

**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



CITY OF TIPP CITY  
MIAMI COUNTY

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

City of Tipp City  
Miami County  
260 South Garber Drive  
Tipp City, Ohio 45371

To Members of City Council:

We have audited the financial statements of the City of Tipp City, Miami County, (the City) as of and for the year ended December 31, 2000, and have issued our report thereon dated June 19, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 19, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 19, 2001.

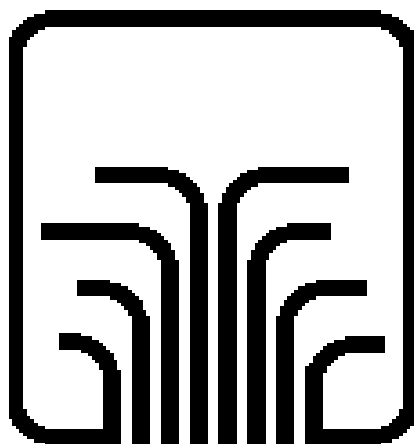
This report is intended for the information and use of management and Council, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

June 19, 2001

# TIPP CITY, OHIO

MIAMI COUNTY



"Our Image is Growing"

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2000

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

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MIAMI COUNTY

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2000

Prepared by:  
Department of Finance  
Richard U. Drennen, Director



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## *INTRODUCTORY SECTION*

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"Our Image is Growing"

# City of Tipp City, Ohio

260 South Garber Drive

Tipp City, Ohio 45317

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June 19, 2001

To The Council and The Citizens of the City of Tipp City, Ohio

I am pleased to present the first Comprehensive Annual Financial Report (CAFR) of the City of Tipp City, (the City) for the fiscal year ended December 31, 2000. While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Tipp City to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. I believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operation of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

This report is comprised of three major sections:

1. The Introductory Section includes this Letter of Transmittal which addresses the organization, accomplishments and operational structure of the City, a list of the Principal City Officials, and an Organizational Chart;
2. The Financial Section contains the Report of Independent Accountants, the General Purpose Financial Statements, which includes explanatory notes and provides an overview of the City's financial position and operating results, and the Combining Financial Statements of the Individual Funds and Account Groups that provide detailed information to the General Purpose Financial Statements;
3. The Statistical Section presents social, economic, and historical data in a multi-year format which can be used to identify financial trends, and data relative to the fiscal capacity of the City.

This CAFR was prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB) and other authoritative pronouncements.

## **REPORTING ENTITY**

The accompanying general purpose financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include financial activity of the primary government. The primary government consists of all the organizations, activities, and functions that are not legally separate from the City. Component units are legally separate organizations for which the City (government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to, or impose a financial burden on the City.

Based on the foregoing, the reporting entity of the City has no component units but includes the following services as authorized by its charter: 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 one entity. The city is associated with the Tri-Cities North Regional Wastewater Authority (Tri-Cities), which is defined as a joint venture. 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. This organization is presented in Note 17.

## **THE CITY OF TIPP CITY**

The City of Tipp City is a vibrant Ohio community located fourteen miles north of Dayton. The City was incorporated as a village in 1850, and became a City in 1960. Its six square mile area serves a residential population of 9,221 (2000 Census). The City is in the Dayton-Springfield, Ohio Metropolitan Statistical Area (MSA), comprised of the four counties of Montgomery, Greene, Clark and Miami and being the 19<sup>th</sup> largest of 271 MSA'S in the United States. 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 whom are elected at-large for overlapping four-year terms. The City Council appoints a City Manager, and a Clerk. The City Manager is the City's chief administrative officer. He appoints all Department Managers of the City.

## **ECONOMIC CONDITIONS AND OUTLOOK**

Tipp City continues to experience substantial economic growth including the addition of new businesses and the expansion of existing ones. Since June of 1999, the following developments have occurred: Guys and Dolls constructed a new 3,100 square foot hair salon, New Carlisle Federal Savings Bank constructed a new 2,768 square foot bank, CVS Pharmacy built a new store investing over \$500,000 in the 10,000 square foot building and Evan's Title Agency built a new 9,500 square foot building. Industrial expansions in 2000 include: Bensar Development's speculation building of 120,000 square feet (estimated cost of \$2,500,000), Winco Industries expansion of 12,000 square feet (estimated cost of \$200,000), A. O. Smith Corporation's building renovation of \$950,000, Precision Strip 140,000 square foot expansion (estimated cost of \$3,200,000), Proto Plastics expansion (estimated cost of \$800,000), SKW-MBT expansion (estimated cost of \$487,700) and Dolly, Inc. new construction of a 59,000 square foot distribution center (estimated cost of \$1,200,000). Several annexations brought in additional acreage and one new business, Bruns General Contracting.

