**

Since Tipp City's beginning in 1841, location has played a prime role in our economic well being. What began as a canal town has burgeoned into an extremely attractive place for business and industry due to the city's location just north of the crossroads of America, Interstates I-70 and I-75. Interstate I-75 bisects the city from North to South and is a major factor in the continued success of the City's economic development. Over 50 industries call Tipp City home.

The 2000 census sets the population of Tipp City at 9,221. The Tipp City Planning Department estimates our 2009 population at 10,185. This represents a mild increase in population of 964 residents, or 10.5% for the period of 2000 to 2009.

Tipp City and the Chamber of Commerce continued their joint participation in the Business First Business Retention and Expansion (BR&E) program. This regional BR&E is used in five counties by fifty different jurisdictions. Fourteen meetings were held with Tipp City area businesses and industries utilizing the Business First protocols. Keeping in touch with our existing local businesses and industries is vital, since studies have shown that 80-85% of the job creation is done by existing small businesses. Our Assistant City Manager serves as the City's representative and attends the regional monthly meetings.

Commercial and industrial growth in 2009 invested \$1,586,623 in the community, with three projects undertaken. In May 2009 a new Holiday Inn Express was constructed on a three acre site adjacent to Interstate 75. A new Koenig John Deere dealership was started in late 2009. This new 18,000 square foot sales and repair facility was completed in February 2010 and employs 6 persons.

Despite our best efforts, the region's unemployment rate averaged 11.7% in 2009, an increase over the 2009 rate of 6.4%, and a far cry from our low of 3.3% in 2000. Due to our region's tie in with the auto industry, job loss continues to be a problem. Due to the area's job loss, Tipp City was able to secure two grants totaling \$500,000 from the Ohio Department of Development which was used for road extension and to facilitate the expansion of Transfreight, one of our local businesses. Transfreight plans to create an additional 50 jobs over the next few years with their expansion. Construction of Kinna Drive was completed in July 2009, and made an additional 80 acres of land available for industrial development in this business park. We feel confident that our area will see an increase in jobs over the next few years.

***Letter of Transmittal  
For the Year Ended December 31, 2009***

---

During 2009, Tipp City had 10 new residential unit starts. This continued our downward trend from 2008 when only 21 new units were built. The housing market continues to be a problem in this area, as well as nationally. This slowdown has had a negative effect on our economy. Even though interest rates were very low in 2009, new housing starts have not picked up. There are currently five active subdivisions being developed: Sycamore Woods, Curry Branch, Hunter's Ridge, Manchester Chase, and Rosewood Creek. The following table outlines the residential growth for the last several years:

<u>Year</u>	<u>Base Units</u>	<u>New Units</u>	<u>Demolished Units</u>	<u>Net % Growth</u>
2006	4110	34	3	.754%
2007	4141	31	3	.676%
2008	4169	21	0	.504%
2009	4190	10	0	.239%

Over 1,000 acres of vacant prime industrial land is available for development within the community. Established industrial parks offer attractive sites for building as well. With its abundant natural resources, low cost utilities and facility of transportation, Tipp City is well situated for further expansion as the economy recovers in 2010-2011.

**MAJOR INITIATIVES**

**For The Year**

In reaction to the economic downturn in 2009, and in an effort to reduce a projected \$218,000 General Fund operating deficit, the City enacted a number of cost saving measures. The City implemented a hiring freeze, and no pay raises for management and non-union employees were approved in 2009. A number of seasonal positions in the parks department and the street department were not filled. The City contracted out some park mowing and eliminated replacement of some minor equipment. As a result of these cost reductions, the City saved approximately \$110,000. During the year, City council and staff monitored economic trends, tracked local conditions and worked toward a plan to allow the City to weather the recession.

Despite the slowdown in the economy, the City still moved forward with infrastructure improvements. Major construction projects included the Kinna Drive Roadway extension and the Evanston Road repaving project. Both projects were made possible by grants received from the state and federal governments. Due to the downturn in the economy, the City did not budget for any other street projects in 2009. In order to increase revenues for its streets, the City increased its local motor vehicle license fees by \$10. This fee generated an additional \$90,000 in 2009. The City also implemented a nominal leaf collection charge in order to help offset the cost of picking up leaves. The fee was started in October and generated an additional \$7,900 in 2009.

***Letter of Transmittal  
For the Year Ended December 31, 2009***

---

In June 2009, the City entered into a contract with Perham Electric to upgrade, link, and coordinate our traffic signals on Main Street. The Traffic Signal Interconnection Project will include eight new signals and controllers, central computer, I-75 camera, interconnection and timing of signals, new mast arms and additional fiber. The contract award was in the amount of \$813,790 with \$700,000 coming from federal and state grants. The project is scheduled to be completed in the fall of 2010.

In the public safety arena, a new ambulance was purchased at a cost of \$114,000. The new vehicle replaced a 1994 ambulance. New laptops for our police vehicles were also purchased in 2009 at a cost of \$25,000. This purchase was made possible by a state grant that paid for 50% of the cost.

Within the City's electric system, the final of three rate adjustments took place in May 2009. Rates were increased by customer classification with residential rates increasing by 5%, general service rates by 9% and large power (industrial) by 1%. The rate increases were the result of a cost of service study completed in January 2007. The cost of service study found that Tipp City's purchase power cost is extremely competitive in the market place today and Tipp Electric customers will continue to enjoy a significant savings over investor owned utilities.

The City continued to focus on building upon its solid financial position through a five-year operational and capital budgeting program, and an aggressive debt repayment schedule.

The City is well known for the Tipp City Mum Festival. The Festival, which takes place the fourth weekend of September, celebrates the long lasting fall flower, the chrysanthemum, and its connection to Tipp City's Springhill Nursery. Hometown activities featured at this event include a street dance, car show, 5K road race, parade and live entertainment.

**For The Future**

Major projects in the City's electric and water system are top priority items in 2010. Replacement of the City's 350,000 gallon Bowman Avenue Water Tower started in the spring of 2010. This tower was constructed in 1931 and needs to be replaced. The City is building a new 1 million gallon tank. Once this tank is finished in the spring of 2011, the City will refurbish their existing 1 million gallon tank. The estimated cost for this project is \$2.6 million, of which 50% is coming from the State of Ohio in grants and loans.

The City will also upgrade their current electric and water meters to an automatic meter reading system (AMR) in 2010. This smart grid infrastructure system will save the City the expense of monthly trips to each physical location to read the meters. The contract for this project has been awarded to Elster Corporation at a cost of \$1.8 million and is funded partially by a 0% interest loan of \$600,000 from the State.

Despite declining employment which caused a drop in our income tax revenue in our General Fund, the City was able to increase our General Fund reserves for the third straight year. As a result, the City is in good position to weather the economic uncertainties that lie ahead.

The City will continue to commit funds to ensure the maintenance of existing infrastructure and the development of adequate new infrastructure to meet future demands.

***Letter of Transmittal  
For the Year Ended December 31, 2009***

---

**CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tipp City, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2008. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government finance reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. The City Tipp City has received a Certificate of Achievement for the last nine years (2000-2008). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

**ACKNOWLEDGMENTS**

The preparation of this report was made possible by the efforts of the Finance Department staff. My sincere appreciation is extended to all members of the City of Tipp City staff, whose efforts have made this report possible.

I would also like to express appreciation to Roy Porter, CPA, and the rest of the staff of Donald J. Schonhardt and Associates, for their guidance and assistance in preparing this report.

A special thanks is extended to City Council, the City Manager, Assistant City Manager, and the Department Directors of the City. Their contributions to the financial condition of the City cannot be overemphasized. Their guidance and support represent invaluable factors necessary for the City to continue to manage the financial affairs and reporting requirements of municipal government within the Tipp City Community.

Finally, since I will be retiring on June 30, I would like to take this opportunity to thank everyone I have worked with over the last 30 years. It has been a pleasure to represent the citizens of Tipp City and to work with such a highly professional staff. I have always taken pride in preparing this report, and I feel this report meets the high standards that our City Council and City Manager expects.

Respectfully submitted,



Richard U. Drennen  
Director of Finance

***CITY OF TIPP CITY, OHIO***

---

***List of Principal Officials  
For the Year Ended December 31, 2009***

---

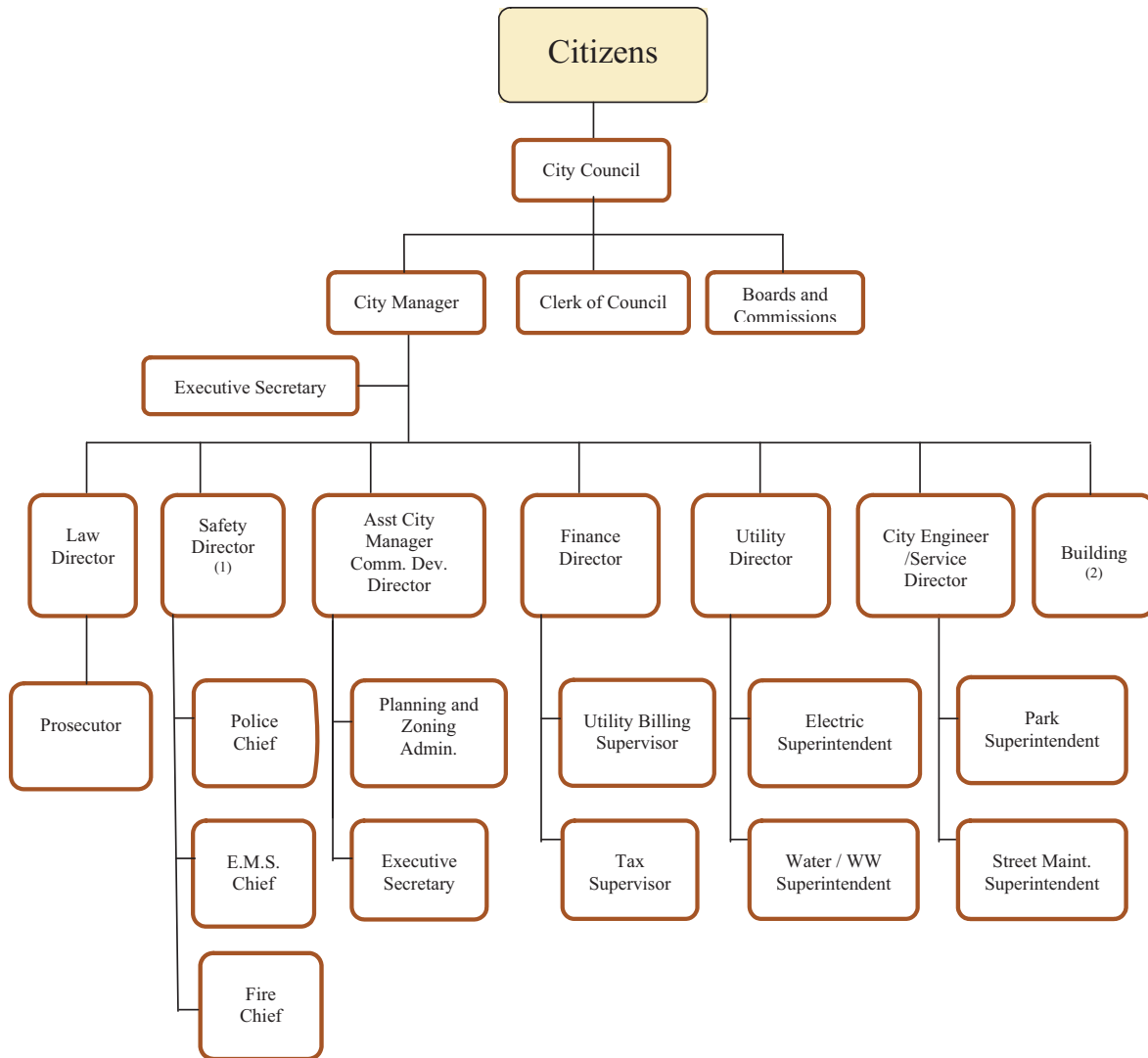
**ELECTED OFFICIALS**

Mayor	Tim Evans
President Of Council	Pat Hale
Council Members	William Beagle Vickie Blakey Dee Gillis John Kessler George H. Lovett

**APPOINTED OFFICIALS**

City Manager	Jon Crusey
Assistant City Manager / Community Development Director	Bradley Vath
Clerk Of Council	Cathy Ross
Finance Director	Richard Drennen
Law Director	Joseph Moore
Chief of Police	Tom Davidson
City Engineer/Service Director	Scott Vagedes
EMS Chief	Mark Senseman
Fire Chief	Steve Kessler
Utility Director	Milton Eichman

**City Organizational Chart  
For the Year Ended December 31, 2009**



- (1) The functions of the Safety Director are fulfilled by the City Manager
- (2) Building Inspection Services are provided through a contract with Miami County



Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of Tipp City  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emery".

Executive Director



# Financial Section



Tipp City

## **INDEPENDENT AUDITORS' REPORT**

City Council  
City of Tipp City, Ohio  
260 South Garber Drive  
Tipp City, Ohio 45371

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tipp City, Ohio (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City'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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tipp City, Ohio as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year 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 June 7, 2010 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

2525 north limestone street, ste. 103  
springfield, oh 45503

www.cshco.com  
p. 937.399.2000  
f. 937.399.5433

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, the governmental capital asset schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and schedules and the governmental capital asset schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
June 7, 2010

The discussion and analysis of the City of Tipp City's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

## **FINANCIAL HIGHLIGHTS**

Key financial highlights for 2009 are as follows:

- ❑ In total, net assets increased \$1,786,607. Net assets of governmental activities increased \$280,404, which represents a .7% increase from 2008. Net assets of business-type activities increased \$1,506,203 or 4.5% from 2008.
- ❑ General revenues accounted for \$6.02 million in revenue or 24% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for 76% of total revenues of \$25.1 million.
- ❑ Total net assets of governmental activities increased by \$280,404. The City was able to reduce long-term liabilities by making debt payments. This brought about a decrease in total liabilities which was greater than the decrease in total assets.
- ❑ The City had \$8.8 million in expenses related to governmental activities; \$3.05 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$6.02 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$5.6 million in revenues and \$5.5 million in expenditures and other financing uses. The general fund's fund balance increased \$92,895 to \$4 million.
- ❑ Net assets for enterprise funds increased by \$1,506,203. The Electric Fund increased its net assets by \$909,606 or 60% of the increase.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements* and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of supplementary information that further explains and supports the information in the financial statements.

### **Government-wide Statements**

The government-wide statements report information about the City as a whole using accepted methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net-assets (the difference between the City's assets and liabilities) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as the City's tax base, current property tax laws, conditions of the City's streets and continued growth within the City.

The government-wide financial statements of the City are divided into two categories:

- *Governmental Activities* – Most of the City's program's and services are reported here including security of persons and property, leisure time activities, community environment, basic utility services, transportation and general government.
- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's electric, water, sewer, and refuse services are reported as business activities.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

***Governmental Funds*** – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual 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 City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.



**CITY OF TIPP CITY, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2009**

**Unaudited**

**Proprietary Funds** – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets.

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The following table focuses on the net assets of the City's governmental and business- type activities for both 2009 and 2008.

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$9,175,189	\$9,359,557	\$17,648,050	\$16,619,561	\$26,823,239	\$25,979,118
Capital assets, Net	39,299,051	39,581,731	21,226,576	20,884,959	60,525,627	60,466,690
Total assets	48,474,240	48,941,288	38,874,626	37,504,520	87,348,866	86,445,808
Noncurrent liabilities	5,701,540	6,540,413	1,382,914	1,547,433	7,084,454	8,087,846
Other liabilities	2,551,752	2,460,331	2,496,828	2,468,406	5,048,580	4,928,737
Total liabilities	8,253,292	9,000,744	3,879,742	4,015,839	12,133,034	13,016,583
Net assets						
Invested in capital assets, net of related debt	32,842,386	32,242,094	20,158,896	19,681,449	53,001,282	51,923,543
Restricted	1,947,201	2,243,415	0	0	1,947,201	2,243,415
Unrestricted	5,431,361	5,455,035	14,835,988	13,807,232	20,267,349	19,262,267
Total net assets	\$40,220,948	\$39,940,544	\$34,994,884	\$33,488,681	\$75,215,832	\$73,429,225

The amount by which the city's assets exceed its liabilities is called net assets. At year-end, the City's net assets were \$75.2 million compared to \$73.4 million in 2008. Of that amount, in 2009 approximately \$53 million (70.5%) was invested in capital assets, net of debt related to those assets. At year-end 2008, that amount was approximately \$51.9 million (70.7%). For 2009 another \$1.95 million (2.6%) was subject to external restrictions upon its use. The remaining \$20.3 million (26.9%) in 2009 was unrestricted and available for future use. For 2008, this amount was \$19.3 million (26.2%).

**CITY OF TIPP CITY, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2009**

**Unaudited**

**Changes in Net Assets** – The following table shows the changes in net assets for the fiscal year 2009 compared with 2008:

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues</b>						
Program revenues:						
Charges for Services and Sales	\$1,185,625	\$1,293,673	\$15,287,113	\$14,386,019	\$16,472,738	\$15,679,692
Operating Grants and Contributions	693,882	656,539	0	0	693,882	656,539
Capital Grants and Contributions	1,168,819	1,927,765	751,569	835,244	1,920,388	2,763,009
Total Program Revenues	<u>3,048,326</u>	<u>3,877,977</u>	<u>16,038,682</u>	<u>15,221,263</u>	<u>19,087,008</u>	<u>19,099,240</u>
General revenues:						
Income Taxes	3,133,216	3,644,832	0	0	3,133,216	3,644,832
Property Taxes	326,079	327,431	0	0	326,079	327,431
Other Local Taxes	28,052	21,407	0	0	28,052	21,407
Unrestricted Shared Revenues	1,302,247	1,474,216	0	0	1,302,247	1,474,216
Investment Earnings	195,035	441,016	0	0	195,035	441,016
Miscellaneous	1,036,774	695,718	0	0	1,036,774	695,718
Total General Revenues	<u>6,021,403</u>	<u>6,604,620</u>	<u>0</u>	<u>0</u>	<u>6,021,403</u>	<u>6,604,620</u>
Total Revenues	<u>9,069,729</u>	<u>10,482,597</u>	<u>16,038,682</u>	<u>15,221,263</u>	<u>25,108,411</u>	<u>25,703,860</u>
<b>Program Expenses</b>						
Security of Persons and Property	3,286,305	3,319,976	0	0	3,286,305	3,319,976
Leisure Time Activities	1,320,200	1,285,709	0	0	1,320,200	1,285,709
Community Environment	260,189	251,345	0	0	260,189	251,345
Basic Utility Services	238,584	247,636	0	0	238,584	247,636
Transportation	1,858,692	1,595,113	0	0	1,858,692	1,595,113
General Government	1,601,373	1,645,898	0	0	1,601,373	1,645,898
Interest and Fiscal Charges	243,087	264,771	0	0	243,087	264,771
Electric	0	0	10,043,278	9,488,473	10,043,278	9,488,473
Water	0	0	2,492,331	2,183,762	2,492,331	2,183,762
Sewer	0	0	1,236,664	1,296,882	1,236,664	1,296,882
Refuse Collection	0	0	741,101	716,728	741,101	716,728
Total expenses	<u>8,808,430</u>	<u>8,610,448</u>	<u>14,513,374</u>	<u>13,685,845</u>	<u>23,321,804</u>	<u>22,296,293</u>
Change in Net Assets before transfers	261,299	1,872,149	1,525,308	1,535,418	1,786,607	3,407,567
Transfers	19,105	21,807	(19,105)	(21,807)	0	0
Total Change in Net Assets	<u>280,404</u>	<u>1,893,956</u>	<u>1,506,203</u>	<u>1,513,611</u>	<u>1,786,607</u>	<u>3,407,567</u>
Beginning Net Assets	<u>39,940,544</u>	<u>38,046,588</u>	<u>33,488,681</u>	<u>31,975,070</u>	<u>73,429,225</u>	<u>70,021,658</u>
Ending Net Assets	<u>\$40,220,948</u>	<u>\$39,940,544</u>	<u>\$34,994,884</u>	<u>\$33,488,681</u>	<u>\$75,215,832</u>	<u>\$73,429,225</u>

**Governmental Activities**

Net assets of the City's governmental activities increased by \$280,404 or .7%. Net assets invested in capital assets, net of related debt increased \$600,292 or 1.9%. Restricted net assets decreased by \$296,214 while unrestricted net assets decreased by \$23,674, a decrease of .4%.

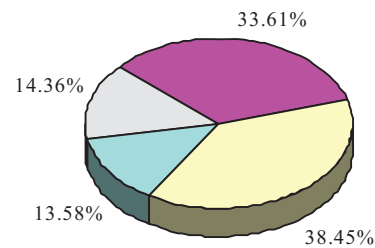
**Management's Discussion and Analysis  
For the Year Ended December 31, 2009**

**Unaudited**

The City receives an income tax, which is based on 1.25% of all salaries, wages, commissions and other compensation earned from residents living within the City and from nonresidents for work done or services performed or rendered in the City. Income tax is the largest source of revenue for the City. 16% of our income tax received is designated for capital outlay for the City, and 20% is earmarked for park improvements. Income tax revenue was \$3,133,216 compared to \$3,644,832 in 2008, a decrease of 14%. Approximately 75% of this decline can be traced to a drop in income tax collections from business net profits. This source is the most volatile source of income tax collections and traditionally has been subject to upward and downward swings from year to year. The other 25% of the decline is due to a decrease in employer withholding payments. Local employment has suffered due to the effects of the national recession.