Tipp City will continue to be a very desirable community in which to live and do business. Its prime location along Interstates 75 and 70, and close proximity to Dayton Airport bode well for the future expansion of the City's residential, commercial, and industrial bases.

## **MAJOR INITIATIVES**

### **For the Year**

Transportation related projects tended to dominate our capital improvement spending. The Elm Street Reconstruction project was completed at a cost of \$359,000. The City borrowed \$300,000 in December 2000 to complete phase one of the Amokee Ditch Storm Sewer project. This project is scheduled for completion by July 2001.

Plans were drawn up to renovate and beautify our Main Street corridor between Interstate-75 and Canal Lock 15. This project will include sidewalks, street lighting, new traffic signals and landscaping.

In the public safety arena, the architectural design work for the Police Facility Relocation was completed. The City borrowed \$1.7 million in December 2000 to finance this project.

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.

An electric deregulation committee consisting of staff members and representatives from the City Council and Amp-Ohio began assessing Tipp City's response to deregulation.

Software and hardware upgrades in the Utility Billing office have enabled the mailing of a new "statement style" utility bill in December 2000. A new computer-generated service order system was implemented and has helped to speed response and better track requests for service from our customers.

A restructuring of positions allowed for the upgrade of the part-time City Engineer position to full-time with additional responsibilities as Service Director overseeing Parks, Streets and Inspection. The Utility/Service Director position was changed to focus exclusively on the rapidly evolving utility issues related to electric deregulation and the development of a new Water Treatment Facility.



The City is well known for several historic festivals. They are Canal Days and the Tipp City Mum Festival. Canal Days, which occurs on the third weekend in May, is a tribute to the City's historic heritage featuring a music festival, old-style street market, art shows and canal period displays. The Mum Festival, which takes place the fourth weekend of September, celebrates the long lasting fall flower, the chrysanthemum, and its connection to Tipp City based Springhill Nurseries. Hometown activities featured at this event include a street dance, parade and live entertainment.

### **For The Future**

Priority items for the future are related to the City's infrastructure. The North Third Street Reconstruction Project and the South First Street Reconstruction Project are scheduled to be completed in 2001 at a cost of \$996,000. State grants are expected to provide \$575,000 toward these projects.

The construction of the new Water Treatment Plant at \$4 million is scheduled to start in late 2001 or early 2002.

Grant funds have been secured for the development of a Canal Lock Park in the amount of \$52,000, and another \$45,000 was awarded for the development of a bike path through the Nature Center.

The City will need to keep abreast of all of the issues concerning electric deregulation in Ohio. Currently, under Ohio law, Municipal Electric Systems do not have to open up their systems to competition. The City has decided to take a "wait and see" approach as to whether or not we should "open" our system to allow customers to choose their own providers. This is largely due to the volatility of rates in states where deregulation has been accomplished. Tipp City purchases its electricity at the lowest possible cost through a variety of contracts that are secured through Amp-Ohio. This approach achieves the basic intent of the deregulation bill by allowing groups of customers or communities to "aggregate" their load and purchase power on the open market. Tipp City has not generated electricity since 1974 and historically has provided its residents with substantially lower rates than neighboring utilities. As the full picture of deregulation develops, we will continue to evaluate and pursue a customer choice program when and if a clear benefit is demonstrated for Tipp City electric customers.

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.

## **FINANCIAL INFORMATION**

### **Accounting Controls**

The City's budgetary accounting system was designed to provide reasonable assurance that:

1. The City's assets are protected against loss and unauthorized use or disposition;  
and
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

The concept of reasonable assurance states that internal controls should be evaluated using the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation; and
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City Administration and members of the finance office.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

### **Budgetary Control**

Budgetary control is maintained within the personal services, materials and supplies, contractual services and capital outlay categories within each department through the encumbering of estimated purchase amounts prior to the release of formal purchase orders to vendors. Purchase orders which result in an overrun above appropriated balances are not released until additional appropriations are made available via amendments to the annual appropriations ordinance by City Council. Unencumbered appropriations lapse at the end of each year.