Property taxes and income taxes made up 3.6% and 34.5% respectively of revenues for governmental activities for the City in fiscal year 2009. The City's reliance upon tax revenues is demonstrated by the following graph indicating 38.45% of total revenues from general tax revenues:

Revenue Sources	2009	Percent of Total
Unrestricted Shared Revenues	\$1,302,247	14.36%
Program Revenues	3,048,326	33.61%
General Tax Revenues	3,487,347	38.45%
General Other	1,231,809	13.58%
<b>Total Revenue</b>	<b>\$9,069,729</b>	<b>100.00%</b>



**Business-Type Activities**

Net assets of the business-type activities increased by \$1,506,203. Capital Contributions from developers and land purchases for the water fund represents 48.8% of the increase. The electric fund reported operating income in 2009. The water, sewer and refuse funds, however, had operating losses in 2009.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$4,351,337, which is a decrease from last year's balance of \$4,440,860. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2009 and 2008:

	Fund Balance December 31, 2009	Fund Balance December 31, 2008	Increase (Decrease)
General	\$4,003,954	\$3,911,059	\$92,895
Special Assessment Bond	8,893	5,637	3,256
Capital Improvement Reserve	358,570	364,739	(6,169)
Kinna Drive Construction	(291,585)	(23,590)	(267,995)
25-A Construction	(537,855)	(560,664)	22,809
Other Governmental	809,360	743,679	65,681
<b>Total</b>	<b>\$4,351,337</b>	<b>\$4,440,860</b>	<b>(\$89,523)</b>

**CITY OF TIPP CITY, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2009**

**Unaudited**

General Fund – The City's General Fund balance had a modest increase of \$92,895 in 2009. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2009 Revenues	2008 Revenues	Increase (Decrease)
Taxes	\$2,410,382	\$2,706,351	(\$295,969)
Intergovernmental Revenue	1,315,357	1,450,825	(135,468)
Charges for Services	1,374,717	1,282,659	92,058
Licenses, Permits and Fees	12,678	34,895	(22,217)
Investment Earnings	216,809	442,666	(225,857)
Special Assessments	746	3,058	(2,312)
Fines and Forfeitures	15,194	17,366	(2,172)
All Other Revenue	223,999	170,077	53,922
Total	<u>\$5,569,882</u>	<u>\$6,107,897</u>	<u>(\$538,015)</u>

The decrease in taxes and investment earnings accounted for the majority of the revenue reduction.

	2009 Expenditures	2008 Expenditures	Increase (Decrease)
Security of Persons and Property	\$2,968,572	\$3,079,960	(\$111,388)
Leisure Time Activities	430,250	479,768	(49,518)
Community Environment	246,653	248,376	(1,723)
Basic Utility Services	234,230	235,440	(1,210)
General Government	1,423,844	1,458,674	(34,830)
Capital Outlay	47,546	47,375	171
Debt Service:			
Principal Retirement	12,972	12,509	463
Interest and Fiscal Charges	540	1,003	(463)
Total	<u>\$5,364,607</u>	<u>\$5,563,105</u>	<u>(\$198,498)</u>

General Fund expenditures decreased by \$198,498 or 3.6% due to decreases in salary and wages, retirement contributions, health insurance premiums, and gasoline. Security of Persons and Property decreased 3.6% primarily due to decreases in wages and benefits for paramedics, and other Emergency Medical staff personnel and decreases in gasoline expenditures for police, fire, and EMS vehicles. The City reduced operating expenditures in all major program activities in 2009.

*Special Assessment Bond Fund* – The balance in this fund will typically change very little from year to year. Special assessment revenues collected each year should approximate the debt service required on the special assessment debt.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2009***

***Unaudited***

*Capital Improvement Reserve Fund* – This fund is the main fund for general capital improvements taking place throughout the City. The balance will fluctuate yearly according to the capital improvement activity taking place in any given year.

*Kinna Drive Construction Fund* – This fund is for street improvements on Kinna Drive. The fund deficit exists due to the recording of a note payable within the fund.

*25-A Construction Fund* – This fund will continue to fluctuate due to note activity throughout the year.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal year 2009 the City amended its general fund budget at the end of the fiscal year. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

Original general fund budgeted revenues decreased \$133,199 from \$5,871,578 to \$5,738,379. Actual revenues collected were \$5,763,705, an increase of .4% over the final budget. There were no significant variations in the City's original budgeted appropriations and the final figure of \$6,361,984. In contrast, there was a significant variance between actual expenditures and final budgeted expenditures. Total actual expenditures were \$5,686,829. This is a decrease of \$675,155 from the final budget. City Council and staff made a concerted effort to reduce expenditures because revenues were going to be short of our original estimate. Cost of living raises were not given to the non-union and management personnel in 2009. Some union members also did not receive raises during the year. Many part time and seasonal workers were not hired, and overtime expenses were reduced in the police department. The general fund had an adequate fund balance to cover expenditures in 2009.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of fiscal 2009 the City had \$60,525,627 net of accumulated depreciation invested in land, construction in progress, buildings, improvements other than buildings, machinery and equipment and infrastructure. Of this total, \$39,299,051 was related to governmental activities and \$21,226,576 to the business-type activities. The following table shows fiscal year 2009 and 2008 balances:

	Governmental Activities		Increase (Decrease)
	2009	2008	
Land	\$13,405,452	\$13,237,135	\$168,317
Total Non-Depreciable Capital Assets	13,405,452	13,237,135	168,317
Buildings	6,430,813	6,419,576	11,237
Improvements Other Than Buildings	4,842,652	4,723,532	119,120
Machinery and Equipment	6,221,182	6,046,536	174,646
Infrastructure	25,851,111	25,217,146	633,965
Less: Accumulated Depreciation	(17,452,159)	(16,062,194)	(1,389,965)
Total Depreciable Capital Assets	25,893,599	26,344,596	(450,997)
Totals	\$39,299,051	\$39,581,731	(\$282,680)

**CITY OF TIPP CITY, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2009**

**Unaudited**

	Business-Type Activities		Increase (Decrease)
	2009	2008	
Land	\$1,988,824	\$1,409,673	\$579,151
Construction in Progress	48,305	8,495	39,810
Total Non-Depreciable Capital Assets	2,037,129	1,418,168	618,961
Buildings	1,840,650	1,840,650	0
Improvements Other Than Buildings	28,971,977	28,409,873	562,104
Machinery and Equipment	2,285,010	2,236,410	48,600
Less: Accumulated Depreciation	(13,908,190)	(13,020,142)	(888,048)
Total Non-Depreciable Capital Assets	19,189,447	19,466,791	(277,344)
Totals	\$21,226,576	\$20,884,959	\$341,617

Capital assets, net of depreciation, in governmental activities decreased in 2009. The city disposed a number of vehicles which contributed to the reduction. The increase in infrastructure of \$633,965 was due to road construction (new and resurfacing). Capital assets, net of depreciation, for the business-type activities had an increase of \$341,617. The largest increase in business-type activities was related to land purchases in the water fund for well protection and for future infrastructure improvements.

As of December 31, 2009, the City has contractual commitments of \$1,009,529 for various improvements. Additional information on the City's capital assets can be found in Note 9.

**Debt**

At December 31, 2009, the City had \$5.47 million in bonds outstanding, \$1,030,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2009 and 2008:

	2009	2008
Governmental Activities:		
General Obligation Bonds	\$4,045,000	\$4,855,000
Special Assessment Bonds	755,000	790,000
Capital Lease	6,665	19,637
Compensated Absences	894,875	875,776
Total Governmental Activities	5,701,540	6,540,413
Business-Type Activities:		
General Obligation Bonds	\$670,000	\$795,000
State Loan	397,680	408,510
Compensated Absences	315,234	343,923
Total Business-Type Activities	1,382,914	1,547,433
Totals	\$7,084,454	\$8,087,846

During 2009, the City rolled over \$550,000 in General Obligation Notes to provide funding for the 25-A construction project and \$1,100,000 to provide funding for the Kinna Drive Construction Project. The City also rolled over \$950,000 in Electric Revenue Notes to provide financing for the Back-up generator project.

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Tipp City lies, is limited to ten mills. At December 31, 2009, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 15.

## **ECONOMIC FACTORS**

The preparation of the 2010 budget was exceedingly challenging as economic recovery looms in the distance making revenue predictions, especially income tax, arduous. In preparing the budget each of the departments were asked to further streamline operations, delay purchases where possible, and limit travel and training to that which is required to maintain certifications or within the State of Ohio. The City worked diligently to reduce operating expenditures whenever possible without jeopardizing safety or affecting the current levels of service. The 2010 operating budget assumes a 2% growth in income tax receipts with job growth projected to pick up during the latter half of the year as the economy starts to get better. Interest earnings and state shared revenue will continue to decrease. Total fiscal year 2010 General Fund revenues are projected at \$5.7 million, a 3% decrease over the final 2009 budget total of \$5.9 million.

The 2010 appropriations budget for the General Fund totals \$6.1 million. This is the same amount as the final 2009 budget; however, the 2009 budget did not include any transfers out to capital improvement funds. The 2010 budget include transfers of \$217,000 to our capital improvement funds. City Council budgeted for some much needed street improvements which have been on hold for a number of years, even though it means the city will use some of the general fund reserves it has built up. Sound long term financial planning has placed the city in a strong position to withstand the economic downturn in the short run. The City's general fund balance of \$4.0 million remains strong. The City will continue to monitor its receipts and expenses very closely.

The City continues to pursue new revenue sources, while reviewing the possibility of increasing existing sources, in addition to a continued review of reducing operating expenditures. A close watch of current economic conditions and city operations is maintained in order to sustain fiscal stability.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Department by calling (937) 667-8426 or writing to City of Tipp City Finance Department, 260 South Garber Drive, Tipp City, Ohio 45371. This report is also available on the City's web site at [www.tippcityohio.gov](http://www.tippcityohio.gov).







**CITY OF TIPP CITY, OHIO**

---

**Statement of Net Assets**  
**December 31, 2009**

---

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 2,045,235	\$ 2,277,177	\$ 4,322,412
Investments	3,322,552	5,294,202	8,616,754
Receivables:			
Taxes	1,281,217	0	1,281,217
Accounts	71,361	1,531,265	1,602,626
Intergovernmental	858,077	9,621	867,698
Interest	21,404	0	21,404
Special Assessments	1,345,565	658,086	2,003,651
Lease	0	1,408,294	1,408,294
Internal Balances	62,472	(62,472)	0
Inventory of Supplies at Cost	143,133	767,225	910,358
Prepaid Items	24,173	5,500	29,673
Investment in Joint Venture	0	5,602,744	5,602,744
Restricted Assets:			
Cash and Cash Equivalents	0	156,408	156,408
Non-Depreciable Capital Assets	13,405,452	2,037,129	15,442,581
Depreciable Capital Assets, Net	25,893,599	19,189,447	45,083,046
<b>Total Assets</b>	<b>48,474,240</b>	<b>38,874,626</b>	<b>87,348,866</b>
<b>Liabilities:</b>			
Accounts Payable	231,290	672,790	904,080
Accrued Wages and Benefits Payable	295,235	91,814	387,049
Intergovernmental Payable	9,292	147,290	156,582
Refundable Deposits	0	156,408	156,408
Unearned Revenue	320,477	458,294	778,771
Accrued Interest Payable	45,458	20,232	65,690
General Obligation Notes Payable	1,650,000	950,000	2,600,000
Noncurrent liabilities:			
Due within one year	1,098,058	185,039	1,283,097
Due in more than one year	4,603,482	1,197,875	5,801,357
<b>Total Liabilities</b>	<b>8,253,292</b>	<b>3,879,742</b>	<b>12,133,034</b>

(Continued)

**CITY OF TIPP CITY, OHIO**

---

---

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	32,842,386	20,158,896	53,001,282
Restricted For:			
Capital Projects	77,605	0	77,605
Debt Service	1,102,241	0	1,102,241
Transportation	714,172	0	714,172
Other Purposes	53,183	0	53,183
Unrestricted	5,431,361	14,835,988	20,267,349
<b>Total Net Assets</b>	<b>\$ 40,220,948</b>	<b>\$ 34,994,884</b>	<b>\$ 75,215,832</b>

See accompanying notes to the basic financial statements

**CITY OF TIPP CITY, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2009**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 3,286,305	\$ 613,231	\$ 0	\$ 0
Leisure Time Activities	1,320,200	332,688	0	90,699
Community Environment	260,189	89,325	0	385,399
Basic Utility Services	238,584	116,993	0	481,957
Transportation	1,858,692	33,388	687,943	210,764
General Government	1,601,373	0	5,939	0
Interest and Fiscal Charges	243,087	0	0	0
<b>Total Governmental Activities</b>	<b>8,808,430</b>	<b>1,185,625</b>	<b>693,882</b>	<b>1,168,819</b>
<b>Business-Type Activities:</b>				
Electric	10,043,278	10,957,613	0	0
Water	2,492,331	2,331,227	0	630,174
Sewer	1,236,664	1,259,362	0	121,395
Refuse Collection	741,101	738,911	0	0
<b>Total Business-Type Activities</b>	<b>14,513,374</b>	<b>15,287,113</b>	<b>0</b>	<b>751,569</b>
<b>Totals</b>	<b>\$ 23,321,804</b>	<b>\$ 16,472,738</b>	<b>\$ 693,882</b>	<b>\$ 1,920,388</b>

**General Revenues:**

Income Taxes  
Property Taxes  
Other Local Taxes  
Unrestricted Shared Revenues  
Investment Earnings  
Miscellaneous  
Transfers  
Total General Revenues and Transfers  
  
Change in Net Assets  
  
Net Assets Beginning of Year  
  
Net Assets End of Year

See accompanying notes to the basic financial statements

**CITY OF TIPP CITY, OHIO**

---

Net (Expense) Revenue  
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (2,673,074)	\$ 0	\$ (2,673,074)
(896,813)	0	(896,813)
214,535	0	214,535
360,366	0	360,366
(926,597)	0	(926,597)
(1,595,434)	0	(1,595,434)
(243,087)	0	(243,087)
<u>(5,760,104)</u>	<u>0</u>	<u>(5,760,104)</u>
0	914,335	914,335
0	469,070	469,070
0	144,093	144,093
0	(2,190)	(2,190)
0	1,525,308	1,525,308
<u>(5,760,104)</u>	<u>1,525,308</u>	<u>(4,234,796)</u>
3,133,216	0	3,133,216
326,079	0	326,079
28,052	0	28,052
1,302,247	0	1,302,247
195,035	0	195,035
1,036,774	0	1,036,774
19,105	(19,105)	0
<u>6,040,508</u>	<u>(19,105)</u>	<u>6,021,403</u>
280,404	1,506,203	1,786,607
<u>39,940,544</u>	<u>33,488,681</u>	<u>73,429,225</u>
<u>\$ 40,220,948</u>	<u>\$ 34,994,884</u>	<u>\$ 75,215,832</u>

**CITY OF TIPP CITY, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2009**

	General	Special Assessment Bond	Capital Improvement Reserve
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 1,120,735	\$ 8,893	\$ 93,276
Investments	2,536,744	0	211,126
Receivables:			
Taxes	981,855	0	133,050
Accounts	71,361	0	0
Intergovernmental	314,588	0	198,418
Interest	21,404	0	0
Special Assessments	0	1,104,809	240,756
Due from Other Funds	66,784	0	0
Inventory of Supplies, at Cost	52,499	0	0
Prepaid Items	23,241	0	0
<b>Total Assets</b>	<b>\$ 5,189,211</b>	<b>\$ 1,113,702</b>	<b>\$ 876,626</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 27,275	\$ 0	\$ 198,418
Accrued Wages and Benefits Payable	276,843	0	0
Intergovernmental Payable	6,764	0	0
Due to Other Funds	3,869	0	0
Deferred Revenue	870,506	1,104,809	319,638
Accrued Interest Payable	0	0	0
General Obligation Notes Payable	0	0	0
<b>Total Liabilities</b>	<b>1,185,257</b>	<b>1,104,809</b>	<b>518,056</b>
<b>Fund Balances:</b>			
Reserved for Encumbrances	72,121	0	48,684
Reserved for Prepaid Items	23,241	0	0
Reserved for Supplies Inventory	52,499	0	0
Reserved for Debt Service	0	8,893	0
Undesignated and Unreserved in:			
General Fund	3,856,093	0	0
Special Revenue Funds	0	0	0
Capital Projects Funds	0	0	309,886
<b>Total Fund Balances</b>	<b>4,003,954</b>	<b>8,893</b>	<b>358,570</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,189,211</b>	<b>\$ 1,113,702</b>	<b>\$ 876,626</b>

See accompanying notes to the basic financial statements

**CITY OF TIPP CITY, OHIO**

---

<u>Kinna Drive Construction</u>	<u>25A- Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 253,895	\$ 22,226	\$ 546,210	\$ 2,045,235
574,682	0	0	3,322,552
0	0	166,312	1,281,217
0	0	0	71,361
0	0	345,071	858,077
0	0	0	21,404
0	0	0	1,345,565
0	0	0	66,784
0	0	90,634	143,133
0	0	932	24,173
<u>\$ 828,577</u>	<u>\$ 22,226</u>	<u>\$ 1,149,159</u>	<u>\$ 9,179,501</u>
\$ 0	\$ 0	\$ 5,597	\$ 231,290
0	0	18,392	295,235
0	0	2,528	9,292
0	0	443	4,312
0	0	312,839	2,607,792
20,162	10,081	0	30,243
<u>1,100,000</u>	<u>550,000</u>	<u>0</u>	<u>1,650,000</u>
<u>1,120,162</u>	<u>560,081</u>	<u>339,799</u>	<u>4,828,164</u>
0	703	323,777	445,285
0	0	932	24,173
0	0	90,634	143,133
0	0	3,754	12,647
0	0	0	3,856,093
0	0	514,834	514,834
(291,585)	(538,558)	(124,571)	(644,828)
<u>(291,585)</u>	<u>(537,855)</u>	<u>809,360</u>	<u>4,351,337</u>
<u>\$ 828,577</u>	<u>\$ 22,226</u>	<u>\$ 1,149,159</u>	<u>\$ 9,179,501</u>

**CITY OF TIPP CITY, OHIO**

---

***Reconciliation Of Total Governmental Fund Balances  
To Net Assets Of Governmental Activities  
December 31, 2009***

---

<b>Total Governmental Fund Balances</b>	<b>\$ 4,351,337</b>
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	39,299,051
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	2,287,315
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(5,716,755)</u>
<b><i>Net Assets of Governmental Funds</i></b>	<b><u>\$ 40,220,948</u></b>
See accompanying notes to the basic financial statements	





**CITY OF TIPP CITY, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2009**

	General	Special Assessment Bond	Capital Improvement Reserve
<b>Revenues:</b>			
Taxes	\$ 2,410,382	\$ 0	\$ 515,221
Intergovernmental Revenues	1,315,357	0	210,764
Charges for Services	1,374,717	0	25,780
Licenses, Permits and Fees	12,678	0	0
Investment Earnings	216,809	0	(3,094)
Special Assessments	746	73,653	59,798
Fines and Forfeitures	15,194	0	0
All Other Revenue	223,999	0	6,830
<b>Total Revenue</b>	<b>5,569,882</b>	<b>73,653</b>	<b>815,299</b>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	2,968,572	0	0
Leisure Time Activities	430,250	0	0
Community Environment	246,653	0	0
Basic Utility Services	234,230	0	0
Transportation	0	0	0
General Government	1,423,844	3,682	6,468
Capital Outlay	47,546	0	522,445
Debt Service:			
Principal Retirement	12,972	35,000	0
Interest and Fiscal Charges	540	31,715	0
<b>Total Expenditures</b>	<b>5,364,607</b>	<b>70,397</b>	<b>528,913</b>
Excess (Deficiency) of Revenues Over Expenditures	205,275	3,256	286,386
<b>Other Financing Sources (Uses):</b>			
Transfers In	0	0	0
Transfers Out	(110,000)	0	(292,555)
<b>Total Other Financing Sources (Uses)</b>	<b>(110,000)</b>	<b>0</b>	<b>(292,555)</b>
Net Change in Fund Balances	95,275	3,256	(6,169)
<b>Fund Balances at Beginning of Year</b>	<b>3,911,059</b>	<b>5,637</b>	<b>364,739</b>
Increase (Decrease) in Inventory Reserve	(2,380)	0	0
<b>Fund Balances End of Year</b>	<b>\$ 4,003,954</b>	<b>\$ 8,893</b>	<b>\$ 358,570</b>

See accompanying notes to the basic financial statements

**CITY OF TIPP CITY, OHIO**

---

Kinna Drive Construction	25-A Construction	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 0	\$ 645,980	\$ 3,571,583
481,957	0	1,192,969	3,201,047
0	0	337,779	1,738,276
0	0	180	12,858
(8,038)	0	0	205,677
0	0	0	134,197
0	0	768	15,962
116,993	0	30,857	378,679
<u>590,912</u>	<u>0</u>	<u>2,208,533</u>	<u>9,258,279</u>
0	0	410	2,968,982
0	0	421,153	851,403
0	0	0	246,653
0	0	0	234,230
0	0	646,218	646,218
0	0	0	1,433,994
853,839	0	504,602	1,928,432
0	0	810,000	857,972
27,068	13,691	172,357	245,371
<u>880,907</u>	<u>13,691</u>	<u>2,554,740</u>	<u>9,413,255</u>
(289,995)	(13,691)	(346,207)	(154,976)
22,000	36,500	1,091,947	1,150,447
0	0	(728,787)	(1,131,342)
<u>22,000</u>	<u>36,500</u>	<u>363,160</u>	<u>19,105</u>
(267,995)	22,809	16,953	(135,871)
(23,590)	(560,664)	743,679	4,440,860
0	0	48,728	46,348
<u>\$ (291,585)</u>	<u>\$ (537,855)</u>	<u>\$ 809,360</u>	<u>\$ 4,351,337</u>

**CITY OF TIPP CITY, OHIO**

---

***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For The Fiscal Year Ended December 31, 2009***

---

**Net Change in Fund Balances - Total Governmental Funds** \$ (135,871)

***Amounts reported for governmental activities in the statement of activities are different because***

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays. (278,578)

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals) is to decrease net assets. (4,102)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (188,550)