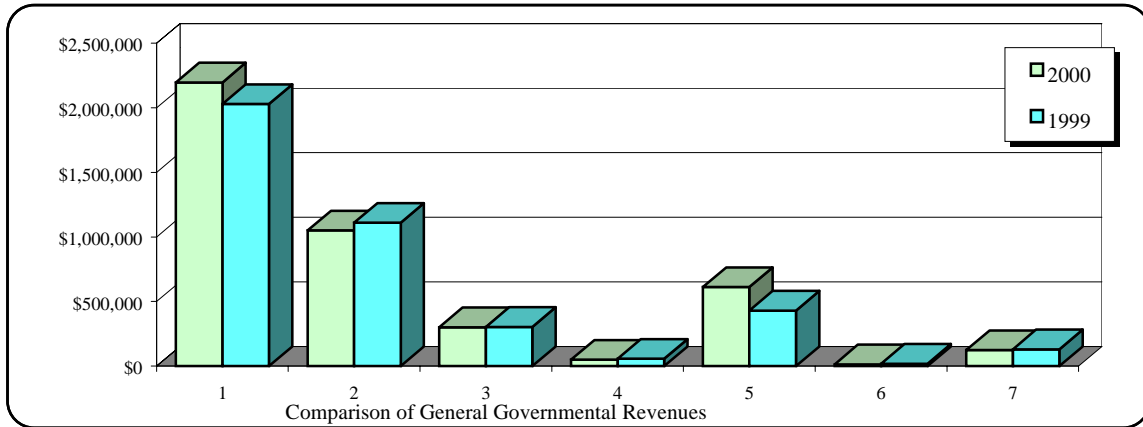
The City's accounting system provides interim financial reports which detail year-to-date expenditures plus encumbrances versus the original appropriations plus any additional appropriations made to date. The reports permit the Finance Director and other city officials to ascertain the status of each department's appropriations at any time during the year.

## **FINANCIAL HIGHLIGHTS**

### **General Government Functions**

The following schedules present a summary of general governmental revenues (including general, special revenue and debt service funds) for the year ended December 31, 2000, the percentage of each source to total revenues, and the amount of increase or decrease in relation to the prior year's revenue.

	2000	Percent	1999	Increase
Revenue Source	Total	of Total	Total	(Decrease) over 1999
1. Taxes	\$2,197,531	50.56%	\$2,029,562	\$167,969
2. Intergovernmental Revenue	1,050,707	24.18%	1,110,545	(59,838)
3. Charges for Service	300,753	6.92%	302,952	(2,199)
4. Licenses and Permits	48,673	1.12%	56,338	(7,665)
5. Investment Earnings	611,282	14.07%	429,144	182,138
6. Fines and Forfeitures	12,831	0.30%	18,207	(5,376)
7. All Other Revenue	124,000	2.85%	129,482	(5,482)
Total	<u>\$4,345,777</u>	<u>100.00%</u>	<u>\$4,076,230</u>	<u>\$269,547</u>



### Revenue Narrative

General government revenues totaled \$4,345,777 for 2000, an increase of \$269,547 over 1999. The income tax, the largest tax source, increased in total by 4.88% or approximately \$111,274 in 2000.

Intergovernmental revenues consist primarily of shared license and gasoline tax revenues, local government assistance provided by the State of Ohio through reimbursement for real and personal property tax reductions, inheritance taxes and various other federal and state grants. Intergovernmental revenues decreased \$59,838 due primarily to a reduction in grant revenues from 1999 to 2000.

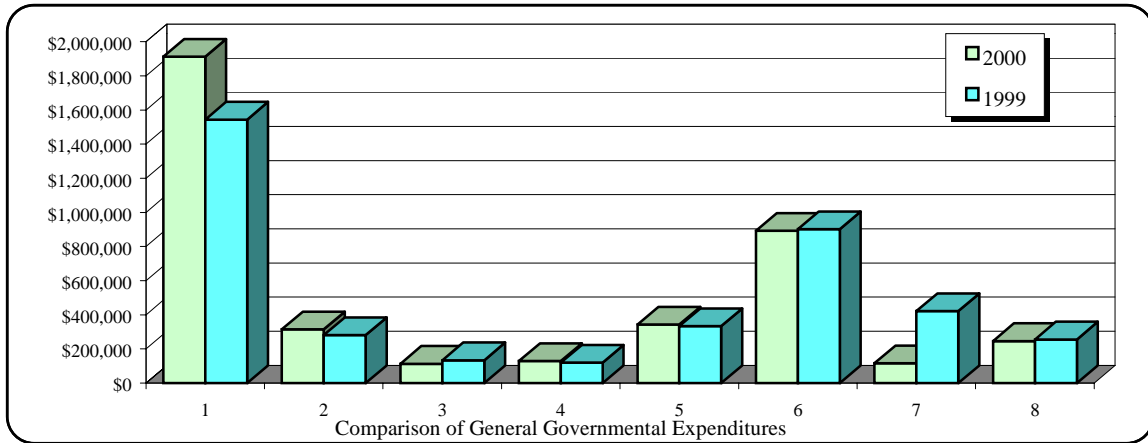
Investment earnings as a source of revenue do not lend well to year-to-year comparisons. Percentage increases or decreases when compared to prior years are not necessarily indicative of future year estimates. Investment earnings increased \$182,138 compared to 1999. The increase was primarily due to the higher rate of return in the marketplace on investments derived from the City's investment alternatives. The City's investment policies are discussed in more detail later in this letter under the topic of "Cash Management."