The repayment of principal of long-term debt consumes current financial resources of governmental funds, however, it does not effect net assets. 857,972

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 2,284

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. 27,249

***Change in Net Assets of Governmental Activities*** \$ 280,404

See accompanying notes to the basic financial statements

**CITY OF TIPP CITY, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 2,724,396	\$ 2,547,697	\$ 2,570,478	\$ 22,781
Intergovernmental Revenue	1,324,662	1,325,662	1,320,500	(5,162)
Charges for Services	1,348,620	1,373,620	1,372,108	(1,512)
Licenses and Permits	40,800	13,300	12,678	(622)
Investment Earnings	260,000	260,000	257,115	(2,885)
Special Assessments	3,000	3,000	746	(2,254)
Fines and Forfeitures	18,000	18,000	15,945	(2,055)
All Other Revenues	150,600	195,600	213,398	17,798
Total Revenues	<u>5,870,078</u>	<u>5,736,879</u>	<u>5,762,968</u>	<u>26,089</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	3,325,340	3,316,840	2,991,313	325,527
Leisure Time Activities	532,172	528,872	435,831	93,041
Community Environment	271,517	271,517	246,746	24,771
Basic Utility Services	258,054	258,054	245,862	12,192
General Government	1,747,072	1,805,572	1,601,639	203,933
Capital Outlay	59,229	71,129	55,438	15,691
Total Expenditures	<u>6,193,384</u>	<u>6,251,984</u>	<u>5,576,829</u>	<u>675,155</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(323,306)	(515,105)	186,139	701,244
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	1,500	1,500	737	(763)
Transfers Out	(75,000)	(110,000)	(110,000)	0
Total Other Financing Sources (Uses):	<u>(73,500)</u>	<u>(108,500)</u>	<u>(109,263)</u>	<u>(763)</u>
Net Change in Fund Balance	(396,806)	(623,605)	76,876	700,481
Fund Balance at Beginning of Year	3,307,602	3,307,602	3,307,602	0
Prior Year Encumbrances	168,799	168,799	168,799	0
Fund Balance at End of Year	<u>\$ 3,079,595</u>	<u>\$ 2,852,796</u>	<u>\$ 3,553,277</u>	<u>\$ 700,481</u>

See accompanying notes to the basic financial statements

**CITY OF TIPP CITY, OHIO**

**Statement of Fund Net Assets  
Proprietary Funds  
December 31, 2009**

	Business-type activities - Enterprise Funds		
	Electric	Water	Sewer
<b>Assets:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,167,491	\$ 884,885	\$ 130,202
Investments	2,996,594	2,002,902	294,706
Receivables:			
Accounts	1,234,855	168,047	128,363
Intergovernmental	9,621	0	0
Special Assessments	30,921	43,531	583,634
Lease - Current	92,750	0	0
Due from Other Funds	6,024	942	515
Inventory of Supplies at Cost	653,437	101,250	12,538
Prepaid Items	3,093	1,960	447
Restricted Assets:			
Cash and Cash Equivalents	156,408	0	0
Total Current Assets	<u>6,351,194</u>	<u>3,203,517</u>	<u>1,150,405</u>
Noncurrent assets:			
Lease Receivable	1,315,544	0	0
Investment in Joint Venture	0	81,015	5,521,729
Capital Assets:			
Non-Depreciable Capital Assets	53,907	1,979,106	4,116
Depreciable Capital Assets, net	7,105,771	6,402,527	5,681,149
Total Capital Assets	<u>7,159,678</u>	<u>8,381,633</u>	<u>5,685,265</u>
Total Noncurrent Assets	<u>8,475,222</u>	<u>8,462,648</u>	<u>11,206,994</u>
Total Assets	<u>14,826,416</u>	<u>11,666,165</u>	<u>12,357,399</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts Payable	609,938	5,081	276
Accrued Wages and Benefits Payable	55,230	28,941	7,643
Intergovernmental Payable	1,827	86,135	59,328
Refundable Deposits	156,408	0	0
Due to Other Funds	63,696	1,490	1,679
Unearned Revenue	458,294	0	0
Accrued Interest Payable	19,298	135	799
General Obligation Notes Payable	950,000	0	0
General Obligation Bonds Payable - Current	50,000	25,000	50,000
Compensated Absences Payable - Current	30,598	23,622	5,819
Total Current Liabilities	<u>2,395,289</u>	<u>170,404</u>	<u>125,544</u>

**CITY OF TIPP CITY, OHIO**

---

Refuse Collection	Total
\$ 94,599	\$ 2,277,177
0	5,294,202
0	1,531,265
0	9,621
0	658,086
0	92,750
0	7,481
0	767,225
0	5,500
0	156,408
<u>94,599</u>	<u>10,799,715</u>
0	1,315,544
0	5,602,744
0	2,037,129
<u>0</u>	<u>19,189,447</u>
<u>0</u>	<u>21,226,576</u>
<u>0</u>	<u>28,144,864</u>
<u>94,599</u>	<u>38,944,579</u>

57,495	672,790
0	91,814
0	147,290
0	156,408
3,088	69,953
0	458,294
0	20,232
0	950,000
0	125,000
0	60,039
<u>60,583</u>	<u>2,751,820</u>

(Continued)

**CITY OF TIPP CITY, OHIO**

---

**Statement of Fund Net Assets  
Proprietary Funds  
December 31, 2009**

---

	Business-type activities - Enterprise Funds		
	Electric	Water	Sewer
Noncurrent Liabilities:			
General Obligation Bonds Payable	295,000	25,000	225,000
State Loan Payable	0	0	397,680
Compensated Absences Payable	193,931	50,101	11,163
Total Noncurrent Liabilities	488,931	75,101	633,843
<b>Total Liabilities</b>	<b>2,884,220</b>	<b>245,505</b>	<b>759,387</b>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	6,814,678	8,331,633	5,012,585
Unrestricted	5,127,518	3,089,027	6,585,427
Total Net Assets	\$ 11,942,196	\$ 11,420,660	\$ 11,598,012

See accompanying notes to the basic financial statements



**CITY OF TIPP CITY, OHIO**

---

---

---

<u>Refuse Collection</u>	<u>Total</u>
0	545,000
0	397,680
<u>0</u>	<u>255,195</u>
<u>0</u>	<u>1,197,875</u>
<u>60,583</u>	<u>3,949,695</u>
0	20,158,896
<u>34,016</u>	<u>14,835,988</u>
<u>\$ 34,016</u>	<u>\$ 34,994,884</u>

**CITY OF TIPP CITY, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2009**

	Business-type activities - Enterprise Funds		
	Electric	Water	Sewer
<b>Operating Revenues:</b>			
Charges for Services	\$ 10,676,401	\$ 2,048,584	\$ 1,206,526
Other Operating Revenues	280,143	137,895	3,775
<b>Total Operating Revenues</b>	<u>10,956,544</u>	<u>2,186,479</u>	<u>1,210,301</u>
<b>Operating Expenses:</b>			
Personal Services	1,104,978	522,216	132,549
Contractual Services	8,329,124	1,593,085	798,805
Materials and Supplies	127,944	50,818	18,528
Utilities	13,250	10,672	13,598
Depreciation	416,660	311,480	261,821
Other Operating Expenses	5,346	1,748	400
<b>Total Operating Expenses</b>	<u>9,997,302</u>	<u>2,490,019</u>	<u>1,225,701</u>
<b>Operating Income (Loss)</b>	959,242	(303,540)	(15,400)
<b>Non-Operating Revenue (Expenses):</b>			
Income (Loss) from Joint Venture	0	166,961	51,119
Loss on Disposal of Capital Assets	(10,300)	0	0
Interest and Fiscal Charges	(35,676)	(2,312)	(10,963)
Investment Earnings	1,069	(22,213)	(2,058)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(44,907)</u>	<u>142,436</u>	<u>38,098</u>
<b>Income (Loss) Before Contributions and Transfers</b>	914,335	(161,104)	22,698
Transfers-Out	(4,729)	(7,302)	(7,074)
Capital Contributions	0	630,174	121,395
<b>Change in Net Assets</b>	909,606	461,768	137,019
<b>Net Assets Beginning of Year</b>	<u>11,032,590</u>	<u>10,958,892</u>	<u>11,460,993</u>
<b>Net Assets End of Year</b>	<u>\$ 11,942,196</u>	<u>\$ 11,420,660</u>	<u>\$ 11,598,012</u>

See accompanying notes to the basic financial statements

**CITY OF TIPP CITY, OHIO**

---

---

---

<u>Refuse Collection</u>	<u>Total</u>
\$ 738,911	\$ 14,670,422
0	421,813
<u>738,911</u>	<u>15,092,235</u>
0	1,759,743
741,101	11,462,115
0	197,290
0	37,520
0	989,961
0	7,494
<u>741,101</u>	<u>14,454,123</u>
(2,190)	638,112
0	218,080
0	(10,300)
0	(48,951)
0	(23,202)
<u>0</u>	<u>135,627</u>
(2,190)	773,739
0	(19,105)
<u>0</u>	<u>751,569</u>
(2,190)	1,506,203
<u>36,206</u>	<u>33,488,681</u>
<u>\$ 34,016</u>	<u>\$ 34,994,884</u>

**CITY OF TIPP CITY, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2009**

	Business-type activities - Enterprise Funds		
	Electric	Water	Sewer
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$10,676,039	\$2,071,943	\$1,201,587
Cash Payments for Goods and Services	(8,506,750)	(1,623,818)	(827,403)
Cash Payments to Employees	(1,094,123)	(540,793)	(152,539)
Other Operating Revenues	293,313	140,887	23,529
Net Cash Provided (Used) by Operating Activities	1,368,479	48,219	245,174
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers Out to Other Funds	(4,729)	(7,302)	(7,074)
Interest Paid on General Obligation Notes	(23,750)	0	0
Principal Paid on General Obligation Notes	(950,000)	0	0
Proceeds from the Sale of General Obligation Notes	950,000	0	0
Net Cash Used for Noncapital Financing Activities	(28,479)	(7,302)	(7,074)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(257,173)	(271,830)	(66,912)
Receipt of Lease Payments	30,961	0	0
Receipt of Intergovernmental Grants	0	16,061	0
Principal Paid on General Obligation Bonds	(50,000)	(25,000)	(50,000)
Principal Paid on State Loans	0	0	(10,830)
Interest Paid on General Obligation Bonds	(18,289)	(2,375)	(11,088)
Net Cash Used for Capital and Related Financing Activities	(294,501)	(283,144)	(138,830)
<u>Cash Flows from Investing Activities:</u>			
Purchase of Investments	(448,161)	0	(41,313)
Sale of Investments	0	432,158	0
Net Cash Provided (Used) for Investing Activities	(448,161)	432,158	(41,313)
Net Increase (Decrease) in Cash and Cash Equivalents	597,338	189,931	57,957
Cash and Cash Equivalents at Beginning of Year	726,561	694,954	72,245
Cash and Cash Equivalents at End of Year	\$1,323,899	\$884,885	\$130,202
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$1,167,491	\$884,885	\$130,202
Restricted Cash and Cash Equivalents	156,408	0	0
Cash and Cash Equivalents at End of Year	\$1,323,899	\$884,885	\$130,202

**CITY OF TIPP CITY, OHIO**

---

Refuse Collection	Total
\$738,911	\$14,688,480
(739,563)	(11,697,534)
0	(1,787,455)
0	457,729
(652)	1,661,220
0	(19,105)
0	(23,750)
0	(950,000)
0	950,000
0	(42,855)
0	(595,915)
0	30,961
0	16,061
0	(125,000)
0	(10,830)
0	(31,752)
0	(716,475)
0	(489,474)
0	432,158
0	(57,316)
(652)	844,574
95,251	1,589,011
\$94,599	\$2,433,585

\$94,599	\$2,277,177
0	156,408
\$94,599	\$2,433,585

(Continued)

**CITY OF TIPP CITY, OHIO**

**Statement of Cash Flows**

**Proprietary Funds**

**For the Year Ended December 31, 2009**

	Business-type activities - Enterprise Funds		
	Electric	Water	Sewer
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$959,242	(\$303,540)	(\$15,400)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	416,660	311,480	261,821
Adjustments to Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(1,109)	23,284	(4,962)
Increase in Intergovernmental Receivable	(4,130)	0	0
Decrease in Special Assessments Receivable	2,062	2,992	19,754
(Increase) Decrease in Inventory	(27,652)	15,076	(486)
(Increase) Decrease in Prepaid Items	(492)	6,153	(174)
Decrease in Due from Other Funds	118	75	23
Increase (Decrease) in Accounts Payable	19,837	475	(3,582)
Increase (Decrease) in Accrued Wages and Benefits	1,749	(1,226)	(878)
Increase(Decrease) in Due to Other Funds	(5,318)	(212)	(119)
Increase (Decrease) in Intergovernmental Payable	(392)	11,013	8,289
Increase in Customer Deposits Payable	130	0	0
Increase (Decrease) in Compensated Absences	7,774	(17,351)	(19,112)
Total Adjustments	409,237	351,759	260,574
Net Cash Provided (Used) by Operating Activities	\$1,368,479	\$48,219	\$245,174

Schedule of Noncash Investing, Capital and Financing Activities:

During 2009 the Water and Sewer Funds received capital contributions in the amounts of \$614,113 and \$121,395 respectively. During 2009 the fair value of investments decreased by \$20,598, \$22,213 and \$2,058 in the Electric, Water and Sewer Funds, respectively.

See accompanying notes to the basic financial statements

**CITY OF TIPP CITY, OHIO**

---

---

---

<u>Refuse Collection</u>	<u>Total</u>
(\$2,190)	\$638,112
0	989,961
0	17,213
0	(4,130)
0	24,808
0	(13,062)
0	5,487
0	216
1,476	18,206
0	(355)
62	(5,587)
0	18,910
0	130
0	(28,689)
<u>1,538</u>	<u>1,023,108</u>
<u>(\$652)</u>	<u>\$1,661,220</u>

**CITY OF TIPP CITY, OHIO**

---

***Statement of Assets and Liabilities  
Agency Funds  
December 31, 2009***

---

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 89,893
Restricted Assets:	
Cash and Cash Equivalents	<u>35,443</u>
<b>Total Assets</b>	<u>125,336</u>
<b>Liabilities:</b>	
Due to Others	<u>125,336</u>
<b>Total Liabilities</b>	<u>\$ 125,336</u>

See accompanying notes to the basic financial statements



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Tipp City, Ohio (the “City”) is a home-rule municipal corporation created under the laws of the State of Ohio. The City was incorporated as a village in 1850 and became a city in 1960. The City operates under its own Charter. The current Charter, which provides for a Council-Manager form of government, was adopted in 1968 and has been amended four times (in 1977, 1984, 1992 and 2000).

The financial statements are presented as of December 31, 2009 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, “*The Financial Reporting Entity*,” in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City'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 City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, which include the following services: police and fire protection, emergency medical services, parks and recreation, planning, zoning, street maintenance and other governmental services. In addition, the City owns and operates a water treatment and distribution system, a wastewater treatment and collection system and an electric distribution system, each of which is reported as an enterprise fund.

The City is a participant in a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA) with other local cities. This organization is a jointly governed organization. The City has no explicit and measurable equity interest in MVRMA and no ongoing financial responsibility for MVRMA. See Note 17 for further information.

**1. Joint Venture with Equity Interest**

*Tri-Cities North Regional Wastewater Authority* - The City is a participant with the cities of Huber Heights and Vandalia in a joint venture to provide reliable, reasonably priced and environmentally sound wastewater utility collection and treatment service for their respective communities. See Note 18 for further information.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Reporting Entity (Continued)**

1. Joint Venture with Equity Interest (Continued)

*Northern Area Water Authority (NAWA)* – The City is a participant with the City of Vandalia in a joint venture to provide efficient water treatment services to meet the needs of both communities. See Note 18 for further information.

**B. Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/(expenses). The various funds are summarized by type in the basic financial statements. The following fund types are used by the City:

***Governmental Funds***

The governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of “financial flow” (sources, uses and balances of financial resources). The following are the City's major governmental funds:

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the limitations of the City Charter.

Special Assessment Bond Fund – This fund is used to account for special assessments levied and for the payment of special assessment bonded debt with governmental commitment.

Capital Improvement Reserve Fund – This fund is used to account for financial resources used for the major capital projects undertaken by the City.

Kinna Drive Construction Fund – This fund is used to account for street improvements to Kinna Drive financed by note proceeds.

25-A Construction Fund - This fund is used to account for improvements to 25A County Road financed by note proceeds.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting (Continued)**

***Proprietary Funds***

All proprietary funds are accounted for on an “economic resources” measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the City’s enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City’s major enterprise funds are:

Electric Fund – This fund is used to account for the operation of the City’s electric service.

Water Fund – This fund is used to account for the operation of the City’s water service.

Sewer Fund – This fund is used to account for the operation of the City’s sanitary sewer service.

Refuse Collection Fund - This fund is used to account for the operation of the City’s refuse collection service.

***Fiduciary Funds***

Agency Funds - These funds are used to account for assets held by a government unit as an agent for individuals, private organizations, other governmental units, and/or other funds. The City’s agency funds account for contractor fees, employee health insurance withholdings and employee medical reimbursement accounts. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements**

**Government-wide Financial Statements** – The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Interfund receivables and payables between governmental and business-type activities have been eliminated in the government-wide Statement of Net Assets. These eliminations minimize the duplicating effect on assets and liabilities within the governmental and business-type activities total column; however, the interfund services provided and used are not eliminated in the process of consolidation.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

**Fund Financial Statements** – Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

**D. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting** (Continued)

Revenue considered susceptible to accrual at year end includes income taxes, interest on investments, and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Other revenue, including licenses, permits, certain charges for services and miscellaneous revenues are recorded as revenue when received in cash because generally these revenues are not measurable until received.

Special assessment installments including related interest, which are measurable but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 2009 but which are not intended to finance 2009 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 5.

The accrual basis of accounting is utilized for reporting purposes by the government-wide statements, the enterprise funds and the agency funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the City follows GASB guidance as applicable to proprietary funds, as included in business-type activities and proprietary fund statements, and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

**E. 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. The major documents prepared are the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds, other than agency funds, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The legal level of budgetary control is at the personal services and other expenditures level within each department within each fund. Budgetary modifications may only be made by ordinance of the City Council.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

1. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2009.

2. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the personal services and other expenditures level within each department within each fund, and may be modified during the year by ordinance of the City Council. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the personal services and other expenditures level within each department within each fund. The allocation of appropriations within a fund may be modified with the approval of the City Council. During 2009, several supplemental appropriations measures were necessary to budget the use of contingency funds and capital improvement projects. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) for the General Fund is presented on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

3. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

4. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (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 when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund:

<u>Net Change in Fund Balance</u>	<u>General Fund</u>
GAAP Basis (as reported)	\$95,275
Increase (Decrease):	
Accrued Revenues at December 31, 2009 received during 2010	(592,864)
Accrued Revenues at December 31, 2008 received during 2009	662,066
Accrued Expenditures at December 31, 2009 paid during 2010	314,751
Accrued Expenditures at December 31, 2008 paid during 2009	(300,051)
2009 Prepays for 2010	(23,241)
2008 Prepays for 2009	17,464
Outstanding Encumbrances	(96,524)
Budget Basis	<u>\$76,876</u>



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits, State Treasury Asset Reserve (STAR Ohio) and certificates of deposit with original maturity dates of three months or less. The STAR Ohio is considered an investment for purposes of GASB Statement No. 3, but it is reported as a cash equivalent in the basic financial statements because it is a highly liquid instrument which is readily convertible to cash.

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash represents the balance on hand as if each fund maintains its own cash and investments account. For purposes of the statement of cash flows, the proprietary funds' share of equity in investments with original maturities of three months or less are considered to be cash and cash equivalents. See Note 4, "Cash, Cash Equivalents and Investments."

**G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the Ohio Revised Code, and the City's Investment Policies. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", the City records all its investments at fair value except for nonparticipating investment contracts (certificates of deposit) which are reported at cost. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 4, "Cash, Cash Equivalents and Investments."

The City has invested funds in the STAR Ohio during 2009. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2009.

**H. Restricted Assets**

Restricted assets in the enterprise funds represent cash and cash equivalents held as customer deposits.

**I. Inventory**

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market (first-in, first-out) in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased. Inventories of enterprise funds are expensed when used.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**K. Capital Assets and Depreciation**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$750 and an estimated useful life threshold of three or more years.

**1. Property, Plant and Equipment - Governmental Activities**

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, construction in progress, buildings, improvements other than buildings, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets, drainage systems and lighting systems.

**2. Property, Plant and Equipment – Business Type Activities**

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Assets and in the respective funds.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Capital Assets and Depreciation** (Continued)

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation on newly acquired/constructed streets begins in the year following acquisition. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Governmental and Business-Type Activities Estimated Lives (in Years)
Buildings	50
Improvements Other Than Buildings	10 - 45
Machinery, Equipment, Furniture and Fixtures	3 - 35
Infrastructure	50 - 65

**L. Long-Term Obligations**

Long-term liabilities are being repaid from the following funds:

Obligation	Fund
General Obligation Bonds	General Bond Retirement Fund Water Fund Sewer Fund Electric Fund
Special Assessment Bond	Special Assessment Bond Retirement Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Municipal Road Fund Water Fund Sewer Fund Electric Fund
State Loan	Sewer Fund
Capital Lease	General Fund

**M. Compensated Absences**

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Compensated Absences (Continued)**

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

For governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not recorded. For proprietary funds, the entire compensated absences amount is reported as a fund liability.

**N. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net Assets restricted for Other Purposes include federal grants for security of persons and property and mandatory fines for various court programs.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**O. Pensions**

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

**P. Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Q. Interfund Assets/Liabilities**

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the balance sheet. Long-term interfund loans are classified as “advances to/from other funds.”

**R. Reservations of Fund Balance**

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for inventories of supplies, prepaid items, debt service and encumbered amounts not accrued at year end.