Licenses and permits decreased by \$7,665 compared to 1999 due to decreased construction and a corresponding decrease in revenues derived from building inspections and permits.

All other revenue is a miscellaneous category that includes a variety of less significant revenue sources including miscellaneous rental income and donations.

Expenditures for general governmental purposes (as previously defined) totaled \$4,066,066, an increase of \$74,933 or 1.9% over 1999. Expenditures for the major functions of the City, increases/(decreases) over 1999 and the percentage of the total are shown in the following table:

Expenditures	2000 Total	Percent of Total	1999 Total	Increase (Decrease) over 1999
1. Security of Persons and Property	\$1,912,131	47.03%	\$1,543,564	\$368,567
2. Leisure Time Activities	314,361	7.73%	280,857	33,504
3. Community Environment	113,088	2.78%	133,517	(20,429)
4. Basic Utility Services	129,327	3.18%	120,321	9,006
5. Transportation	342,793	8.43%	333,911	8,882
6. General Government	892,442	21.95%	901,757	(9,315)
7. Capital Outlay	115,729	2.85%	421,574	(305,845)
8. Debt Service	246,195	6.05%	255,632	(9,437)
<b>Total</b>	<b>\$4,066,066</b>	<b>100.00%</b>	<b>\$3,991,133</b>	<b>\$74,933</b>



### Expenditure Narrative

Security of persons and property includes primarily the cost of the operations of the police, fire and emergency medical service departments. The majority of the increase in expenditures in 2000 is a result of higher wages and benefits related to the increase in staffing levels in the police department and the emergency medical service department that occurred in 2000.

Leisure time activities experienced an increase in expenditures primarily due to the continued improvements to the City's park system and the associated increases in operation and maintenance costs related to expanded facilities.

The general government function captures the cost of maintaining the legislative, legal, and administrative branches of the City government. This function includes expenditures of the Council, the Law Director, the City Manager, the Finance Director, and general administration, and the cost of operating various municipal buildings.

Capital outlay expenditures for 2000 represent normal expenditures for equipment and fixed assets in a typical year. The City purchased land in 1999 for future recreational facilities in the amount of \$337,343 in the general fund. Capital outlay expenses for 2000 show a decrease of \$305,845 because of these land purchases in 1999.

## Proprietary Operations

### Enterprise Funds:

The City's enterprise operations include a water treatment and distribution system, a wastewater treatment and collection system and an electric distribution system. The enterprise funds are supported by revenues derived from user charges.

Certain pertinent data related to the enterprise operations of the City is presented below.

	<u>Total Assets</u>	<u>Total Equity</u>	<u>Net Income</u>	<u>Return on Assets</u>	<u>Return on Equity</u>
Water	\$8,077,302	\$7,499,218	\$15,937	0.20%	0.21%
Sewer	9,607,777	8,861,398	28,440	0.30%	0.32%
Electric	9,445,148	7,624,596	1,273,278	13.48%	16.70%

### Internal Service Fund:

The City's internal service fund is a self-insurance fund created for the purpose of providing medical coverage for its employees. In 1994, the City joined a health co-op with other cities in the area. The co-op is currently insured by Anthem and all risks are assumed by Anthem. The employee's shares of the premiums are passed thru this fund.

## Fiduciary Operations

The City maintains three expendable trust funds and one agency fund. The expendable trust funds account for donations to the police, fire and EMS departments of the City. The money received by these funds is used to further the services provided by these departments. The contractor maintenance deposit fund (agency fund) is used to account for deposits held by the City on behalf of various contractors for work that is ongoing in nature. The monies are released to the contractors upon satisfactory completion of their respective projects.

## Risk Management

The City tries to minimize its exposure to risk through employee training and insurance protection plans. Tipp City participates in an insurance pool operated by Miami Valley Risk Management Association, Inc. (MVRMA) for the purpose of obtaining lower insurance rates. MVRMA is a joint insurance pool for municipalities, which has been operational since December 1, 1988 and was formed according to Section 2744 of the Ohio Revised Code. This pool covers all property, crime, liability, machinery, and public official liability and bonding for the City.