**S. 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.

**T. Operating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for electric generation and distribution, water treatment and distribution, wastewater collection and treatment and collection of solid waste refuse. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

This space intentionally left blank.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets of governmental funds as reported in the government-wide statement of net assets. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

*Other long-term assets not available to pay for current-period expenditures:*

Deferred/Delinquent Income Tax Revenue	\$486,274
Delinquent Property Tax Revenue	13,046
Shared Revenues	425,421
Interest Revenue	17,128
Special Assessment Revenue	<u>1,345,446</u>
	\$2,287,315

*Long-Term liabilities not reported in the funds:*

General Obligation Bonds Payable	(\$4,045,000)
Special Assessment Bond Payable	(755,000)
Accrued Interest on Long-Term Debt	(15,215)
Capital Lease Payable	(6,665)
Compensated Absences Payable	<u>(894,875)</u>
	(\$5,716,755)

This space intentionally left blank.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009**

---

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

<i>Amount by which depreciation exceeded capital outlay in the current period:</i>	
Capital Outlay	\$1,284,910
Depreciation Expense	(1,563,488)
	<u>(\$278,578)</u>
<i>Governmental revenues not reported in the funds:</i>	
Decrease in Deferred/Delinquent Income Tax Revenue	(\$92,858)
Increase in Property Tax Revenue	8,622
Decrease in Shared Revenue	(36,099)
Decrease in Special Assessment Revenue	(57,573)
Decrease in Interest Revenue	(10,642)
	<u>(\$188,550)</u>
<i>Net amount of bond and lease principal payments:</i>	
General Obligation Bond Principal Payment	\$810,000
Special Assessment Bond Principal Payment	35,000
Capital Lease Payments	12,972
	<u>\$857,972</u>
<i>Expenses not requiring the use of current financial resources:</i>	
Increase in Compensated Absences Payable	(\$19,099)
Increase in supplies inventory	46,348
	<u>\$27,249</u>

**NOTE 3 – COMPLIANCE AND ACCOUNTABILITY**

**A. Fund Deficit**

The fund deficits at December 31, 2009 of \$291,585 and \$537,855 in the Kinna Drive Construction and 25-A Construction Funds, respectively (capital projects funds), are the result of recording notes payable in the individual fund balance sheets. The General Fund provides transfers, upon City Council’s approval when cash is required not when accruals occur.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 3 – COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Budgetary Deficit**

The budgetary deficit at December 31, 2009 of \$250,000 in the OPWC Grant Fund arises from the recording of encumbrances as expenditures. As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The deficit does not exist under the cash basis of accounting. Transfers are provided when cash is required, not when encumbrances are recorded.

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash resources of a majority of individual funds are combined to form a pool of cash and investments. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents." Ohio law requires the classification of funds held by the City into three categories.

Category 1 consists of "active" funds - those funds required to be kept in a "cash" or "cash equivalent" status for immediate use by the City. Such funds must be maintained either as cash in the City treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited 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;
- Written repurchase agreements in the securities listed above provided that the market 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;



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

- 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, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the City's deposits was \$9,524,149 and the bank balance was \$9,627,440. Federal depository insurance covered \$500,000 of the bank balance. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	Balance
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$9,127,440</u>
Total Balance	<u><u>\$9,127,440</u></u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009**

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**B. Investments**

The City's investments at December 31, 2009 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>	
			<u>less than 1</u>	<u>1-3</u>
STAROhio	\$80,007	AAAm <sup>1</sup>	\$80,007	\$0
United States Treasury Bills	399,951	N/A	399,951	0
United States Treasury Notes	<u>3,216,803</u>	N/A	<u>1,617,076</u>	<u>1,599,727</u>
Total Investments	<u>\$3,696,761</u>		<u>\$2,097,034</u>	<u>\$1,599,727</u>

<sup>1</sup> Standard & Poor's

N/A - Obligations of the U.S. Government are explicitly guaranteed by the US Government and are not considered to have credit risk.

*Interest Rate Risk* – The City's investment policy generally limits security purchases to those that mature within three years of settlement date.

*Investment Credit Risk* – The City has no investment policy that limits its investment choices other than the limitation of State statute for "interim" funds described previously.

*Concentration of Credit Risk* – The City places no limit on the amount the City may invest in one issuer. Of the City's total investments, 10.8% are U.S. Treasury Bills, 87% are U.S. Treasury Notes and 2.2% is invested in STAR Ohio.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's investment policy states that it will diversify its investments to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. All of the City's investments are collateralized by underlying securities pledged by the investment's counterparty, not in the name of the City.

**C. Reconciliation of Cash, Cash Equivalents and Investments**

The classification of cash, cash equivalents and investments on the basic financial statements is based on criteria set forth in GASB Statement No. 9. STAR Ohio and certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009**

---

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**C. Reconciliation of Cash, Cash Equivalents and Investments (Continued)**

A reconciliation between classifications of cash and investments on the financial statements and the classifications per items A and B of this note are as follows:

	Cash and Cash Equivalents	Investments
Per GASB Statement No. 9	\$4,604,156	\$8,616,754
Certificates of Deposit (with maturities of more than 3 months)	5,000,000	(5,000,000)
Investments:		
STAR Ohio	(80,007)	80,007
Per GASB Statement No. 3	<u>\$9,524,149</u>	<u>\$3,696,761</u>

**NOTE 5 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2009 were levied after October 1, 2008 on assessed values as of January 1, 2008, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last reappraisal was completed in 2007. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No.66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2012, the City will be fully reimbursed for the lost revenue. In calendar years 2013-2017, the reimbursements will be phased out.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as the real property taxes described previously.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 5 – TAXES (Continued)**

**A. Property Taxes (Continued)**

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Tipp City. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2009 was \$1.40 per \$1,000 of assessed value. The assessed value upon which the 2009 levy was based was \$261,124,460. This amount constitutes \$255,773,640 in real property assessed value, \$5,117,530 in public utility assessed value and \$233,290 in tangible personal property assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .140% (1.40 mills) of assessed value.

**B. Income Tax**

During 2009, the City levied a tax of 1.25% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

Municipal income tax revenue for 2009 was \$3,133,216. This represents a 14% decrease under 2008 income tax revenue of \$3,644,832.

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2009 consisted of taxes, special assessments, interfund receivables, interest, lease receivable, accounts receivable and intergovernmental receivables arising from shared revenues. All receivables other than those offset by deferred revenues are considered collectable in full.

**CITY OF TIPP CITY, OHIO**

---

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009**

---

**NOTE 7 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2009:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$0	\$110,000
Capital Improvement Reserve Fund	0	292,555
Kinna Drive Construction Fund	22,000	0
25-A Construction Fund	36,500	0
Other Governmental Funds	1,091,947	728,787
Total Governmental Funds	<u>1,150,447</u>	<u>1,131,342</u>
Electric Fund	0	4,729
Water Fund	0	7,302
Sewer Fund	0	7,074
Total Proprietary Funds	<u>0</u>	<u>19,105</u>
Totals	<u>\$1,150,447</u>	<u>\$1,150,447</u>

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

**NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES**

Following is a summary of interfund receivables and payables for all funds for 2009:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund	\$66,784	\$3,869
Other Governmental Funds	0	443
Total Governmental Funds	<u>66,784</u>	<u>4,312</u>
Electric Fund	6,024	63,696
Water Fund	942	1,490
Sewer Fund	515	1,679
Refuse Collection Fund	0	3,088
Total Proprietary Funds	<u>7,481</u>	<u>69,953</u>
Totals	<u>\$74,265</u>	<u>\$74,265</u>

Interfund receivables and payables account for amounts due between funds for utility balances.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009**

**NOTE 9 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2009:

**Historical Cost:**

Class	December 31, 2008	Additions	Deletions	December 31, 2009
<b>Non-depreciable Capital assets:</b>				
Land	\$13,237,135	\$168,317	\$0	\$13,405,452
Total Non-depreciable Capital assets	<u>13,237,135</u>	<u>168,317</u>	<u>0</u>	<u>13,405,452</u>
<b>Capital assets being depreciated:</b>				
Buildings	6,419,576	11,237	0	6,430,813
Improvements Other Than Buildings	4,723,532	119,120	0	4,842,652
Machinery and Equipment	6,046,536	311,865	(137,219)	6,221,182
Infrastructure	25,217,146	674,371	(40,406)	25,851,111
Total Depreciable Capital assets	<u>42,406,790</u>	<u>1,116,593</u>	<u>(177,625)</u>	<u>43,345,758</u>
Total Cost	<u>\$55,643,925</u>	<u>\$1,284,910</u>	<u>(\$177,625)</u>	<u>\$56,751,210</u>

**Accumulated Depreciation:**

Class	December 31, 2008	Additions	Deletions	December 31, 2009
Buildings	(\$1,499,504)	(\$133,458)	\$0	(\$1,632,962)
Improvements Other Than Buildings	(1,129,938)	(230,779)	0	(1,360,717)
Machinery and Equipment	(4,115,027)	(457,445)	133,117	(4,439,355)
Infrastructure	(9,317,725)	(741,806)	40,406	(10,019,125)
Total Depreciation	<u>(\$16,062,194)</u>	<u>(\$1,563,488) *</u>	<u>\$173,523</u>	<u>(\$17,452,159)</u>
<b>Net Value:</b>	<u>\$39,581,731</u>			<u>\$39,299,051</u>

\* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	(\$201,187)
Leisure Time Activities	(396,876)
Transportation	(825,131)
General Government	(140,294)
Total Depreciation Expense	<u>(\$1,563,488)</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009**

**NOTE 9 - CAPITAL ASSETS (Continued)**

**B. Business-Type Activities Capital Assets**

Summary by Category at December 31, 2009:

**Historical Cost:**

Class	December 31, 2008	Additions	Deletions	December 31, 2009
<b>Non-depreciable Capital assets:</b>				
Land	\$1,409,673	\$579,151	\$0	\$1,988,824
Construction in Progress	8,495	39,810	0	48,305
Total Non-depreciable Capital Assets	1,418,168	618,961	0	2,037,129
<b>Capital assets being depreciated:</b>				
Buildings	1,840,650	0	0	1,840,650
Improvements Other Than Buildings	28,409,873	574,979	(12,875)	28,971,977
Machinery and Equipment	2,236,410	147,938	(99,338)	2,285,010
Total Depreciable Capital assets	32,486,933	722,917	(112,213)	33,097,637
Total Cost	\$33,905,101	\$1,341,878	(\$112,213)	\$35,134,766

**Accumulated Depreciation:**

Class	December 31, 2008	Additions	Deletions	December 31, 2009
Buildings	(\$665,106)	(\$35,253)	\$0	(\$700,359)
Improvements Other Than Buildings	(10,993,811)	(782,605)	11,540	(11,764,876)
Machinery and Equipment	(1,361,225)	(172,103)	90,373	(1,442,955)
Total Depreciation	(\$13,020,142)	(\$989,961)	\$101,913	(\$13,908,190)
<b>Net Value:</b>	\$20,884,959			\$21,226,576

This space intentionally left blank.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

All of the City’s full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

**A. Ohio Public Employees Retirement System (“OPERS”)**

The following information was provided by OPERS to assist the City in complying with GASB Statement No. 27, “Accounting for Pensions by State and Local Government Employers.”

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The ORC provides statutory authority for employee and employer contributions. For 2009, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2009 employer contribution rate for local government employer units was 14.00%, of covered payroll which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2009, from January 1 through March 31, 2009 7.0% of annual covered salary was the portion used to fund pension obligations, and from April 1 through December 31, 2009 8.5% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City's required contributions for pension obligations to OPERS for the years ending December 31, 2009, 2008, and 2007 were \$281,180, \$245,349 and \$282,823, respectively, which were equal to the required contributions for each year.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

**B. Ohio Police and Fire Pension Fund (“OP&F”)**

All City full-time police officers participate in OP&F, a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the ORC. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% for police officers. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2009, 12.75% of annual covered salary for police was used to fund pension obligations. The City's contributions for pension obligations to the OP&F Fund for the years ending December 31, 2009, 2008, and 2007 were \$168,839, \$164,894 and \$160,541 for police, which were equal to the required contributions for each year.

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System (“OPERS”)**

Plan Description – 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 plan, which includes a medical plan, prescription drug program and Medicare Part B Premium reimbursement, to qualifying member of both the Traditional Pension and the Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 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 is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

**A. Ohio Public Employees Retirement System (“OPERS”) (Continued)**

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. For 2009, the employer contribution allocated to the health care plan was 7.0% of covered payroll from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OPERS for the years ending December 31, 2009, 2008, and 2007 were \$205,374, \$245,349 and \$186,291, respectively, which were equal to the required contributions for each year.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

**B. Ohio Police and Fire Pension Fund ("OP&F")**

Plan Description – The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority to establish and amend benefits is provided in Chapter 742 of the ORC.

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% of covered payroll for police. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2009, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2009, 2008, and 2007 were \$89,385, \$87,297 and \$84,993 for police, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 12 - COMPENSATED ABSENCES**

All full-time City employees earn vacation at a rate of between 80 to 200 hours per year of active service based on the employee's years of service. Employees are allowed to carry over up to 120 hours, 160 hours or 360 hours to the following year dependent on their employment contract. Upon separation from the City, the employee (or his estate) receives 100% of all vacation and from 25% (up to a maximum of 30 days) to 75% (up to a maximum of 180 days) of the employee's sick leave balance based on years of service and dependent upon the employment contract.

At December 31, 2009, the City's accumulated, unpaid compensated absences amounted to \$1,210,109, of which \$894,875 is recorded as a liability of the Governmental Activities and \$315,234 is recorded as a liability of the Business-Type Activities. The amounts are recorded in "Due within One Year" and "Due in More Than One Year" on the Entity Wide Statement of Net Assets based upon estimated usage.

**NOTE 13 - NOTES PAYABLE**

The Ohio Revised Code provides that notes, including renewal notes, issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than those principal maturities required if the bonds had been issued at the expiration of the initial five year period.

Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources. The City is retiring its notes payable by the issuance of one-year renewal notes with a portion of the principal being retired in accordance with the above provisions.

The City had the following bond anticipation note activity during 2009:

	Maturity Date	Balance December 31, 2008	Issued	(Retired)	Balance December 31, 2009
Capital Projects Notes Payable:					
2.65% 25A Reconstruction	4/20/2010	\$575,000	\$550,000	(\$575,000)	\$550,000
2.65% Kinna Drive Construction	4/20/2010	1,100,000	1,100,000	(1,100,000)	1,100,000
Total Capital Projects Notes Payable		<u>1,675,000</u>	<u>1,650,000</u>	<u>(1,675,000)</u>	<u>1,650,000</u>
Enterprise Notes Payable:					
3.00% Electric Generator Note	5/13/2010	950,000	950,000	(950,000)	950,000
Total Notes Payable		<u>\$2,625,000</u>	<u>\$2,600,000</u>	<u>(\$2,625,000)</u>	<u>\$2,600,000</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009**

---

**NOTE 14 - CAPITAL LEASES**

**A. Capital Lease Receivable**

The City and the Northern Area Water Authority (NAWA) have entered into a capital lease agreement where the City will finance the lease-purchase of a backup electric generator on behalf of NAWA. The value of the equipment leased under the lease agreement is \$1,245,755. The receivable is recorded within the Electric Fund and is recorded on the Statement of Net Assets as lease receivable – current and lease receivable. The following is a schedule of future minimum lease payments, to be received, under the capital lease together with the present value of the net minimum lease payments as of December 31, 2009:

<u>Year Ending December 31,</u>	<u>Business-Type Activities</u>
2010	\$92,750
2011	90,500
2012	88,250
2013	86,000
2014	83,750
2015-2019	385,000
2020-2024	328,750
2025-2028	253,294
Minimum Lease Payments	1,408,294
Less amount representing unearned revenue	<u>(458,294)</u>
Present value of minimum lease payments	<u><u>\$950,000</u></u>

**B. Capital Lease Payable**

The City is obligated under a capital lease for the lease-purchase of a phone system. The cost of the equipment obtained under the lease agreement (\$61,500) is included in the Governmental Activities capital assets as machinery and equipment. The liability for this lease is recorded on the Statement of Net Assets as due within one year and due in more than one year. The following is a schedule of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 2009:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2010	<u>\$6,756</u>
Minimum Lease Payments	6,756
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(91)</u>
Present value of minimum lease payments	<u><u>\$6,665</u></u>

**CITY OF TIPP CITY, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009**

**NOTE 15 - LONG-TERM OBLIGATIONS**

Long-term debt and other long-term obligations of the City at December 31, 2009 were as follows:

	Original Issue Amount	Maturity Year	Balance December 31, 2008	Issued	(Retired)	Balance December 31, 2009	Amount Due Within One Year
<b>Business Type-Activities:</b>							
General Obligation Bonds:							
4.6-4.625% Electric Improvement Bonds	995,000	2015	\$395,000	\$0	(\$50,000)	\$345,000	\$50,000
2.0-3.5% Woodlawn Water Bonds	200,000	2011	75,000	0	(25,000)	50,000	25,000
2.0-3.5% Woodlawn Sewer Bonds	250,000	2013	125,000	0	(25,000)	100,000	25,000
2.0-3.85% Rosewood Sewer Bonds	300,000	2016	200,000	0	(25,000)	175,000	25,000
Total General Obligation Bonds			795,000	0	(125,000)	670,000	125,000
0.00% North East Sewer Interceptor Loan	597,260	2014	408,510	0	(10,830)	397,680	0
Compensated Absences			343,923	39,863	(68,552)	315,234	60,039
Total Business-Type Activity Long-Term Liabilities			\$1,547,433	\$39,863	(\$204,382)	\$1,382,914	\$185,039
<b>Governmental Activities:</b>							
Unvoted General Obligation Bonds:							
4.6-4.625% Service Center Improvement	940,000	2015	\$340,000	\$0	(\$50,000)	\$290,000	\$50,000
4.0-4.800% Capital Facilities Bond	2,325,000	2019	1,100,000	0	(100,000)	1,000,000	100,000
2.0-3.5% Recreation Facility Bond	5,200,000	2013	3,000,000	0	(600,000)	2,400,000	650,000
2.0-3.65% 25A Reconstruction Bond	250,000	2014	150,000	0	(25,000)	125,000	25,000
2.0-3.65% Fire Truck Equipment Bond	275,000	2014	175,000	0	(25,000)	150,000	30,000
2.0-4.15% Donn Davis Construction - City Share	250,000	2017	90,000	0	(10,000)	80,000	10,000
Total General Obligation Bonds			4,855,000	0	(810,000)	4,045,000	865,000
Special Assessment Bonds (with governmental commitment):							
2.0-4.5% Donn Davis Construction Bond	930,000	2024	790,000	0	(35,000)	755,000	40,000
Capital Lease	61,500		19,637	0	(12,972)	6,665	6,665
Compensated Absences			875,776	218,742	(199,643)	894,875	186,393
Total Governmental Activity Long-Term Liabilities			\$6,540,413	\$218,742	(\$1,057,615)	\$5,701,540	\$1,098,058

The principal amount of the City's special assessment bonds outstanding at December 31, 2009, \$755,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009**

**NOTE 15 - LONG-TERM OBLIGATIONS (Continued)**

**A. Future Long-Term Financing Requirements**

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2009, follow:

Years	General Obligation Bonds		Special Assessment Bonds		Loan Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$990,000	\$179,139	\$40,000	\$30,665	\$0	\$0
2011	1,015,000	146,464	40,000	29,465	0	0
2012	990,000	108,964	40,000	28,065	0	0
2013	715,000	72,314	40,000	26,665	0	0
2014	290,000	45,164	45,000	25,265	397,680	0
2015-2019	715,000	82,532	245,000	99,762	0	0
2020-2024	0	0	305,000	37,035	0	0
Totals	<u>\$4,715,000</u>	<u>\$634,577</u>	<u>\$755,000</u>	<u>\$276,922</u>	<u>\$397,680</u>	<u>\$0</u>

**NOTE 16 – CONSTRUCTION COMMITMENT**

At December 31, 2009 the City had the following contractual commitments outstanding:

Project	Remaining Contractual Commitment	Estimated Date of Completion
Traffic Signal Interconnect	\$813,790	Fall 2010
Hyatt Street Water Line	79,000	Spring 2010
Water Tower - Engineering	116,739	Winter 2011

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 17 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 1996 the City entered into a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) with other local cities. As of December 31, 2009, the pool has twenty-one members. The pool has been operational since December of 1988 and was formed in accordance with Section 2744 of the Ohio Revised Code. This jointly governed organization provides real and personal property, crime, surety, general liability, boiler and machinery, employment practices liability, police professional and public official liability coverage up to the limits stated below. Membership in MVRMA is intended to provide broad based coverage up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate. MVRMA is a non-profit corporation governed by a twenty member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. Management is provided by an Executive Director, who is assisted by a Claims Manager, a full-time Loss Control Manager and office staff. The board is responsible for its own financial matters and the corporation maintains its own books of account. Budgeting and financing of MVRMA is subject to the approval of the board, and the organization is covered by policies, procedures, and formally adopted bylaws.

The twenty one participating entities and their respective pool contribution factors for the loss year ended December 31, 2009 are:

<u>Entity</u>	<u>Percentage</u>	<u>Entity</u>	<u>Percentage</u>
Beavercreek	6.14 %	Montgomery	3.26 %
Bellbrook	1.00 %	NAWA	0.1 %
Blue Ash	7.25 %	Piqua	5.29 %
Centerville	3.34 %	Sidney	7.11 %
Englewood	2.33 %	Springdale	4.19 %
Indian Hill	3.56 %	Tipp City	2.96 %
Kettering	12.49 %	Troy	7.52 %
Madeira	2.00 %	Vandalia	4.95 %
Mason	6.75 %	West Carrollton	3.40 %
Miamisburg	8.72 %	Wilmington	5.27 %
Subtotal	<u>53.58 %</u>	Wyoming	2.37 %
		Subtotal	<u>46.42 %</u>
		Total	<u>100.00 %</u>

The individual MVRMA, Inc. members are not considered "participants having equity interest" as defined by GASB Statement No. 14 since members have no rights to any assets of MVRMA, Inc. other than possible residual claims upon dissolution. The risk of loss is transferred from the City to the pool. Therefore, MVRMA, Inc. is a multi-jurisdictional arrangement that has the characteristics of a joint venture but has additional features that distinguish it, for financial reporting purposes, from the traditional joint venture defined in GASB Statement No. 14.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 17 - RISK MANAGEMENT (Continued)**

The following is a summary of insurance coverages at year end:

Property	\$1,000,000,000	per occurrence
Crime / Employee Theft	1,000,000	per occurrence
Liability	10,000,000	per occurrence
Flood	25,000,000	Aggregate
Flood (Zones A &V)	5,000,000	per occurrence
Earthquake (Property)	25,000,000	Aggregate
Extra Expense	5,000,000	per occurrence

The deductible per occurrence is \$2,500. During 2009, MVRMA's self insured retention (SIR) limit for property was \$250,000 except boiler and machinery, which was \$5,000. The SIR for liability was \$1,000,000. The City pays an annual premium to MVRMA which is intended to cover administrative expenses and any claims covered by the pool. The MVRMA Board of Trustees has the ability to require the member cities to make supplemental payments in the event reserves are not adequate to cover claims in a particular loss year. The City was not required to make any supplemental payments as of December 31, 2009.

MVRMA issues a stand-alone financial report that includes financial statements and required supplementary information for MVRMA, Inc. Interested parties may obtain a copy by making a written request to 4625 Presidential Way, Kettering, Ohio 45429-5706.

Workers' compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

The City pays unemployment claims to the State of Ohio as incurred.

In August 1994, the City joined the Ohio Benefits Co-operative, Inc., a health co-op comprised of nine political subdivisions. The co-op was formed to explore the benefits of insurance pooling and collective purchasing strategies for its members. The co-op currently has a contract with Anthem Blue Cross and Blue Shield to handle their health insurance needs. The City pays a premium to Anthem, which handles all claims and benefit processing and assumes all risks.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three years.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 18 - JOINT VENTURES**

**A. Tri-Cities North Regional Wastewater Authority**

Prior to June of 1996 the Miami Conservancy District provided the cities of Tipp City, Vandalia and Huber Heights with wastewater treatment services. The Miami Conservancy District expressed the intent to no longer provide these services to the cities and gave them the option to acquire and operate the facility themselves. In order to do so, the three cities established the Tri-Cities North Regional Wastewater Authority.

Tri-Cities North Regional Wastewater Authority (Tri-Cities) is a joint venture among the cities of Tipp City, Vandalia and Huber Heights. Tri-Cities is governed by a management board consisting of the city managers of the three participating cities. The Board has complete authority over all the aspects of the Plant's operation. Tri-Cities supplies all participating residents of the member cities with sewer services. Each city owns the sewage lines located in its city and bills its residents for usage. Continued existence of Tri-Cities is dependent on the City's continued participation, and the City does have an equity interest. The percentage of equity interest for each city is based on annual usage and is adjusted each year accordingly. The City's equity interest is \$5,521,729 which represents 20.33% of the total equity in Tri-Cities. This reflects an decrease of .05% under the City's equity interest of 20.38% in 2008. Tri-Cities is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefits to or burden on the City. During 2009, the City paid \$654,831 to Tri-Cities for services provided. Complete financial statements can be obtained from Tri-Cities North Regional Wastewater Authority, 3777 Old Needmore Road, Dayton, Ohio 45424.

**B. Northern Area Water Authority**

On March 8, 2002, City officials from Tipp City and Vandalia created a joint venture to plan, finance, construct, and operate a water treatment plant to service the needs of both communities.

The Northern Area Water Authority (NAWA) is a joint venture among the cities of Tipp City and Vandalia. NAWA is governed by a five member management board who have complete authority over all aspects of the operation. NAWA supplies all participating residents of the member cities with water services. Each city owns the water lines located in its city and bills its residents for usage. Operations started in 2007. Continued existence of NAWA is dependent on the City's continued participation and the City does have an equity interest. The percentage of equity interest for each city is based on annual usage and is adjusted each year accordingly. The City's equity interest is \$81,015 which represents 47.45% of the total equity of NAWA on December 31, 2009. NAWA is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefits to or burden on the City. During 2009, the City paid \$1,213,366 to NAWA for services provided. NAWA did file a GAAP basis financial statement in accordance with Ohio Revised Code and copies of this report are available from Northern Area Water Authority, 333 J. E. Bohanan Drive, Vandalia, Ohio 45377.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

---

**NOTE 19 - CONTINGENCIES**

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

**NOTE 20 – SUBSEQUENT EVENTS**

On February 23, 2010 the City issued \$2,650,000 in one year General Obligation Notes. The proceeds of the notes will be used to finance the construction of a new one million gallon water tank and to purchase an advanced metering system for the electric and water utilities. The Notes were sold to George K. Baum and Company at a net interest rate of .85%.

In March 2010, the City entered into contract with CB&I of Sewickly, Pa. for the construction of a one million gallon elevated water storage tank at a cost of \$2,257,000. The city has obtained state grant and loan assistance in the amount of \$1,200,000 for this project. The balance of \$1,400,000 was part of the \$2,650,000 notes issued on February 23.

On April 20, 2010 the City issued \$1,875,000 in ten month General Obligation Notes. The proceeds of the notes were used to retire, with cash on hand, \$1,650,000 Notes due on April 20, 2010 issued for the purpose of improving County Road 25A and Kinna Drive, and \$950,000 Notes due on May 13, 2010 issued to make improvements to our electric system. The Notes were sold to RBC Capital at a net interest rate of .8594%.

In May 2010, the City entered into contract with Elster Corporation of Raleigh, NC. to purchase an advanced metering system for the electric and water utilities at a cost of \$1,838,311. The City has obtained financing in the form of a 0% loan from the State of Ohio. The balance of \$1,250,000 was part of the \$2,650,000 notes issued on February 23.



*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

---

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE  
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS, AND  
FIDUCIARY FUNDS.*

***Nonmajor Governmental Funds***

---

***Special Revenue Funds***

---

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

**Swimming Pool Fund**

To account for revenues and expenditures related to the operations of the Tipp City Municipal Pool.

**Street Construction, Maintenance and Repair Fund**

To account for state levied and controlled gasoline tax and motor vehicle license fees designated for local street construction, maintenance and repair.

**State Highway Improvement Fund**

To account for the portion of the state gasoline tax and motor vehicle license fees designated for construction, maintenance and repair of state highways within the City.

**Municipal Road Fund**

To account for that portion of motor vehicle license fees designated for routine street maintenance and repairs.

**Law Enforcement Fund**

To account for all monies and expenditures related to property or goods obtained by seizure or forfeiture.

**Enforcement and Education Fund**

To account for financial resources used to educate the public regarding laws governing the operation of motor vehicles while under the influence of alcohol.

**Drug Law Enforcement Fund**

To account for monies obtained through fines distributed to the City from drug related offenses or the sale and/or seizure of contraband, and are used to subsidize the City's law enforcement efforts.

**Federal Emergency Management Agency (FEMA) Fund**

To account for grant funds received from the Federal Emergency Management Agency for approved projects under the Public Assistance Grant Program. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

(Continued)

***Special Revenue Funds***

---

**Emergency Medical Services (EMS) Donation Trust Fund**

To account for revenue from contributions of gifts and donations to the Emergency Medical Services department.

**Police Donation Trust Fund**

To account for revenue from contributions of gifts and donations to the police department.

***Debt Service Fund***

---

Debt Service Funds are used to account for retirement of the City's general obligation and special assessment bonds

**General Bond Retirement Fund**

To account for the accumulation of resources for the payment of general obligation debt of the City including self-supporting obligations not otherwise paid from proprietary funds.

***Capital Projects Funds***

---

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

**Parks Capital Improvement Fund**

To account for various capital improvement projects for our city parks system. Revenues consist of a .25% city income tax levy approved by the voters to fund city park improvements.

**Ohio Public Works Commission (OPWC) Grant Fund**

To account for street construction projects, partially funded by state grants from the Ohio Public Works Commission. (The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there was no activity during the year.)

**Clean Ohio Grant Fund**

To account for the grant funds received from the State of Ohio under the Clean Ohio Program.

**CITY OF TIPP CITY, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 500,405	\$ 3,754	\$ 42,051	\$ 546,210
Receivables:				
Taxes	0	0	166,312	166,312
Intergovernmental	323,400	0	21,671	345,071
Inventory of Supplies, at Cost	90,634	0	0	90,634
Prepaid Items	932	0	0	932
<b>Total Assets</b>	<b>\$ 915,371</b>	<b>\$ 3,754</b>	<b>\$ 230,034</b>	<b>\$ 1,149,159</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 5,597	\$ 0	\$ 0	\$ 5,597
Accrued Wages and Benefits Payable	18,392	0	0	18,392
Intergovernmental Payable	2,528	0	0	2,528
Due to Other Funds	443	0	0	443
Deferred Revenue	215,584	0	97,255	312,839
<b>Total Liabilities</b>	<b>242,544</b>	<b>0</b>	<b>97,255</b>	<b>339,799</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	66,427	0	257,350	323,777
Reserved for Prepaid Items	932	0	0	932
Reserved for Supplies Inventory	90,634	0	0	90,634
Reserved for Debt Service	0	3,754	0	3,754
Undesignated/Unreserved	514,834	0	(124,571)	390,263
<b>Total Fund Balances</b>	<b>672,827</b>	<b>3,754</b>	<b>132,779</b>	<b>809,360</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 915,371</b>	<b>\$ 3,754</b>	<b>\$ 230,034</b>	<b>\$ 1,149,159</b>



**CITY OF TIPP CITY, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 645,980	\$ 645,980
Intergovernmental Revenues	716,871	0	476,098	1,192,969
Charges for Services	337,779	0	0	337,779
Licenses and Permits	180	0	0	180
Fines and Forfeitures	768	0	0	768
All Other Revenue	29,357	0	1,500	30,857
<b>Total Revenue</b>	<u>1,084,955</u>	<u>0</u>	<u>1,123,578</u>	<u>2,208,533</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	410	0	0	410
Leisure Time Activities	416,153	0	5,000	421,153
Transportation	646,218	0	0	646,218
Capital Outlay	0	0	504,602	504,602
Debt Service:				
Principal Retirement	0	810,000	0	810,000
Interest and Fiscal Charges	0	172,357	0	172,357
<b>Total Expenditures</b>	<u>1,062,781</u>	<u>982,357</u>	<u>509,602</u>	<u>2,554,740</u>
Excess (Deficiency) of Revenues Over Expenditures	22,174	(982,357)	613,976	(346,207)
<b>Other Financing Sources (Uses):</b>				
Transfers In	70,000	981,947	40,000	1,091,947
Transfers Out	(30,037)	0	(698,750)	(728,787)
<b>Total Other Financing Sources (Uses)</b>	<u>39,963</u>	<u>981,947</u>	<u>(658,750)</u>	<u>363,160</u>
Net Change in Fund Balances	62,137	(410)	(44,774)	16,953
<b>Fund Balances at Beginning of Year</b>	561,962	4,164	177,553	743,679
Increase in Inventory Reserve	48,728	0	0	48,728
<b>Fund Balances End of Year</b>	<u>\$ 672,827</u>	<u>\$ 3,754</u>	<u>\$ 132,779</u>	<u>\$ 809,360</u>

**CITY OF TIPP CITY, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2009**

	Swimming Pool	Street Construction, Maintenance and Repair	State Highway Improvement	Municipal Road
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 27,423	\$ 245,122	\$ 65,772	\$ 133,825
Receivables:				
Intergovernmental	0	208,897	16,938	97,540
Inventory of Supplies, at Cost	0	90,634	0	0
Prepaid Items	0	921	0	11
<b>Total Assets</b>	<u>\$ 27,423</u>	<u>\$ 545,574</u>	<u>\$ 82,710</u>	<u>\$ 231,376</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 5,566	\$ 0	\$ 31
Accrued Wages and Benefits Payable	0	14,997	0	3,395
Intergovernmental Payable	2,528	0	0	0
Due to Other Funds	0	443	0	0
Deferred Revenue	0	139,265	11,292	65,027
<b>Total Liabilities</b>	<u>2,528</u>	<u>160,271</u>	<u>11,292</u>	<u>68,453</u>
<b>Fund Balances:</b>				
Reserved for Encumbrances	0	17,883	2,756	45,783
Reserved for Prepaid Items	0	921	0	11
Reserved for Supplies Inventory	0	90,634	0	0
Undesignated/Unreserved	24,895	275,865	68,662	117,129
<b>Total Fund Balances</b>	<u>24,895</u>	<u>385,303</u>	<u>71,418</u>	<u>162,923</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 27,423</u>	<u>\$ 545,574</u>	<u>\$ 82,710</u>	<u>\$ 231,376</u>

**CITY OF TIPP CITY, OHIO**

---

<u>Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Drug Law Enforcement</u>	<u>EMS Donation Trust</u>	<u>Police Donation Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 10,651	\$ 11,957	\$ 3,952	\$ 187	\$ 1,516	\$ 500,405
0	25	0	0	0	323,400
0	0	0	0	0	90,634
0	0	0	0	0	932
<u>\$ 10,651</u>	<u>\$ 11,982</u>	<u>\$ 3,952</u>	<u>\$ 187</u>	<u>\$ 1,516</u>	<u>\$ 915,371</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,597
0	0	0	0	0	18,392
0	0	0	0	0	2,528
0	0	0	0	0	443
0	0	0	0	0	215,584
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>242,544</u>
0	0	0	5	0	66,427
0	0	0	0	0	932
0	0	0	0	0	90,634
<u>10,651</u>	<u>11,982</u>	<u>3,952</u>	<u>182</u>	<u>1,516</u>	<u>514,834</u>
<u>10,651</u>	<u>11,982</u>	<u>3,952</u>	<u>187</u>	<u>1,516</u>	<u>672,827</u>
<u>\$ 10,651</u>	<u>\$ 11,982</u>	<u>\$ 3,952</u>	<u>\$ 187</u>	<u>\$ 1,516</u>	<u>\$ 915,371</u>

**CITY OF TIPP CITY, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2009**

	Swimming Pool	Street Construction, Maintenance and Repair	State Highway Improvement	Municipal Road
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 426,386	\$ 34,572	\$ 199,974
Charges for Services	329,952	7,827	0	0
Licenses and Permits	0	180	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	1,236	24,353	0	1,028
<b>Total Revenue</b>	<b>331,188</b>	<b>458,746</b>	<b>34,572</b>	<b>201,002</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	0	0
Leisure Time Activities	416,153	0	0	0
Transportation	0	404,791	22,945	134,656
<b>Total Expenditures</b>	<b>416,153</b>	<b>404,791</b>	<b>22,945</b>	<b>134,656</b>
Excess (Deficiency) of Revenues Over Expenditures	(84,965)	53,955	11,627	66,346
<b>Other Financing Sources (Uses):</b>				
Transfers In	70,000	0	0	0
Transfers Out	0	(30,037)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>70,000</b>	<b>(30,037)</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	(14,965)	23,918	11,627	66,346
<b>Fund Balances at Beginning of Year</b>	<b>39,860</b>	<b>312,657</b>	<b>59,791</b>	<b>96,577</b>
Increase in Inventory Reserve	0	48,728	0	0
<b>Fund Balances End of Year</b>	<b>\$ 24,895</b>	<b>\$ 385,303</b>	<b>\$ 71,418</b>	<b>\$ 162,923</b>

**CITY OF TIPP CITY, OHIO**

Law Enforcement	Enforcement and Education	Drug Law Enforcement	FEMA Grant	EMS Donation Trust	Police Donation Trust	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 55,939	\$ 0	\$ 0	\$ 716,871
0	0	0	0	0	0	337,779
0	0	0	0	0	0	180
0	685	83	0	0	0	768
<u>2,740</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>29,357</u>
<u>2,740</u>	<u>685</u>	<u>83</u>	<u>55,939</u>	<u>0</u>	<u>0</u>	<u>1,084,955</u>
276	0	0	0	109	25	410
0	0	0	0	0	0	416,153
0	0	0	83,826	0	0	646,218
<u>276</u>	<u>0</u>	<u>0</u>	<u>83,826</u>	<u>109</u>	<u>25</u>	<u>1,062,781</u>
2,464	685	83	(27,887)	(109)	(25)	22,174
0	0	0	0	0	0	70,000
0	0	0	0	0	0	(30,037)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>39,963</u>
2,464	685	83	(27,887)	(109)	(25)	62,137
8,187	11,297	3,869	27,887	296	1,541	561,962
0	0	0	0	0	0	48,728
<u>\$ 10,651</u>	<u>\$ 11,982</u>	<u>\$ 3,952</u>	<u>\$ 0</u>	<u>\$ 187</u>	<u>\$ 1,516</u>	<u>\$ 672,827</u>

**CITY OF TIPP CITY, OHIO**

---

**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2009**

---

	Parks Capital Improvement	OPWC Grant	Clean Ohio Grant	Total Nonmajor Capital Projects Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 42,051	\$ 0	\$ 0	\$ 42,051
Receivables:				
Taxes	166,312	0	0	166,312
Intergovernmental	0	0	21,671	21,671
<b>Total Assets</b>	<u>\$ 208,363</u>	<u>\$ 0</u>	<u>\$ 21,671</u>	<u>\$ 230,034</u>
<b>Liabilities:</b>				
Deferred Revenue	\$ 97,255	\$ 0	\$ 0	\$ 97,255
<b>Total Liabilities</b>	<u>97,255</u>	<u>0</u>	<u>0</u>	<u>97,255</u>
<b>Fund Balances:</b>				
Reserved for Encumbrances	7,350	250,000	0	257,350
Undesignated/Unreserved	103,758	(250,000)	21,671	(124,571)
<b>Total Fund Balances</b>	<u>111,108</u>	<u>0</u>	<u>21,671</u>	<u>132,779</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 208,363</u>	<u>\$ 0</u>	<u>\$ 21,671</u>	<u>\$ 230,034</u>

**CITY OF TIPP CITY, OHIO**

---

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2009**

---

	Parks Capital Improvement	Clean Ohio Grant	Total Nonmajor Capital Project Funds
<b>Revenues:</b>			
Taxes	\$ 645,980	\$ 0	\$ 645,980
Intergovernmental Revenues	90,699	385,399	476,098
All Other Revenue	1,500	0	1,500
<b>Total Revenue</b>	<u>738,179</u>	<u>385,399</u>	<u>1,123,578</u>
<b>Expenditures:</b>			
Current:			
Leisure Time Activities	5,000	0	5,000
Capital Outlay	140,874	363,728	504,602
<b>Total Expenditures</b>	<u>145,874</u>	<u>363,728</u>	<u>509,602</u>
Excess (Deficiency) of Revenues Over Expenditures	592,305	21,671	613,976
<b>Other Financing Sources (Uses):</b>			
Transfers In	40,000	0	40,000
Transfers Out	(698,750)	0	(698,750)
<b>Total Other Financing Sources (Uses)</b>	<u>(658,750)</u>	<u>0</u>	<u>(658,750)</u>
Net Change in Fund Balances	(66,445)	21,671	(44,774)
<b>Fund Balances at Beginning of Year</b>	<u>177,553</u>	<u>0</u>	<u>177,553</u>
<b>Fund Balances End of Year</b>	<u>\$ 111,108</u>	<u>\$ 21,671</u>	<u>\$ 132,779</u>

**CITY OF TIPP CITY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 2,724,396	\$ 2,547,697	\$ 2,570,478	\$ 22,781
Intergovernmental Revenues	1,324,662	1,325,662	1,320,500	(5,162)
Charges for Services	1,348,620	1,373,620	1,372,108	(1,512)
Licenses and Permits	40,800	13,300	12,678	(622)
Investment Earnings	260,000	260,000	257,115	(2,885)
Special Assessments	3,000	3,000	746	(2,254)
Fines and Forfeitures	18,000	18,000	15,945	(2,055)
All Other Revenues	150,600	195,600	213,398	17,798
Total Revenues	<u>5,870,078</u>	<u>5,736,879</u>	<u>5,762,968</u>	<u>26,089</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police:				
Personal Services	2,106,672	2,106,672	1,969,857	136,815
Travel and Training	17,575	23,075	22,751	324
Materials and Supplies	95,780	90,280	55,124	35,156
Contractual Services	118,378	118,378	95,289	23,089
Total Police	<u>2,338,405</u>	<u>2,338,405</u>	<u>2,143,021</u>	<u>195,384</u>
Fire:				
Personal Services	92,908	84,408	74,002	10,406
Travel and Training	5,000	5,000	4,510	490
Materials and Supplies	5,650	5,650	2,617	3,033
Contractual Services	47,978	47,978	37,077	10,901
Total Fire	<u>151,536</u>	<u>143,036</u>	<u>118,206</u>	<u>24,830</u>
Emergency Medical Services:				
Personal Services	706,580	706,580	625,353	81,227
Travel and Training	10,000	10,000	8,775	1,225
Materials and Supplies	33,852	33,852	25,005	8,847
Contractual Services	84,967	84,967	70,953	14,014
Total Emergency Medical Services	<u>835,399</u>	<u>835,399</u>	<u>730,086</u>	<u>105,313</u>
Total Security of Persons and Property	<u>3,325,340</u>	<u>3,316,840</u>	<u>2,991,313</u>	<u>325,527</u>

(Continued)