The Pool's overall loss experience has been excellent since its inception in 1988 and Tipp City's loss experience for 2000 was also favorable. The decision to join the Pool has resulted in significant savings for the City and the City expects future contributions to remain considerably lower than the cost of traditional insurance.

Workers' Compensation insurance is provided by the State of Ohio but, rates are pooled with other members of MVRMA to obtain a lower rate than the City would obtain on its own.

### **Debt Administration**

The Debt Service fund accumulates resources for the payment of principal, interest and associated administrative costs on the City's general long-term debt.

The total bonded debt of the City at December 31, 2000 was \$2,670,000, all of which was unvoted general obligation bonds.

The ratio of property tax supported general bonded debt to assessed value and the amount of bonded debt per capita are considered to be good indicators to municipal managers, citizens and investors in general governmental debt of the City's debt position. The City's debt position as of December 31, 2000, was as follows:

Overall Legal Debt Margin	\$19,314,794
Unvoted Legal Debt Margin	\$8,536,321
General Bonded Debt to Assessed Value	.46%
General Bonded Debt per Capita	\$107.91

Moody's Investor's Service has rated the City's General Obligation bonds "A1". A more thorough presentation of the calculation of these figures is located in the statistical section of this report.

### **Cash Management**

The investment program for interim funds of the City of Tipp City conforms to the requirements of Chapter 135 of the Ohio Revised Code (The Uniform Depository Act) and the City's investment policy adopted by City Council in 1994.

The primary objectives of the City's investment program, in order of priority, are as follows:

1. Safety – The safety of principal balances is the City's foremost objective and all investments are undertaken in a manner to insure the preservation of capital.
2. Liquidity – All investments should be sufficiently liquid to meet all operating requirements that can be reasonably anticipated. Since all possible cash demands cannot be anticipated, the investment portfolio should consist of securities with active resale markets, and with no measure of possible erosion in response to interest rate shifts.
3. Yield – Return on investment is of least importance compared to the safety and liquidity objectives described above. Investments are limited to low risk securities with the expectation of earning a fair return relative to the risk assumed.

The Finance Director is charged with the responsibility for the operation of the City's investment program and is required to report to the City Council and the Treasury Investment Board on a quarterly basis.

All eligible financial institutions must meet the requirements of the Uniform Depository Act, which requires the financial institution to maintain a full service facility located in the City of Tipp City and to have a current Agreement for Deposit of Interim Funds with the City.

Authorized investments are described in detail in Note 3 of the footnotes to the general purpose financial statements included within the financial section of this comprehensive annual financial report. The City currently has investments in STAR Ohio (State Treasurer's Investment Pool), U. S. Treasury Notes and Bills and a small portion in Certificates of Deposits.

## OTHER INFORMATION

### Independent Audit

The general purpose financial statements of the City of Tipp City were audited by Auditor of the State of Ohio. The independent auditors' unqualified opinion has been included in this report.

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governments who qualify. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. I believe this, our first Comprehensive Annual Financial Report, meets the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting and I am submitting it to GFOA.

### Public Disclosure

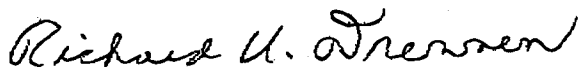
The publication of this report represents an important achievement in the ability of the City of Tipp City to provide significantly enhanced financial information and accountability to the citizens, its elected officials, City Administration and investors. In addition to the citizens of Tipp City, the recipients of this report will include city, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The extensive effort to prepare and distribute this report is indicative of the continued efforts of the City of Tipp City to improve its overall financial accounting, management and reporting capabilities.

### Acknowledgments

I want to extend my sincere appreciation to the many individuals who have worked diligently and contributed much time and effort in gathering data for this report, particularly the staff of the Finance Department and the staff of Donald J. Schonhardt & Associates, Inc. who helped make this project become a reality.

Finally, special thanks to the members of City Council and the City Administration whose support is necessary for the City of Tipp City to conform to reporting requirements established for municipal governments and to maintain the sound financial position that the City has enjoyed for many years.