**CITY OF TIPP CITY, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2009***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Leisure Time Activities:				
Parks:				
Personal Services	338,300	338,300	311,434	26,866
Travel and Training	750	950	896	54
Materials and Supplies	68,914	68,914	41,606	27,308
Contractual Services	105,508	102,008	63,695	38,313
Total Parks	513,472	510,172	417,631	92,541
Recreation:				
Contractual Services	18,700	18,700	18,200	500
Total Recreation	18,700	18,700	18,200	500
Total Leisure Time Activities	532,172	528,872	435,831	93,041
Community Environment:				
Planning:				
Personal Services	238,684	238,684	230,085	8,599
Travel and Training	4,117	4,117	2,959	1,158
Materials and Supplies	5,201	5,201	2,258	2,943
Contractual Services	23,515	23,515	11,444	12,071
Total Community Environment	271,517	271,517	246,746	24,771
Basic Utility Services:				
Utility Billing:				
Personal Services	197,910	197,910	190,959	6,951
Travel and Training	6,690	6,890	6,590	300
Materials and Supplies	32,979	31,479	28,822	2,657
Contractual Services	20,475	21,775	19,491	2,284
Total Basic Utility Services	258,054	258,054	245,862	12,192
General Government:				
City Council:				
Personal Services	115,146	112,146	80,303	31,843
Travel and Training	6,085	5,085	4,052	1,033
Materials and Supplies	5,077	5,077	1,779	3,298
Contractual Services	9,341	13,341	12,933	408
Total City Council	135,649	135,649	99,067	36,582

(Continued)

**CITY OF TIPP CITY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Commissions:				
Personal Services	18,875	18,875	16,878	1,997
Travel and Training	1,980	1,980	157	1,823
Materials and Supplies	6,123	6,123	1,548	4,575
Contractual Services	35,914	35,914	31,254	4,660
Total Commissions	62,892	62,892	49,837	13,055
Administration:				
Personal Services	210,328	210,328	207,368	2,960
Travel and Training	2,500	2,500	2,061	439
Materials and Supplies	1,200	1,200	354	846
Contractual Services	4,320	4,320	3,807	513
Total Administration	218,348	218,348	213,590	4,758
Buildings and Grounds:				
Personal Services	124,398	124,398	113,735	10,663
Travel and Training	1,000	1,000	302	698
Materials and Supplies	9,725	9,725	8,143	1,582
Contractual Services	113,867	113,667	97,822	15,845
Total Buildings and Grounds	248,990	248,790	220,002	28,788
Finance - Accounting:				
Personal Services	189,005	189,005	181,504	7,501
Travel and Training	1,800	1,800	439	1,361
Materials and Supplies	3,229	3,229	1,512	1,717
Contractual Services	27,549	27,549	26,598	951
Total Finance - Accounting	221,583	221,583	210,053	11,530
Finance - Income Tax:				
Personal Services	159,970	159,970	153,067	6,903
Travel and Training	3,280	3,280	2,914	366
Materials and Supplies	8,293	7,793	7,282	511
Contractual Services	13,325	13,925	13,767	158
Income Tax Refunds	88,920	147,520	140,621	6,899
Total Finance - Income Tax	273,788	332,488	317,651	14,837

(Continued)

**CITY OF TIPP CITY, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2009***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Legal:				
Personal Services	64,185	64,185	62,362	1,823
Travel and Training	400	400	0	400
Materials and Supplies	300	300	0	300
Contractual Services	29,217	29,217	26,413	2,804
Total Legal	94,102	94,102	88,775	5,327
Engineering:				
Personal Services	192,306	192,306	176,032	16,274
Travel and Training	1,600	1,700	1,671	29
Materials and Supplies	4,145	4,145	2,586	1,559
Contractual Services	33,362	33,262	17,103	16,159
Total Engineering	231,413	231,413	197,392	34,021
General Administrative:				
Personal Services	1,662	1,662	929	733
Materials and Supplies	19,480	15,480	0	15,480
Contractual Services	237,165	241,165	204,302	36,863
Other Expenditures	2,000	2,000	41	1,959
Total General Administrative	260,307	260,307	205,272	55,035
Total General Government	1,747,072	1,805,572	1,601,639	203,933
Capital Outlay:				
Police	6,950	6,950	0	6,950
Fire	41,633	50,133	48,272	1,861
Parks	2,082	5,382	4,032	1,350
Planning	1,764	1,764	708	1,056
Utility Billing	500	500	133	367
City Council	500	500	0	500
Commissions	2,000	2,000	0	2,000
Administration	500	500	0	500
Buildings and Grounds	1,550	1,750	1,609	141
Finance - Accounting	500	500	133	367
Finance - Income Tax	500	400	133	267
Engineering	750	750	418	332
Total Capital Outlay	59,229	71,129	55,438	15,691
Total Expenditures	6,193,384	6,251,984	5,576,829	675,155

(Continued)

**CITY OF TIPP CITY, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2009***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(323,306)	(515,105)	186,139	701,244
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	1,500	1,500	737	(763)
Transfers Out	<u>(75,000)</u>	<u>(110,000)</u>	<u>(110,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(73,500)</u>	<u>(108,500)</u>	<u>(109,263)</u>	<u>(763)</u>
Net Change in Fund Balance	(396,806)	(623,605)	76,876	700,481
Fund Balance at Beginning of Year	3,307,602	3,307,602	3,307,602	0
Prior Year Encumbrances	<u>168,799</u>	<u>168,799</u>	<u>168,799</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,079,595</u>	<u>\$ 2,852,796</u>	<u>\$ 3,553,277</u>	<u>\$ 700,481</u>

**CITY OF TIPP CITY, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Debt Service Fund  
For the Year Ended December 31, 2009***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Special Assessments	\$ 73,653	\$ 73,653	\$ 0
Total Revenues	<u>73,653</u>	<u>73,653</u>	<u>0</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	3,710	3,682	28
Debt Service:			
Principal Retirement	35,000	35,000	0
Interest and Fiscal Charges	<u>31,715</u>	<u>31,715</u>	<u>0</u>
Total Expenditures	<u>70,425</u>	<u>70,397</u>	<u>28</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	3,228	3,256	28
Fund Balance at Beginning of Year	<u>5,637</u>	<u>5,637</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,865</u>	<u>\$ 8,893</u>	<u>\$ 28</u>

**CITY OF TIPP CITY, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Projects Fund  
For the Year Ended December 31, 2009***

**CAPITAL IMPROVEMENT RESERVE FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 550,400	\$ 555,515	\$ 5,115
Intergovernmental Revenues	221,522	12,346	(209,176)
Charges for Services	28,600	25,780	(2,820)
Special Assessments	60,000	59,679	(321)
Total Revenues	<u>860,522</u>	<u>653,320</u>	<u>(207,202)</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	2,926	2,545	381
Other Expenditures	36,766	36,155	611
Total General Government	<u>39,692</u>	<u>38,700</u>	<u>992</u>
Capital Outlay	875,979	685,372	190,607
Total Expenditures	<u>915,671</u>	<u>724,072</u>	<u>191,599</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,149)	(70,752)	(15,603)
<b>Other Financing Sources (Uses):</b>			
Sale of Capital Assets	6,500	6,830	330
Transfers Out	(296,831)	(292,555)	4,276
Total Other Financing Sources (Uses)	<u>(290,331)</u>	<u>(285,725)</u>	<u>4,606</u>
Net Change in Fund Balance	(345,480)	(356,477)	(10,997)
Fund Balance at Beginning of Year	216,232	216,232	0
Prior Year Encumbrances	196,921	196,921	0
Fund Balance at End of Year	<u>\$ 67,673</u>	<u>\$ 56,676</u>	<u>\$ (10,997)</u>

**CITY OF TIPP CITY, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Projects Fund  
For the Year Ended December 31, 2009***

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 0	\$ 481,957	\$ 481,957
All Other Revenues	116,993	116,993	0
Total Revenues	<u>116,993</u>	<u>598,950</u>	<u>481,957</u>
<b>Expenditures:</b>			
Capital Outlay	<u>1,081,795</u>	<u>853,839</u>	<u>227,956</u>
Total Expenditures	<u>1,081,795</u>	<u>853,839</u>	<u>227,956</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(964,802)	(254,889)	709,913
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	<u>1,081,795</u>	<u>1,081,795</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 116,993</u>	<u>\$ 826,906</u>	<u>\$ 709,913</u>

**CITY OF TIPP CITY, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Projects Fund  
For the Year Ended December 31, 2009***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Total Revenues	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>			
Capital Outlay	703	703	0
Total Expenditures	703	703	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(703)	(703)	0
Fund Balance at Beginning of Year	21,523	21,523	0
Prior Year Encumbrances	703	703	0
Fund Balance at End of Year	<u>\$ 21,523</u>	<u>\$ 21,523</u>	<u>\$ 0</u>



**CITY OF TIPP CITY, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Fund  
For the Year Ended December 31, 2009***

<b>SWIMMING POOL FUND</b>			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$ 328,750	\$ 329,952	\$ 1,202
All Other Revenues	550	1,236	686
Total Revenues	<u>329,300</u>	<u>331,188</u>	<u>1,888</u>
<b>Expenditures:</b>			
Leisure Time Activities:			
Swimming Pool:			
Materials and Supplies	39,500	37,111	2,389
Contractual Services	376,576	370,170	6,406
Total Leisure Time Activities	<u>416,076</u>	<u>407,281</u>	<u>8,795</u>
Capital Outlay	13,675	8,920	4,755
Total Expenditures	<u>429,751</u>	<u>416,201</u>	<u>13,550</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,451)	(85,013)	15,438
<b>Other Financing Sources (Uses):</b>			
Transfers In	70,000	70,000	0
Total Other Financing Sources (Uses)	<u>70,000</u>	<u>70,000</u>	<u>0</u>
Net Change in Fund Balance	(30,451)	(15,013)	15,438
Fund Balance at Beginning of Year	39,908	39,908	0
Fund Balance at End of Year	<u>\$ 9,457</u>	<u>\$ 24,895</u>	<u>\$ 15,438</u>

**CITY OF TIPP CITY, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Fund  
For the Year Ended December 31, 2009***

**STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 418,976	\$ 423,309	\$ 4,333
Charges for Services	6,900	7,827	927
Licenses and Permits	500	180	(320)
All Other Revenues	18,500	24,353	5,853
Total Revenues	<u>444,876</u>	<u>455,669</u>	<u>10,793</u>
<b>Expenditures:</b>			
Transportation:			
Street:			
Personal Services	323,342	297,017	26,325
Travel and Training	1,035	1,000	35
Materials and Supplies	75,186	58,968	16,218
Contractual Services	93,545	70,047	23,498
Total Expenditures	<u>493,108</u>	<u>427,032</u>	<u>66,076</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,232)	28,637	76,869
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(30,037)</u>	<u>(30,037)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(30,037)</u>	<u>(30,037)</u>	<u>0</u>
Net Change in Fund Balance	(78,269)	(1,400)	76,869
Fund Balance at Beginning of Year	211,597	211,597	0
Prior Year Encumbrances	12,137	12,137	0
Fund Balance at End of Year	<u>\$ 145,465</u>	<u>\$ 222,334</u>	<u>\$ 76,869</u>

**CITY OF TIPP CITY, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Fund  
For the Year Ended December 31, 2009***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 33,971	\$ 34,322	\$ 351
Total Revenues	<u>33,971</u>	<u>34,322</u>	<u>351</u>
<b>Expenditures:</b>			
Transportation:			
Street:			
Materials and Supplies	17,526	9,315	8,211
Contractual Services	21,470	16,386	5,084
Total Expenditures	<u>38,996</u>	<u>25,701</u>	<u>13,295</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,025)	8,621	13,646
Fund Balance at Beginning of Year	51,399	51,399	0
Prior Year Encumbrances	2,996	2,996	0
Fund Balance at End of Year	<u>\$ 49,370</u>	<u>\$ 63,016</u>	<u>\$ 13,646</u>

**CITY OF TIPP CITY, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Fund  
For the Year Ended December 31, 2009***

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>MUNICIPAL ROAD FUND</b>			
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 192,000	\$ 189,795	\$ (2,205)
All Other Revenues	0	1,028	1,028
Total Revenues	<u>192,000</u>	<u>190,823</u>	<u>(1,177)</u>
<b>Expenditures:</b>			
Transportation:			
Street:			
Personal Services	68,478	65,661	2,817
Materials and Supplies	84,198	67,915	16,283
Contractual Services	2,750	1,236	1,514
Total Street	<u>155,426</u>	<u>134,812</u>	<u>20,614</u>
Capital Outlay	45,300	45,300	0
Total Expenditures	<u>200,726</u>	<u>180,112</u>	<u>20,614</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,726)	10,711	19,437
Fund Balance at Beginning of Year	75,402	75,402	0
Prior Year Encumbrances	1,898	1,898	0
Fund Balance at End of Year	<u>\$ 68,574</u>	<u>\$ 88,011</u>	<u>\$ 19,437</u>

**CITY OF TIPP CITY, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Fund  
For the Year Ended December 31, 2009***

---

	LAW ENFORCEMENT FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>			
All Other Revenues	\$ 600	\$ 2,740	\$ 2,140
Total Revenues	<u>600</u>	<u>2,740</u>	<u>2,140</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
State Grant:			
Contractual Services	<u>6,500</u>	<u>276</u>	<u>6,224</u>
Total Expenditures	<u>6,500</u>	<u>276</u>	<u>6,224</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,900)	2,464	8,364
Fund Balance at Beginning of Year	<u>8,187</u>	<u>8,187</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,287</u>	<u>\$ 10,651</u>	<u>\$ 8,364</u>

**CITY OF TIPP CITY, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Fund  
For the Year Ended December 31, 2009***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 1,250	\$ 685	\$ (565)
Total Revenues	<u>1,250</u>	<u>685</u>	<u>(565)</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
State Grant:			
Contractual Services	<u>6,500</u>	<u>0</u>	<u>6,500</u>
Total Expenditures	<u>6,500</u>	<u>0</u>	<u>6,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,250)	685	5,935
Fund Balance at Beginning of Year	<u>11,272</u>	<u>11,272</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,022</u>	<u>\$ 11,957</u>	<u>\$ 5,935</u>

**CITY OF TIPP CITY, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Fund  
For the Year Ended December 31, 2009**

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 50	\$ 83	\$ 33
Total Revenues	<u>50</u>	<u>83</u>	<u>33</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
State Grant:			
Contractual Services	<u>2,500</u>	<u>0</u>	<u>2,500</u>
Total Expenditures	<u>2,500</u>	<u>0</u>	<u>2,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,450)	83	2,533
Fund Balance at Beginning of Year	<u>3,869</u>	<u>3,869</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,419</u>	<u>\$ 3,952</u>	<u>\$ 2,533</u>

**CITY OF TIPP CITY, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Fund  
For the Year Ended December 31, 2009**

---

	FEMA GRANT FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 83,826	\$ 83,826	\$ 0
Total Revenues	<u>83,826</u>	<u>83,826</u>	<u>0</u>
<b>Expenditures:</b>			
Transportation:			
Grants:			
Other Expenditures	83,826	83,826	0
Total Expenditures	<u>83,826</u>	<u>83,826</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



**CITY OF TIPP CITY, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Fund  
For the Year Ended December 31, 2009***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Total Revenues	<u>\$          0</u>	<u>\$          0</u>	<u>\$          0</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Emergency Medic Service:			
Materials and Supplies	<u>          114</u>	<u>          114</u>	<u>          0</u>
Total Expenditures	<u>          114</u>	<u>          114</u>	<u>          0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>          (114)</u>	<u>          (114)</u>	<u>          0</u>
Fund Balance at Beginning of Year	<u>          296</u>	<u>          296</u>	<u>          0</u>
Fund Balance at End of Year	<u><u>\$          182</u></u>	<u><u>\$          182</u></u>	<u><u>\$          0</u></u>

**CITY OF TIPP CITY, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Fund  
For the Year Ended December 31, 2009***

---

**POLICE DONATION TRUST FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Total Revenues	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>			
Security of Persons and Property:			
Police:			
Contractual Services	900	25	875
Total Expenditures	<u>900</u>	<u>25</u>	<u>875</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(900)	(25)	875
Fund Balance at Beginning of Year	<u>1,541</u>	<u>1,541</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 641</u>	<u>\$ 1,516</u>	<u>\$ 875</u>

**CITY OF TIPP CITY, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Fund  
For the Year Ended December 31, 2009***

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Total Revenues	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>			
Debt Service:			
Principal Retirement	3,560,000	3,560,000	0
Interest and Fiscal Charges	267,351	265,113	2,238
Total Expenditures	3,827,351	3,825,113	2,238
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,827,351)	(3,825,113)	2,238
<b>Other Financing Sources (Uses):</b>			
General Obligation Notes Issued	2,600,000	2,600,000	0
Premium on General Obligation Notes	0	3,754	3,754
Transfers In	1,227,351	1,220,949	(6,402)
Total Other Financing Sources (Uses)	3,827,351	3,824,703	(2,648)
Net Change in Fund Balance	0	(410)	(410)
Fund Balance at Beginning of Year	4,164	4,164	0
Fund Balance at End of Year	\$ 4,164	\$ 3,754	\$ (410)

**CITY OF TIPP CITY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Fund  
For the Year Ended December 31, 2009**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 688,000	\$ 694,097	\$ 6,097
Intergovernmental Revenues	90,699	90,699	0
All Other Revenues	1,500	1,500	0
Total Revenues	<u>780,199</u>	<u>786,296</u>	<u>6,097</u>
<b>Expenditures:</b>			
Leisure Time Activities:			
Other Expenditures	<u>45,470</u>	<u>42,944</u>	<u>2,526</u>
Total Leisure Time Activities	<u>45,470</u>	<u>42,944</u>	<u>2,526</u>
Capital Outlay	<u>169,750</u>	<u>148,224</u>	<u>21,526</u>
Total Expenditures	<u>215,220</u>	<u>191,168</u>	<u>24,052</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	564,979	595,128	30,149
<b>Other Financing Sources (Uses):</b>			
Transfers In	40,000	40,000	0
Transfers Out	<u>(698,750)</u>	<u>(698,750)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(658,750)</u>	<u>(658,750)</u>	<u>0</u>
Net Change in Fund Balance	(93,771)	(63,622)	30,149
Fund Balance at Beginning of Year	41,573	41,573	0
Prior Year Encumbrances	<u>56,750</u>	<u>56,750</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,552</u>	<u>\$ 34,701</u>	<u>\$ 30,149</u>

**CITY OF TIPP CITY, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Fund  
For the Year Ended December 31, 2009***

---

	OPWC GRANT FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 250,000	\$ 0	\$ (250,000)
Total Revenues	<u>250,000</u>	<u>0</u>	<u>(250,000)</u>
<b>Expenditures:</b>			
Capital Outlay	250,000	250,000	0
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(250,000)	(250,000)
Fund Balance at Beginning of Year	(250,000)	(250,000)	0
Prior Year Encumbrances	250,000	250,000	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (250,000)</u>	<u>\$ (250,000)</u>

**CITY OF TIPP CITY, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Fund  
For the Year Ended December 31, 2009***

---

	CLEAN OHIO GRANT FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u></u>
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 385,400	\$ 363,728	\$ (21,672)
Total Revenues	<u>385,400</u>	<u>363,728</u>	<u>(21,672)</u>
<b>Expenditures:</b>			
Capital Outlay	385,400	363,728	21,672
Total Expenditures	<u>385,400</u>	<u>363,728</u>	<u>21,672</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



***Fiduciary Funds***

---

---

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

***Agency Funds***

---

**Contractor Maintenance Deposit Fund**

To account for monies received from contractors while they are building structures in the City. Money is returned when the structures are completed.

**Health Insurance Fund**

To account for monies withheld from employees wages for health insurance premiums.

**Medical Reimbursement Fund**

To account for monies withheld from employees wages designated for employees' medical reimbursement accounts established under Internal Revenue Code Section 125 Cafeteria Plan.