Respectfully submitted,



Richard U. Drennen  
Director of Finance

CITY OF TIPP CITY  
LIST OF PRINCIPAL OFFICIALS  
DECEMBER 31, 2000

ELECTED OFFICIALS

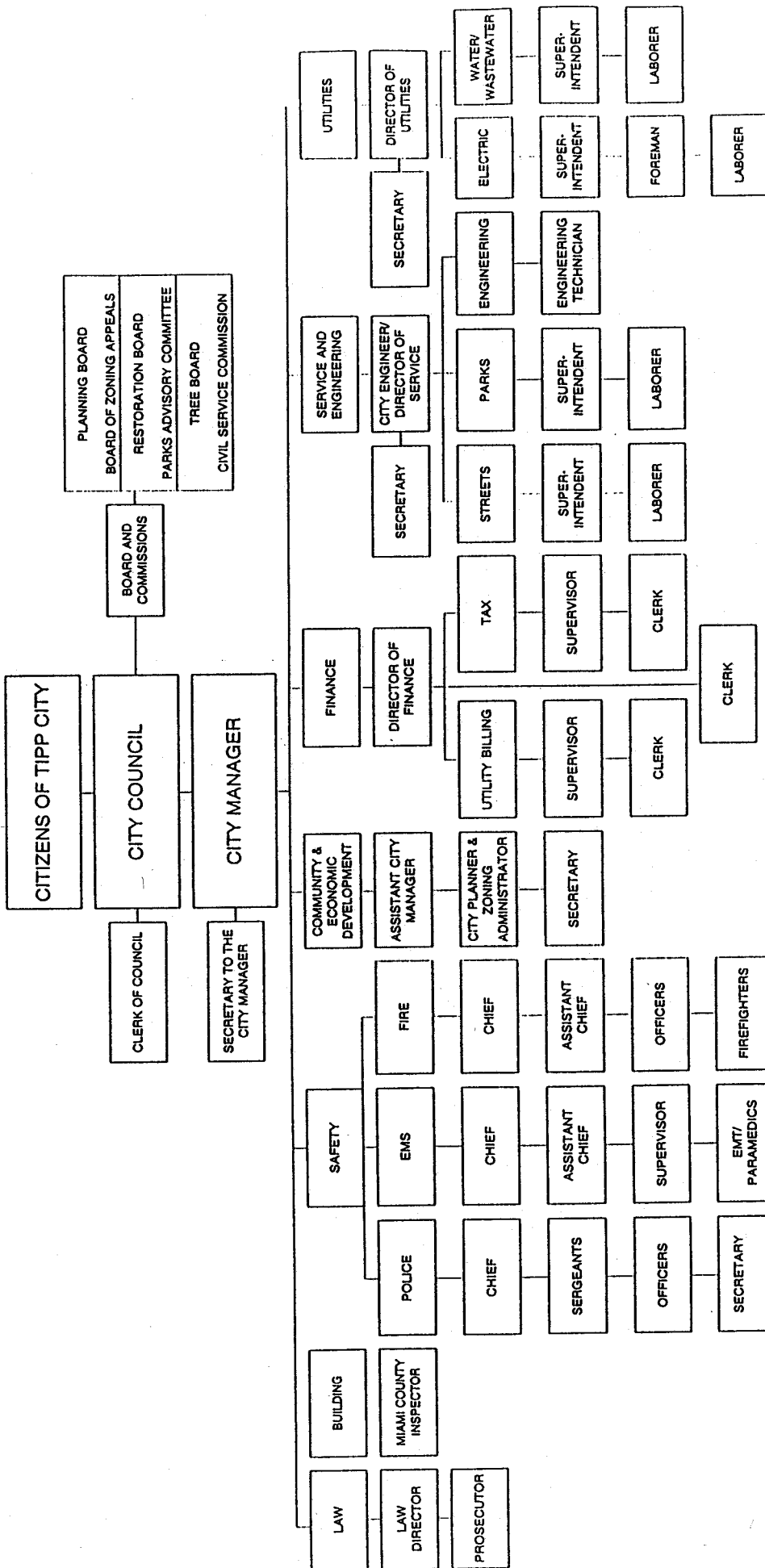
MAYOR	L. William Jones
PRESIDENT OF COUNCIL	David F. Hill
COUNCIL MEMBERS	Carol Sue Cook Donald Earnest Donald Ochs Lorrayne Howard Carol Z. McKeever

APPOINTED OFFICIALS

CITY MANAGER	David Collinsworth
CLERK OF COUNCIL	Misty Cox
FINANCE DIRECTOR	Richard Drennen
LAW DIRECTOR	Joseph Moore
CHIEF OF POLICE	Tom Davidson
CITY ENGINEER/SERVICE DIRECTOR	Scott Vagedes
EMS CHIEF	Mark Sensemann
FIRE CHIEF	Steve Kessler
UTILITY DIRECTOR	Milton Eichman



# MUNICIPALITY OF TIPP CITY



## *FINANCIAL SECTION*

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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130 West Second Street  
Suite 2040  
Dayton, Ohio 45402  
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## REPORT OF INDEPENDENT ACCOUNTANTS

City of Tipp City  
Miami County  
260 South Garber Drive  
Tipp City, Ohio 45371

To Members of City Council:

We have audited the accompanying general-purpose financial statements of the City of Tipp City, Miami County, (the City) as of and for the year ended December 31, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Tipp City, Miami County, as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund types 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 19, 2001 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general-purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

**JIM PETRO**  
Auditor of State

June 19, 2001



**Tipp City, Ohio**

## *GENERAL PURPOSE FINANCIAL STATEMENTS*

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*THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE CITY'S FINANCIAL POSITION AT DECEMBER 31, 2000 AND THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY FUNDS FOR THE YEAR THEN ENDED.*

**THE CITY OF TIPP CITY, OHIO  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
DECEMBER 31, 2000**

	<i>Governmental Fund Types</i>			<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Internal Service Fund	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
<b>Assets and Other Debits:</b>									
<b>Assets:</b>									
Cash and Cash Equivalents	\$1,196,482	\$407,446	\$3,153,765	\$2,103,414	\$88,934	\$14,015	\$0	\$0	\$6,964,056
Investments	1,927,410	0	0	3,540,205	0	0	0	0	5,467,615
<b>Receivables:</b>									
Taxes	541,515	0	65,958	0	0	0	0	0	607,473
Accounts	60,925	0	0	1,070,999	0	0	0	0	1,131,924
Interest	79,606	0	0	0	0	0	0	0	79,606
Special Assessments	0	0	240,843	690,747	0	0	0	0	931,590
Due from Other Funds	0	0	0	7,562	0	0	0	0	7,562
Intergovernmental Receivables	42,581	27,465	0	0	0	0	0	0	70,046
Inventory of Supplies at Cost	32,904	36,814	0	530,167	0	0	0	0	599,885
Prepaid Items	9,241	1,371	0	1,340	428	0	0	0	12,380
<b>Restricted Assets:</b>									
Cash and Cash Equivalents	0	0	0	94,248	0	38,238	0	0	132,486
Cash with Fiscal Agent	0	0	0	0	0	0	0	0	0
Investment in Joint Venture	0	0	0	3,422,901	0	0	0	0	3,422,901
Fixed Assets (net of accumulated depreciation)	0	0	0	15,668,644	0	0	8,400,338	0	24,068,982
<b>Other Debits:</b>									
Amount Available in Debt Service Fund	0	0	0	0	0	0	0	0	0
Amount to be Provided for									
General Long-Term Obligations	0	0	0	0	0	0	0	1,585,809	1,585,809
Total Assets and Other Debits	<u>\$3,890,664</u>	<u>\$473,096</u>	<u>\$3,460,566</u>	<u>\$27,130,227</u>	<u>\$89,362</u>	<u>\$52,253</u>	<u>\$8,400,338</u>	<u>\$1,585,809</u>	<u>\$45,082,315</u>

(Continued)