**CITY OF TIPP CITY, OHIO**

**Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2009**

	Balance December 31, 2008	Additions	Deductions	Balance December 31, 2009
<b><u>Contractor Maintenance Deposit Fund</u></b>				
Assets:				
Restricted Cash and Cash Equivalents	\$34,640	\$50,645	(\$49,842)	\$35,443
Total Assets	<u>\$34,640</u>	<u>\$50,645</u>	<u>(\$49,842)</u>	<u>\$35,443</u>
Liabilities:				
Due to Others	\$34,640	\$50,645	(\$49,842)	\$35,443
Total Liabilities	<u>\$34,640</u>	<u>\$50,645</u>	<u>(\$49,842)</u>	<u>\$35,443</u>
<b><u>Health Insurance Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$88,781	\$103,200	(\$106,568)	\$85,413
Total Assets	<u>\$88,781</u>	<u>\$103,200</u>	<u>(\$106,568)</u>	<u>\$85,413</u>
Liabilities:				
Due to Others	\$88,781	\$103,200	(\$106,568)	\$85,413
Total Liabilities	<u>\$88,781</u>	<u>\$103,200</u>	<u>(\$106,568)</u>	<u>\$85,413</u>
<b><u>Medical Reimbursement Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$0	\$32,738	(\$28,258)	\$4,480
Total Assets	<u>\$0</u>	<u>\$32,738</u>	<u>(\$28,258)</u>	<u>\$4,480</u>
Liabilities:				
Due to Others	\$0	\$32,738	(\$28,258)	\$4,480
Total Liabilities	<u>\$0</u>	<u>\$32,738</u>	<u>(\$28,258)</u>	<u>\$4,480</u>
<b><u>Total Agency Funds</u></b>				
Assets:				
Cash and Cash Equivalents	\$88,781	\$135,938	(\$134,826)	\$89,893
Restricted Cash and Cash Equivalents	34,640	50,645	(49,842)	35,443
Total Assets	<u>\$123,421</u>	<u>\$186,583</u>	<u>(\$184,668)</u>	<u>\$125,336</u>
Liabilities:				
Due to Others	\$123,421	\$186,583	(\$184,668)	\$125,336
Total Liabilities	<u>\$123,421</u>	<u>\$186,583</u>	<u>(\$184,668)</u>	<u>\$125,336</u>

*CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS*

---

***CITY OF TIPP CITY, OHIO***

---

***Capital Assets Used in the Operation of Governmental Funds  
Schedule by Source  
December 31, 2009***

---

<u>Capital Assets</u>	
Land	\$13,405,452
Buildings	6,430,813
Improvements Other Than Buildings	4,842,652
Machinery and Equipment	6,221,182
Infrastructure	<u>25,851,111</u>
Total Capital Assets	<u><u>\$56,751,210</u></u>

<u>Investment in Capital Assets</u>	
General Fund	\$2,628,687
Special Revenue Funds	218,814
Capital Projects Funds	34,100,530
General Revenue Sharing	56,336
Enterprise Funds	370,695
Trust/Agency Funds	33,943
Infrastructure Prior to 2003	18,451,225
Contributions	<u>890,980</u>
Total Investment in Capital Assets	<u><u>\$56,751,210</u></u>

**CITY OF TIPP CITY, OHIO**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
December 31, 2009**

Function and Activity	Land	Buildings	Improvements Other Than Buildings
<u>General Government:</u>			
Clerk - Council	\$0	\$0	\$0
City Manager	0	0	0
Buildings and Grounds	525,836	2,557,792	0
Finance - Administration	0	0	0
Finance - Utility Billing	0	0	0
Finance - Income Tax	0	0	0
Miscellaneous	0	0	0
Total	525,836	2,557,792	0
<u>Security of Persons and Property:</u>			
Police	0	42,175	0
Fire	82,385	583,494	9,934
EMS	0	1,750	0
Total	82,385	627,419	9,934
<u>Transportation:</u>			
Planning/Engineering	0	0	0
Street	11,150,561	983,015	80,224
Total	11,150,561	983,015	80,224
<u>Leisure Time Activities:</u>			
Parks	1,646,670	900,087	2,626,332
Pool	0	1,362,500	2,126,162
Total	1,646,670	2,262,587	4,752,494
Total Capital Assets	\$13,405,452	\$6,430,813	\$4,842,652

**CITY OF TIPP CITY, OHIO**

---

<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
\$5,388	\$0	\$5,388
17,667	0	17,667
636,441	0	3,720,069
40,106	0	40,106
86,567	0	86,567
27,012	0	27,012
36,767	0	36,767
<u>849,948</u>	<u>0</u>	<u>3,933,576</u>
886,950	0	929,125
1,406,262	0	2,082,075
709,709	0	711,459
<u>3,002,921</u>	<u>0</u>	<u>3,722,659</u>
114,192	0	114,192
844,459	25,851,111	38,909,370
<u>958,651</u>	<u>25,851,111</u>	<u>39,023,562</u>
704,682	0	5,877,771
704,980	0	4,193,642
<u>1,409,662</u>	<u>0</u>	<u>10,071,413</u>
<u>\$6,221,182</u>	<u>\$25,851,111</u>	<u>\$56,751,210</u>

**CITY OF TIPP CITY, OHIO**

***Capital Assets Used in the Operation of Governmental Funds  
Schedule of Changes by Function and Activity  
For Year Ended December 31, 2009***

<u>Function and Activity</u>	<u>December 31, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2009</u>
<u>General Government:</u>				
Clerk - Council	\$5,388	\$0	\$0	\$5,388
City Manager	17,667	0	0	17,667
Buildings and Grounds	3,681,524	38,545	0	3,720,069
Finance - Administration	37,366	2,740	0	40,106
Finance - Utility Billing	86,567	0	0	86,567
Finance - Income Tax	27,012	0	0	27,012
Miscellaneous	57,159	0	(20,392)	36,767
Total	<u>3,912,683</u>	<u>41,285</u>	<u>(20,392)</u>	<u>3,933,576</u>
<u>Security of Persons and Property:</u>				
Police	874,134	86,506	(31,515)	929,125
Fire	2,046,581	35,494	0	2,082,075
EMS	677,608	114,296	(80,445)	711,459
Total	<u>3,598,323</u>	<u>236,296</u>	<u>(111,960)</u>	<u>3,722,659</u>
<u>Transportation:</u>				
Planning/Engineering	94,023	23,837	(3,668)	114,192
Street	38,108,287	842,688	(41,605)	38,909,370
Total	<u>38,202,310</u>	<u>866,525</u>	<u>(45,273)</u>	<u>39,023,562</u>
<u>Leisure Time Activities:</u>				
Parks	5,751,951	125,820	0	5,877,771
Pool	4,178,658	14,984	0	4,193,642
Total	<u>9,930,609</u>	<u>140,804</u>	<u>0</u>	<u>10,071,413</u>
Total Capital Assets	<u>\$55,643,925</u>	<u>\$1,284,910</u>	<u>(\$177,625)</u>	<u>\$56,751,210</u>

# Statistical Section



Tipp City



## ***STATISTICAL TABLES***

---

This part of the city’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city’s overall financial health.

### ***Contents***

---

<b>Financial Trends</b>	S 2 – S 13
These schedules contain trend information to help the reader understand how the city’s financial position has changed over time.	
<b>Revenue Capacity</b>	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the city’s ability to generate its most significant local revenue sources, the property tax and the sales tax.	
<b>Debt Capacity</b>	S 18 – S 27
These schedules present information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	S 28 – S 33
These schedules offer economic and demographic indicators to help the reader understand the environment within which the city’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
<b>Operating Information</b>	S 34 – S 37
These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the City provides and the activities it performs.	

#### **Sources Note:**

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

## *City of Tipp City*

*Net Assets by Component  
Last Seven Years  
(accrual basis of accounting)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Governmental Activities:</b>				
Invested in Capital Assets, Net of Related Debt	\$17,531,512	\$22,091,073	\$28,985,972	\$30,829,948
Restricted	483,118	2,645,126	3,283,949	3,074,745
Unrestricted	<u>5,087,254</u>	<u>2,531,296</u>	<u>3,292,184</u>	<u>3,479,712</u>
Total Governmental Activities Net Assets	<u>\$23,101,884</u>	<u>\$27,267,495</u>	<u>\$35,562,105</u>	<u>\$37,384,405</u>
<b>Business-type Activities:</b>				
Invested in Capital Assets, Net of Related Debt	\$14,824,726	\$15,751,376	\$18,012,991	\$19,874,577
Unrestricted	<u>11,793,935</u>	<u>13,390,643</u>	<u>12,435,714</u>	<u>11,519,382</u>
Total Business-type Activities Net Assets	<u>\$26,618,661</u>	<u>\$29,142,019</u>	<u>\$30,448,705</u>	<u>\$31,393,959</u>
<b>Primary Government:</b>				
Invested in Capital Assets, Net of Related Debt	\$32,356,238	\$37,842,449	\$46,998,963	\$50,704,525
Restricted	483,118	2,645,126	3,283,949	3,074,745
Unrestricted	<u>16,881,189</u>	<u>15,921,939</u>	<u>15,727,898</u>	<u>14,999,094</u>
Total Primary Government Net Assets	<u>\$49,720,545</u>	<u>\$56,409,514</u>	<u>\$66,010,810</u>	<u>\$68,778,364</u>

Source: Finance Director's Office

*City of Tipp City*

---

---

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$31,427,283	\$32,242,094	\$32,842,386
2,443,299	2,243,415	1,947,201
4,176,006	5,455,035	5,431,361
<u>\$38,046,588</u>	<u>\$39,940,544</u>	<u>\$40,220,948</u>

\$19,295,981	\$19,681,449	\$20,158,896
12,679,089	13,807,232	14,835,988
<u>\$31,975,070</u>	<u>\$33,488,681</u>	<u>\$34,994,884</u>

\$50,723,264	\$51,923,543	\$53,001,282
2,443,299	2,243,415	1,947,201
16,855,095	19,262,267	20,267,349
<u>\$70,021,658</u>	<u>\$73,429,225</u>	<u>\$75,215,832</u>

## City of Tipp City

*Changes in Net Assets  
Last Seven Years  
(accrual basis of accounting)*

	2003	2004	2005	2006
<b>Expenses</b>				
Governmental Activities:				
Security of Persons and Property	\$2,793,653	\$2,625,552	\$2,801,884	\$3,059,221
Leisure Time Activities	536,758	615,012	1,047,316	1,223,444
Community Environment	197,713	196,737	223,831	244,199
Basic Utility Services	177,799	205,980	187,154	208,175
Transportation	980,620	1,073,494	1,282,315	1,415,279
General Government	1,340,109	1,362,120	1,487,548	1,570,900
Interest and Fiscal Charges	163,118	269,576	325,851	311,856
<i>Total Governmental Activities Expenses</i>	<u>6,189,770</u>	<u>6,348,471</u>	<u>7,355,899</u>	<u>8,033,074</u>
Business-type Activities:				
Electric	7,868,067	8,287,261	9,042,072	8,279,720
Water	712,745	748,600	899,618	870,940
Sewer	986,680	986,537	1,085,803	1,153,467
Refuse Collection	0	236,867	501,255	560,964
<i>Total Business-type Activities Expenses</i>	<u>9,567,492</u>	<u>10,259,265</u>	<u>11,528,748</u>	<u>10,865,091</u>
<i>Total Primary Government Expenses</i>	<u>\$15,757,262</u>	<u>\$16,607,736</u>	<u>\$18,884,647</u>	<u>\$18,898,165</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$366,090	\$395,559	\$533,723	\$600,915
Leisure Time Activities	91,730	39,183	360,939	382,974
Community Environment	240,882	266,545	130,100	191,900
Basic Utility Services	0	0	0	0
Transportation	11,078	210,443	17,891	4,080
Operating Grants and Contributions	436,175	515,541	631,689	587,476
Capital Grants and Contributions	711,678	2,392,215	5,394,254	1,129,308
<i>Total Governmental Activities Program Revenues</i>	<u>1,857,633</u>	<u>3,819,486</u>	<u>7,068,596</u>	<u>2,896,653</u>

*City of Tipp City*

---

---

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$3,195,571	\$3,319,976	\$3,286,305
1,407,319	1,285,709	1,320,200
231,885	251,345	260,189
229,516	247,636	238,584
1,465,686	1,595,113	1,858,692
1,763,783	1,645,898	1,601,373
286,399	264,771	243,087
<u>8,580,159</u>	<u>8,610,448</u>	<u>8,808,430</u>
8,330,307	9,488,473	10,043,278
1,907,331	2,183,762	2,492,331
1,145,064	1,296,882	1,236,664
661,807	716,728	741,101
<u>12,044,509</u>	<u>13,685,845</u>	<u>14,513,374</u>
<u>\$20,624,668</u>	<u>\$22,296,293</u>	<u>\$23,321,804</u>

\$597,064	\$539,207	\$613,231
391,090	381,063	332,688
176,493	131,771	89,325
0	238,266	116,993
1,339	3,366	33,388
593,159	656,539	693,882
799,014	1,927,765	1,168,819
<u>2,558,159</u>	<u>3,877,977</u>	<u>3,048,326</u>

(continued)

## City of Tipp City

### Changes in Net Assets Last Seven Years (accrual basis of accounting)

	2003	2004	2005	2006
<b>Business-type Activities:</b>				
<b>Charges for Services</b>				
Electric	7,936,740	10,375,880	9,801,970	8,591,803
Water	846,644	1,085,022	1,045,330	1,257,977
Sewer	1,183,526	818,155	1,163,874	967,542
Refuse Collection	0	258,110	532,205	595,003
Capital Grants and Contributions	977,970	591,242	2,424,866	1,091,585
<i>Total Business-type Activities Program Revenues</i>	10,944,880	13,128,409	14,968,245	12,503,910
<i>Total Primary Government Program Revenues</i>	12,802,513	16,947,895	22,036,841	15,400,563
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(4,332,137)	(2,528,985)	(287,303)	(5,136,421)
Business-type Activities	1,377,388	2,869,144	3,439,497	1,638,819
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$2,954,749)	\$340,159	\$3,152,194	(\$3,497,602)
<b>General Revenues and Other Changes in Net Assets</b>				
<b>Governmental Activities:</b>				
Income Taxes	\$3,140,017	\$3,393,013	\$4,189,850	\$3,801,640
Property Taxes	265,457	320,862	337,213	321,525
Other Local Taxes	24,476	27,586	32,993	32,640
Unrestricted Shared Revenues	1,481,185	1,205,612	1,354,519	1,302,928
Investment Earnings	190,610	212,326	377,781	610,310
Miscellaneous	182,860	201,834	156,746	196,113
Loss on Disposal of Capital Assets	(103,529)	0	0	0
Transfers	274,797	345,786	659,747	693,565
<i>Total Governmental Activities</i>	5,455,873	5,707,019	7,108,849	6,958,721
<b>Business-type Activities:</b>				
Loss on Disposal of Capital Assets	(3,199)	0	0	0
Transfers	(274,797)	(345,786)	(659,747)	(693,565)
<i>Total Business-type Activities</i>	(277,996)	(345,786)	(659,747)	(693,565)
<i>Total Primary Government</i>	\$5,177,877	\$5,361,233	\$6,449,102	\$6,265,156
<b>Change in Net Assets</b>				
Governmental Activities	\$1,123,736	\$3,178,034	\$6,821,546	\$1,822,300
Business-type Activities	1,099,392	2,523,358	2,779,750	945,254
<i>Total Primary Government Change in Net Assets</i>	\$2,223,128	\$5,701,392	\$9,601,296	\$2,767,554

Source: Finance Director's Office

*City of Tipp City*

2007	2008	2009
9,351,973	10,077,906	10,957,613
1,818,669	2,276,912	2,331,227
1,218,038	1,318,119	1,259,362
675,937	713,082	738,911
290,512	835,244	751,569
<u>13,355,129</u>	<u>15,221,263</u>	<u>16,038,682</u>
15,913,288	19,099,240	19,087,008
(6,022,000)	(4,732,471)	(5,760,104)
1,310,620	1,535,418	1,525,308
<u>(\$4,711,380)</u>	<u>(\$3,197,053)</u>	<u>(\$4,234,796)</u>
\$3,460,790	\$3,644,832	\$3,133,216
321,337	327,431	326,079
35,265	21,407	28,052
1,311,289	1,474,216	1,302,247
610,371	441,016	195,035
215,622	695,718	1,036,774
0	0	0
729,509	21,807	19,105
<u>6,684,183</u>	<u>6,626,427</u>	<u>6,040,508</u>
0	0	0
(729,509)	(21,807)	(19,105)
<u>(729,509)</u>	<u>(21,807)</u>	<u>(19,105)</u>
<u>\$5,954,674</u>	<u>\$6,604,620</u>	<u>\$6,021,403</u>
\$662,183	\$1,893,956	\$280,404
581,111	1,513,611	1,506,203
<u>\$1,243,294</u>	<u>\$3,407,567</u>	<u>\$1,786,607</u>

## *City of Tipp City*

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund					
Reserved	\$288,089	\$248,742	\$181,997	\$212,848	\$227,633
Unreserved	<u>3,037,167</u>	<u>2,977,834</u>	<u>2,903,537</u>	<u>2,501,267</u>	<u>2,738,720</u>
<i>Total General Fund</i>	<u>3,325,256</u>	<u>3,226,576</u>	<u>3,085,534</u>	<u>2,714,115</u>	<u>2,966,353</u>
All Other Governmental Funds					
Reserved	767,102	1,381,625	2,666,384	1,030,652	4,382,752
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	359,647	366,722	328,567	303,803	362,068
Capital Projects Funds	<u>60,613</u>	<u>349,228</u>	<u>(1,208,457)</u>	<u>(1,137,330)</u>	<u>156,311</u>
Total All Other Governmental Funds	<u>1,187,362</u>	<u>2,097,575</u>	<u>1,786,494</u>	<u>197,125</u>	<u>4,901,131</u>
<i>Total Governmental Funds</i>	<u>\$4,512,618</u>	<u>\$5,324,151</u>	<u>\$4,872,028</u>	<u>\$2,911,240</u>	<u>\$7,867,484</u>

Source: Finance Director's Office

NOTE: Years 2000-2002 Do not include the Fire, EMS, and Police Donation Funds which were classified as fiduciary funds prior to implementing GASB 34 in 2003.



*City of Tipp City*

---

---

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$225,007	\$204,586	\$204,706	\$228,586	\$147,861
<u>3,286,365</u>	<u>3,435,396</u>	<u>3,401,815</u>	<u>3,682,473</u>	<u>3,856,093</u>
<u>3,511,372</u>	<u>3,639,982</u>	<u>3,606,521</u>	<u>3,911,059</u>	<u>4,003,954</u>
1,880,597	736,407	482,190	1,652,697	477,377
361,808	420,362	369,856	505,158	514,834
<u>(519,717)</u>	<u>141,300</u>	<u>(157,446)</u>	<u>(1,628,054)</u>	<u>(644,828)</u>
<u>1,722,688</u>	<u>1,298,069</u>	<u>694,600</u>	<u>529,801</u>	<u>347,383</u>
<u>\$5,234,060</u>	<u>\$4,938,051</u>	<u>\$4,301,121</u>	<u>\$4,440,860</u>	<u>\$4,351,337</u>

## *City of Tipp City*

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>Revenues:</b>				
Taxes	\$2,690,321	\$2,714,921	\$2,742,643	\$3,472,281
Intergovernmental Revenues	1,249,828	2,108,354	1,984,546	2,613,756
Charges for Services	300,753	329,576	363,786	389,278
Licenses, Permits and Fees	48,673	39,889	66,231	104,085
Investment Earnings	615,560	632,641	331,071	196,466
Special Assessments	44,536	42,799	35,801	108,069
Fines and Forfeitures	12,831	19,870	20,568	17,943
All Other Revenue	133,930	141,722	236,768	244,689
<b>Total Revenue</b>	<u>5,096,432</u>	<u>6,029,772</u>	<u>5,781,414</u>	<u>7,146,567</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	1,912,131	2,207,735	2,328,658	2,474,913
Leisure Time Activities	314,361	353,068	405,517	429,309
Community Environment	113,088	213,504	188,598	197,643
Basic Utility Services	129,327	151,674	160,646	174,405
Transportation	352,447	394,343	419,998	504,019
General Government	895,484	1,021,254	1,184,338	1,250,192
Capital Outlay	994,988	3,259,832	1,305,174	3,925,591
Debt Service:				
Principal Retirement	185,000	180,000	230,000	280,000
Interest and Fiscal Charges	78,686	148,973	145,077	164,200
<b>Total Expenditures</b>	<u>4,975,512</u>	<u>7,930,383</u>	<u>6,368,006</u>	<u>9,400,272</u>
Excess (Deficiency) of Revenues Over Expenditures	120,920	(1,900,611)	(586,592)	(2,253,705)

*City of Tipp City*

2004	2005	2006	2007	2008	2009
\$3,724,771	\$4,163,119	\$4,102,979	\$3,713,187	\$4,030,913	\$3,571,583
2,970,947	4,227,822	3,031,924	2,523,552	2,756,171	3,201,047
431,831	875,342	962,883	956,560	1,654,251	1,738,276
140,400	100,348	51,671	88,217	35,547	12,858
216,971	368,738	568,508	634,068	452,408	205,677
290,594	138,087	176,517	146,551	160,172	134,197
12,050	17,374	18,698	20,630	18,286	15,962
195,286	176,457	202,602	320,344	184,486	378,679
<u>7,982,850</u>	<u>10,067,287</u>	<u>9,115,782</u>	<u>8,403,109</u>	<u>9,292,234</u>	<u>9,258,279</u>
2,407,475	2,581,894	2,857,394	2,980,614	3,080,822	2,968,982
518,553	803,645	836,527	866,924	884,455	851,403
193,591	221,349	229,968	238,806	248,376	246,653
187,468	198,912	207,205	223,769	235,440	234,230
467,201	649,449	555,612	549,832	767,377	646,218
1,207,697	1,322,241	1,398,609	1,457,073	1,464,240	1,433,994
4,737,669	6,386,882	2,806,629	2,263,569	1,336,673	1,928,432
305,000	945,660	901,632	897,062	882,509	857,972
253,627	327,982	313,856	288,508	267,055	245,371
<u>10,278,281</u>	<u>13,438,014</u>	<u>10,107,432</u>	<u>9,766,157</u>	<u>9,166,947</u>	<u>9,413,255</u>
(2,295,431)	(3,370,727)	(991,650)	(1,363,048)	125,287	(154,976)

(Continued)

## *City of Tipp City*

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from the Sale of Capital Assets	27,245	3,405	2,125	0
Other Financing Sources - Capital Leases	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0
General Obligation Bonds Issued	0	2,325,000	0	0
Transfers In	1,880,033	1,667,329	983,154	1,232,825
Transfers Out	<u>(1,354,509)</u>	<u>(1,395,501)</u>	<u>(865,255)</u>	<u>(958,028)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>552,769</u>	<u>2,600,233</u>	<u>120,024</u>	<u>274,797</u>
<b>Net Change in Fund Balance</b>	<u>\$673,689</u>	<u>\$699,622</u>	<u>(\$466,568)</u>	<u>(\$1,978,908)</u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 6.62%	 7.04%	 7.41%	 7.97%

Source: Finance Director's Office

NOTE: Years 2000-2002 Do not include the Fire, EMS, and Police Donation Funds which were classified as fiduciary funds prior to implementing GASB 34 in 2003.

*City of Tipp City*

---



---

2004	2005	2006	2007	2008	2009
0	0	0	0	0	0
0	61,500	0	0	0	0
930,000	0	0	0	0	0
5,975,000	0	0	0	0	0
1,274,901	2,346,269	2,458,945	2,453,724	1,282,021	1,150,447
(929,115)	(1,686,522)	(1,765,380)	(1,724,215)	(1,260,214)	(1,131,342)
<u>7,250,786</u>	<u>721,247</u>	<u>693,565</u>	<u>729,509</u>	<u>21,807</u>	<u>19,105</u>
<u>\$4,955,355</u>	<u>(\$2,649,480)</u>	<u>(\$298,085)</u>	<u>(\$633,539)</u>	<u>\$147,094</u>	<u>(\$135,871)</u>
10.08%	18.06%	16.23%	15.19%	17.43%	13.57%

## *City of Tipp City*

*Income Tax Revenues by Source, Governmental Funds  
(Cash Basis of Accounting)  
Last Ten Years*

<b>Tax year</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Income Tax Rate	1.00%	1.00%	1.00%	1.25%	1.25%
Estimated Personal Income (in thousands)	\$257,045	\$255,993	\$261,176	\$272,149	\$280,420
Total Tax Collected	\$2,409,590	\$2,584,714	\$2,480,626	\$3,124,937	\$3,461,382
Income Tax Receipts					
Withholding	1,780,255	1,962,686	1,901,859	2,428,634	2,497,599
Percentage	73.88%	75.93%	76.67%	77.72%	72.16%
Corporate	304,510	296,171	269,046	330,632	543,935
Percentage	12.64%	11.46%	10.85%	10.58%	15.71%
Individuals	324,825	325,857	309,721	365,671	419,848
Percentage	13.48%	12.61%	12.49%	11.70%	12.13%

Source: City Income Tax Department

Note:

The City levies a 1.25% income tax on substantially all income earned within the City. Additional increases in the income tax require voter approval. City residents pay City income tax on income earned outside the City, however; a credit is allowed for income paid to other municipalities.

Employers within the City withhold income tax on employee compensation and remit at least quarterly.

*City of Tipp City*

---

---

2005	2006	2007	2008	2009
1.25%	1.25%	1.25%	1.25%	1.25%
\$282,578	\$293,855	\$306,036	\$319,766	\$319,766
\$3,702,867	\$3,867,731	\$3,679,252	\$3,748,800	\$3,471,660
2,615,737	2,684,253	2,769,744	2,747,671	2,626,888
70.64%	69.40%	75.28%	73.29%	75.67%
636,113	696,447	414,080	508,418	296,977
17.18%	18.01%	11.25%	13.56%	8.55%
451,017	487,031	495,428	492,711	547,795
12.18%	12.59%	13.47%	13.15%	15.79%





## City of Tipp City

*Top Ten Income Tax Withholders  
(Cash Basis of Accounting)  
Current Year and Nine Years Ago*

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2009 Rank</u>
Meijer, Inc.	Warehouse Distribution	1
A. O . Smith Corporation	Manufacturing	2
Tipp City Exempted Village School District	Education	3
Gardens Alive- Springhill	Agricultural-Nursery	4
Federal Government	Government	5
City of Tipp City	Government	6
Creative Extruded Products	Manufacturing	7
Captor Corporation	Manufacturing	8
Transfreight LLC	Trucking	9
Adcare Health Systems	Health Care	10

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2000 Rank</u>
Meijer, Inc.	Warehouse Distribution	1
A. O . Smith Corporation	Manufacturing	2
Tipp City Exempted Village School District	Education	3
Gardens Alive- Springhill	Agricultural-Nursery	4
Creative Extruded Products	Manufacturing	5
Tipp Machine and Tool	Manufacturing	6
Dolly, Inc.	Manufacturing	7
Arbogast	Auto Dealer	8
DAP Products, Inc.	Manufacturing	9
Federal Government	Government	10

Source: City Income Tax Department

Note:

Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholdings by taxpayer. The City chose not to disclose percentages and number of filers by income level because the City does not require all taxpayers to file a return, therefore it does not have, nor can it obtain, this type of information.

## *City of Tipp City*

### *Ratios of Outstanding Debt By Type Last Ten Years*

	2000	2001	2002	2003
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$995,000	\$3,140,000	\$2,910,000	\$2,630,000
Special Assessment Bonds Payable	0	0	0	0
Capital Leases	0	0	0	0
<b>Business-type Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$1,675,000	\$1,450,000	\$1,225,000	\$1,065,000
Long-Term Loan Payable	580,236	467,837	464,505	432,095
Total Primary Government	<u>\$3,250,236</u>	<u>\$5,057,837</u>	<u>\$4,599,505</u>	<u>\$4,127,095</u>
<b>Population</b> <sup>(2)</sup>				
City of Tipp City	9,221	9,221	9,221	9,221
Outstanding Debt Per Capita	\$352	\$549	\$499	\$448
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	257,045	255,993	261,176	272,149
Percentage of Personal Income	1.26%	1.98%	1.76%	1.52%

**Sources:**

- (1) City Finance Director's Office
- (2) US Bureau of Census, Population Division
- (3) US Department of Commerce, Bureau of Economic Analysis
  - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

*City of Tipp City*

2004	2005	2006	2007	2008	2009
\$8,300,000	\$7,395,000	\$6,540,000	\$5,690,000	\$4,855,000	\$4,045,000
930,000	895,000	860,000	825,000	790,000	755,000
0	55,840	44,208	32,146	19,637	6,665
\$1,605,000	\$1,370,000	\$1,135,000	\$950,000	\$795,000	\$670,000
432,095	408,510	408,510	408,510	408,510	397,680
<u>\$11,267,095</u>	<u>\$10,124,350</u>	<u>\$8,987,718</u>	<u>\$7,905,656</u>	<u>\$6,868,147</u>	<u>\$5,874,345</u>
9,221	9,221	9,221	9,221	9,221	9,221
\$1,222	\$1,098	\$975	\$857	\$745	\$637
280,420	282,578	293,855	306,036	319,766	319,766
4.02%	3.58%	3.06%	2.58%	2.15%	1.84%

**City of Tipp City**

*Ratios of General Bonded Debt Outstanding  
Last Ten Years*

Year	2000	2001	2002	2003
<b>Population</b> (1)	9,221	9,221	9,221	9,221
<b>Assessed Value</b> (2)	\$215,569,470	\$237,924,370	\$244,019,430	\$249,255,370
<b>General Bonded Debt</b> (3)				
General Obligation Bonds	\$995,000	\$3,140,000	\$2,910,000	\$2,630,000
<b>Resources Available to Pay Principal</b> (4)	\$0	\$0	\$1,087	\$83,030
<b>Net General Bonded Debt</b>	\$995,000	\$3,140,000	\$2,908,913	\$2,546,970
<b>Ratio of Net Bonded Debt to Estimated Assessed Value</b>	0.46%	1.32%	1.19%	1.02%
<b>Net Bonded Debt per Capita</b>	\$107.91	\$340.53	\$315.47	\$276.21

**Source:**

(1) U.S. Bureau of Census of Population

(2) Miami County Auditor

(3) Includes all general obligation bonded debt supported by property taxes and income taxes.

Does not include general obligation bonded debt supported by enterprise funds or special assessments.

(4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

*City of Tipp City*

---

---

2004	2005	2006	2007	2008	2009
9,221	9,221	9,221	9,221	9,221	9,221
\$260,699,910	\$266,979,780	\$259,775,650	\$275,784,680	\$267,820,410	\$261,124,460
\$8,300,000	\$7,395,000	\$6,540,000	\$5,690,000	\$4,855,000	\$4,045,000
\$8,589	\$0	\$0	\$954	\$4,164	\$3,754
\$8,291,411	\$7,395,000	\$6,540,000	\$5,689,046	\$4,850,836	\$4,041,246
3.18%	2.77%	2.52%	2.06%	1.81%	1.55%
\$899.19	\$801.97	\$709.25	\$616.97	\$526.06	\$438.27



## *City of Tipp City*

*Computation of Direct and Overlapping  
General Obligation Debt  
December 31, 2009*

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to the City of Tipp City</u>	<u>Amount Applicable to the City of Tipp City</u>
<b>Direct:</b>			
City of Tipp City	\$0	100.00%	\$0
<b>Overlapping:</b>			
Tipp City Exempted Village School District	16,939,985	67.92%	11,505,638
Troy City School District	19,000,000	0.01%	1,900
Miami County	12,125,000	12.19%	1,478,038
Miami Valley Career Center JVSD	6,675,000	3.79%	252,983
		Subtotal	<u>13,238,559</u>
		Total	<u><u>\$13,238,559</u></u>

**Source:** Miami County Auditor and Fiscal Officers of Subdivisions.

**Note:**

Net debt outstanding include only general obligation debt payable from property taxes. Excludes general obligation debt payable from income taxes, enterprise funds, and special assessments.

## *City of Tipp City*

### *Debt Limitations Last Ten Years*

<b>Collection Year</b>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>Total Debt</b>				
Net Assessed Valuation	\$215,569,470	\$237,924,370	\$244,019,430	\$249,255,370
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	22,634,794	24,982,059	25,622,040	26,171,814
City Debt Outstanding (2)	0	0	0	0
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Margin	<u>\$22,634,794</u>	<u>\$24,982,059</u>	<u>\$25,622,040</u>	<u>\$26,171,814</u>
<b>Unvoted Debt</b>				
Net Assessed Valuation	\$215,569,470	\$237,924,370	\$244,019,430	\$249,255,370
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	11,856,321	13,085,840	13,421,069	13,709,045
City Debt Outstanding (2)	0	0	0	0
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Margin	<u>\$11,856,321</u>	<u>\$13,085,840</u>	<u>\$13,421,069</u>	<u>\$13,709,045</u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City debt outstanding does not include general obligation debt that is supported by enterprise funds, income tax receipts, and special assessments.

Source: Finance Director's Office



*City of Tipp City*

2004	2005	2006	2007	2008	2009
\$260,699,910	\$266,979,780	\$259,775,650	\$275,784,680	\$267,820,410	\$261,124,460
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
27,373,491	28,032,877	27,276,443	28,957,391	28,121,143	27,418,068
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$27,373,491</u>	<u>\$28,032,877</u>	<u>\$27,276,443</u>	<u>\$28,957,391</u>	<u>\$28,121,143</u>	<u>\$27,418,068</u>
\$260,699,910	\$266,979,780	\$259,775,650	\$275,784,680	\$267,820,410	\$261,124,460
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
14,338,495	14,683,888	14,287,661	15,168,157	14,730,123	14,361,845
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$14,338,495</u>	<u>\$14,683,888</u>	<u>\$14,287,661</u>	<u>\$15,168,157</u>	<u>\$14,730,123</u>	<u>\$14,361,845</u>

***City of Tipp City***

*Pledged Revenue Coverage  
Last Six Years*

	2004	2005	2006	2007	2008
<b>Special Assessment Bonds (1)</b>					
Special Assessment Collections	\$0	\$73,653	\$73,653	\$73,653	\$73,653
Debt Service					
Principal	0	35,000	35,000	35,000	35,000
Interest	20,338	34,865	34,165	33,465	32,678
Coverage	0.00	1.05	1.06	1.08	1.09

(1) The Street Special Assessment Bonds were issued in 2004, in the amount of \$930,000.

Source: Finance Director's Office

*City of Tipp City*

---

---

---

2009

\$73,653

35,000

31,715

1.10

# City of Tipp City

## Demographic and Economic Statistics Last Ten Years

Calendar Year	2000	2001	2002	2003
<b>Population</b> (1)				
City of Tipp City	9,221	9,221	9,221	9,221
Miami County	98,868	98,868	98,868	98,868
<b>Income</b> (2) (a)				
Total Personal (in thousands)	257,045	255,993	261,176	272,149
Per Capita	27,876	27,762	28,324	29,514
<b>Unemployment Rate</b> (3)				
Federal	4.2%	3.8%	4.8%	5.8%
State	4.3%	3.7%	4.3%	5.7%
Miami County	3.4%	4.3%	5.5%	6.1%
<b>Civilian Work Force Estimates</b> (3)				
State	5,900,400	5,857,000	5,828,000	5,915,000
Miami County	50,500	51,800	52,000	52,200
<b>Total Assessed Property Value</b> (4)	215,569,470	237,924,370	244,019,430	249,255,370
<b>Estimated Actual Property Value</b> (4)	667,327,149	739,651,194	759,270,302	775,791,777

### Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2008 for the presentation of 2009 statistics, the City is using the latest information available.

(a) Total Personal Income is a calculation based on the County's Per Capita Income, which is the only information available.

(3) State Department of Labor Statistics

(4) Miami County Auditor

*City of Tipp City*

---



---

2004	2005	2006	2007	2008	2009
9,221	9,221	9,221	9,221	9,221	9,221
98,868	98,868	98,868	98,868	98,868	98,868
280,420	282,578	293,855	306,036	319,766	319,766
30,411	30,645	31,868	33,189	34,678	34,678
6.0%	5.1%	4.6%	4.6%	5.8%	9.3%
6.1%	5.9%	5.5%	5.6%	6.6%	10.2%
5.6%	5.6%	5.5%	5.4%	6.4%	11.7%
5,875,300	5,900,400	5,934,000	5,976,500	5,986,400	5,970,200
54,300	54,100	55,100	55,400	55,400	55,400
260,699,910	266,979,780	259,775,650	275,784,680	267,820,410	261,124,460
806,202,806	822,422,149	786,707,789	854,886,147	803,462,520	747,736,243



## *City of Tipp City*

### *Principal Employers Current Year and Nine Years Ago*

<u>Employer</u>	<u>Nature of Business</u>	<u>2009</u>	
		<u>Number of Employees</u>	<u>Rank</u>
Meijer, Inc.	Warehouse Distribution	755	1
Tipp City Exempted Village School District	Education	288	2
A. O . Smith Corporation	Manufacturing	259	3
Creative Extruded Products	Manufacturing	182	4
Adcare Health Systems	Health Care	110	5
Transfreight	Trucking	109	6
Captor	Manufacturing	100	7
Gardens Alive- Springhill	Agricultural and Nursery	100	8
City of Tipp City	Government	100	9
Arbogast	Auto Dealer	92	10
Total		<u>2,095</u>	

<u>Employer</u>	<u>Nature of Business</u>	<u>2000</u>	
		<u>Number of Employees</u>	<u>Rank</u>
Meijer, Inc.	Warehouse Distribution	980	1
A. O . Smith Corporation	Manufacturing	325	2
Tipp City Exempted Village School District	Education	283	3
Dolly, Inc.	Manufacturing	250	4
Creative Extruded Products	Manufacturing	225	5
Springhill Nurseries	Agricultural and Nursery	140	6
Adcare Health Systems	Health Care	138	7
Tipp Machine & Tool	Manufacturing	120	8
Allen Foods	Food Processing	100	9
S. K. Mold and Tool	Manufacturing	95	10
Total		<u>2,656</u>	

**Sources:** Tipp City Income Tax Department and Tipp City Chamber of Commerce

Note: Total number of employees within the City of Tipp City is not available.

## *City of Tipp City*

### *Full Time Equivalent Employees by Function Last Ten Years*

	2000	2001	2002	2003
<b>Governmental Activities</b>				
General Government				
Legislative	4.00	4.00	4.00	4.00
City Manager	2.25	2.00	2.00	2.00
Building and Facility Services	0.00	0.00	0.50	0.50
Finance	7.25	7.25	7.50	7.50
Legal	0.50	0.50	0.50	0.50
Engineering	1.50	2.50	2.50	2.50
Security of Persons and Property				
Police	19.00	21.00	21.50	21.50
Fire and EMS	14.00	14.00	15.00	15.00
Transportation				
Street	5.75	5.75	6.00	6.00
Leisure Time Activities				
Parks	5.00	5.00	6.00	6.00
Pool	4.75	4.75	4.75	4.75
Community Environment				
Community and Economic Development	2.50	2.50	2.50	2.50
<b>Business-Type Activities</b>				
Utilities				
Electric	11.00	11.00	14.50	14.50
Water	4.50	4.50	5.00	5.00
Sewer	2.50	2.50	3.00	3.00
Refuse Collection	0.00	0.00	0.00	0.00
Total Employees	<u>84.50</u>	<u>87.25</u>	<u>95.25</u>	<u>95.25</u>

**Method:** 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: Finance Director's Office



*City of Tipp City*

---



---

2004	2005	2006	2007	2008	2009
4.00	4.00	4.00	4.00	4.00	3.50
2.00	2.00	2.00	2.00	2.00	2.00
1.50	1.50	2.00	2.00	2.00	2.00
7.50	7.50	7.50	8.00	8.00	8.00
0.50	0.50	0.50	0.50	0.50	0.50
2.50	3.00	3.00	3.00	3.00	3.00
22.00	22.00	22.50	22.50	22.50	22.50
15.50	15.50	15.50	15.50	15.50	15.50
6.00	6.00	6.00	6.00	6.00	5.50
6.00	6.00	6.00	6.00	6.00	5.25
0.00	0.00	0.00	0.00	0.00	0.00
2.50	2.50	2.50	2.50	2.50	2.50
14.50	14.50	15.50	15.50	15.50	15.50
5.00	5.25	5.50	8.50	8.50	8.50
3.00	5.25	3.50	3.50	3.50	3.50
0.00	0.00	0.00	0.00	0.00	0.00
<u>92.50</u>	<u>95.50</u>	<u>96.00</u>	<u>99.50</u>	<u>99.50</u>	<u>97.75</u>

## *City of Tipp City*

### *Operating Indicators by Function Last Ten Years*

	2000	2001	2002	2003
<b>Governmental Activities</b>				
General Government				
Accounts Payable Checks processed	3,181	3,531	3,532	3,304
Purchase Orders issued	2,925	2,955	2,800	2,823
Court				
Number of Criminal Cases	420	352	349	403
Number of Traffic Cases	633	784	830	752
Licenses and Permits				
Number of Residential Building Permits	66	56	94	126
Number of Commercial Building Permits	16	27	8	5
Security of Persons and Property				
Police				
Criminal Arrests	n/a	564	606	650
Calls for Service	n/a	13,956	17,485	16,805
Number of Accidents	n/a	381	441	417
Fire and EMS				
Number of Fire Calls	383	423	448	397
Number of EMS Runs	1,191	1,230	1,301	1,283
Transportation				
Street				
Tons of Salt Used	925	1,060	338	1,085
Leisure Time Activities				
Swimming Pool Receipts	31,274	34,312	38,899	29,226
<b>Business-Type Activities</b>				
Electric				
Number of Service Connections	4,471	4,491	4,493	4,564
Peak Demand (megawatts)	27.3	28.0	30.0	29.4
Energy Purchased (MWh)	147,191	144,499	148,599	148,675
Water				
Number of Service Connections	3,647	3,708	3,735	3,783
Daily Average Consumption (mgd)	1.2	1.7	1.2	1.2
Peak Daily Consumption (mgd)	3.2	2.7	3.2	3.2
Sewer				
Sewer Treatment Charges	546,145	525,729	534,839	557,044
Daily Average Sewage Treatment (mgd)	1.2	1.4	1.2	1.2
Refuse Collection				
Number of Customers Billed	n/a	n/a	n/a	n/a

Source: Finance Director's Office

Note: n/a = Information is not available. Refuse billing started in 2004.

*City of Tipp City*

2004	2005	2006	2007	2008	2009
3,500	3,343	3,542	3,576	3,495	3,068
2,599	2,502	2,813	2,780	2,631	2,312
334	408	368	412	341	332
584	688	747	742	781	684
79	82	34	31	21	10
9	8	8	9	5	3
675	805	676	770	679	596
16,580	17,345	16,391	15,420	15,595	17,570
382	385	416	390	335	188
392	414	404	408	437	348
1,272	1,343	1,415	1,353	1,347	1,256
610	665	621	1,121	844	476
12,240	247,737	268,227	268,574	266,423	244,334
4,634	4,711	4,761	4,804	4,807	4,833
28.5	31.4	31.4	33.0	30.1	29.3
153,050	157,954	160,677	154,852	149,116	140,826
3,849	3,927	3,984	4,026	4,043	4,050
1.2	1.4	1.3	1.3	1.2	1.2
3.2	2.6	2.8	2.5	2.5	2.1
580,709	589,276	612,634	621,828	650,130	643,307
1.7	1.7	1.8	1.6	1.7	1.5
3,737	3,793	3,837	3,852	3,835	3,911

## *City of Tipp City*

### *Capital Asset Statistics by Function Last Ten Years*

	2000	2001	2002	2003
<b>Governmental Activities</b>				
General Government				
Area (square miles)	6.2	6.2	6.2	7.0
Security of Persons and Property				
Police				
Stations	1	1	1	1
Fire				
Stations	2	2	2	2
Transportation				
Street				
Miles of Street	48	48	51	52
Street Lights	1,141	1,147	1,165	1,228
Miles of Storm Sewers	46	46	49	50
Leisure Time Activities				
Park Area (acres)	366	366	368	394
Number of Parks	11	11	12	12
Number of Tennis Courts	2	2	2	2
Number of Ball Fields	12	12	12	12
<b>Business-Type Activities</b>				
Utilities				
Electric				
Substations	3	3	3	3
Water				
Waterlines (Miles)	45	45	45	46
Number of Fire hydrants	525	525	561	590
Sewer				
Sewerlines (Miles)	43	43	45	46

Source: Finance Director's Office

*City of Tipp City*

---



---

2004	2005	2006	2007	2008	2009
7.1	7.2	7.2	7.5	7.5	7.5
1	1	1	1	1	1
2	2	2	2	2	2
58	60	60	61	61	61
1,276	1,302	1,328	1,400	1,409	1,419
56	58	58	59	60	60
394	434	434	434	436	436
12	17	17	17	17	17
2	2	2	2	2	2
12	20	20	20	20	17
3	3	3	3	3	3
52	54	54	55	56	57
639	658	658	658	665	675
52	54	54	55	56	57




30

Great Miami  
River  
Recreational Trail


Tipp City  
Nature Center

You are now on  
the Miami Erie  
Canal Tow Path

Canal Lock  
Park  1.1 mi

Kyle Park  2.0 mi

Great Miami River 

Trail Owned & Maintained by  
 The City of Tipp City  
In Case of Emergency Call 911

  
Tipp City

City of Tipp City  
Government Center  
260 South Garber Drive  
Tipp City, Ohio 45371







**Mary Taylor, CPA**  
Auditor of State

**CITY OF TIPP CITY**

**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  
JULY 1, 2010**