	<i>Governmental Fund Types</i>			<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Internal Service Fund	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
<b>Liabilities and Other Credits:</b>									
<b>Liabilities:</b>									
Accounts Payable	\$40,922	\$20,178	\$123,716	\$490,182	\$0	\$0	\$0	\$0	\$674,998
Accrued Wages and Benefits	174,038	14,805	0	50,496	0	0	0	0	239,339
Due to Other Funds	2,505	193	0	4,864	0	0	0	0	7,562
Intergovernmental Payables	11,251	0	0	43,750	0	0	0	0	55,001
Due to Others	0	0	0	0	0	38,238	0	0	38,238
Accrued Interest Payable	0	0	13,103	7,609	0	0	0	0	20,712
Customer Deposits Payable	0	0	0	94,248	0	0	0	0	94,248
Deferred Revenue	336,692	0	249,305	0	0	0	0	0	585,997
General Obligation Notes Payable	0	0	2,325,000	0	0	0	0	0	2,325,000
Compensated Absences Payable	0	0	0	198,630	0	0	0	590,809	789,439
General Obligation Bonds Payable	0	0	0	1,675,000	0	0	0	995,000	2,670,000
State Loan Payable	0	0	0	580,236	0	0	0	0	580,236
<b>Total Liabilities</b>	<b>565,408</b>	<b>35,176</b>	<b>2,711,124</b>	<b>3,145,015</b>	<b>0</b>	<b>38,238</b>	<b>0</b>	<b>1,585,809</b>	<b>8,080,770</b>
<b>Equity and Other Credits:</b>									
Investment in General Fixed Assets	0	0	0	0	0	0	8,400,338	0	8,400,338
<b>Contributed Capital:</b>									
Wastewater Authority	0	0	0	2,915,405	0	0	0	0	2,915,405
Other	0	0	0	6,797,050	0	0	0	0	6,797,050
<b>Retained Earnings:</b>									
Unreserved	0	0	0	14,272,757	89,362	0	0	0	14,362,119
<b>Fund Balances:</b>									
Reserved for Encumbrances	245,944	40,088	688,829	0	0	218	0	0	975,079
Reserved for Supplies Inventory	32,904	36,814	0	0	0	0	0	0	69,718
Reserved for Prepaid Items	9,241	1,371	0	0	0	0	0	0	10,612
Reserved for Debt Service	0	0	0	0	0	0	0	0	0
<b>Unreserved:</b>									
Undesignated	3,037,167	359,647	60,613	0	0	13,797	0	0	3,471,224
<b>Total Equity and Other Credits</b>	<b>3,325,256</b>	<b>437,920</b>	<b>749,442</b>	<b>23,985,212</b>	<b>89,362</b>	<b>14,015</b>	<b>8,400,338</b>	<b>0</b>	<b>37,001,545</b>
<b>Total Liabilities, Equity and Other Credits</b>	<b>\$3,890,664</b>	<b>\$473,096</b>	<b>\$3,460,566</b>	<b>\$27,130,227</b>	<b>\$89,362</b>	<b>\$52,253</b>	<b>\$8,400,338</b>	<b>\$1,585,809</b>	<b>\$45,082,315</b>

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

**THE CITY OF TIPP CITY, OHIO**  
**COMBINED STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	<i>Governmental Fund Types</i>			<i>Fiduciary Fund Type</i>	Totals (Memorandum Only)	
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds		Expendable Trust Funds
<b>Revenues:</b>						
Taxes	\$2,197,531	\$0	\$0	\$492,790	\$0	\$2,690,321
Intergovernmental Revenues	683,564	367,143	0	199,121	0	1,249,828
Charges for Services	269,479	31,274	0	0	0	300,753
Licenses and Permits	48,473	200	0	0	0	48,673
Investment Earnings	609,004	2,278	0	4,278	0	615,560
Special Assessments	220	0	0	44,316	0	44,536
Fines and Forfeitures	12,003	828	0	0	0	12,831
All Other Revenues	115,417	8,363	0	10,150	1,692	135,622
<b>Total Revenues</b>	<b>3,935,691</b>	<b>410,086</b>	<b>0</b>	<b>750,655</b>	<b>1,692</b>	<b>5,098,124</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Security of Persons and Property	1,910,066	2,065	0	0	3,711	1,915,842
Leisure Time Activities	255,688	58,673	0	0	0	314,361
Community Environment	113,088	0	0	0	0	113,088
Basic Utility Services	129,327	0	0	0	0	129,327
Transportation	21	342,772	0	9,654	0	352,447
General Government	892,442	0	0	3,042	0	895,484
Capital Outlay	95,797	19,932	0	879,259	400	995,388
<b>Debt Service:</b>						
Principal Retirements	0	0	185,000	0	0	185,000
Interest and Fiscal Charges	0	0	61,195	17,491	0	78,686
<b>Total Expenditures</b>	<b>3,396,429</b>	<b>423,442</b>	<b>246,195</b>	<b>909,446</b>	<b>4,111</b>	<b>4,979,623</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	539,262	(13,356)	(246,195)	(158,791)	(2,419)	118,501
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	0	0	0	27,245	0	27,245
Operating Transfers In	498,090	40,000	246,055	1,095,888	0	1,880,033
Operating Transfers Out	(933,000)	0	0	(421,509)	0	(1,354,509)
<b>Total Other Financing Sources (Uses)</b>	<b>(434,910)</b>	<b>40,000</b>	<b>246,055</b>	<b>701,624</b>	<b>0</b>	<b>552,769</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	104,352	26,644	(140)	542,833	(2,419)	671,270
Fund Balance Beginning of Year	3,212,427	410,175	140	206,609	16,434	3,845,785
Increase in Inventory Reserve	8,477	1,101	0	0	0	9,578
<b>Fund Balance End of Year</b>	<b>\$3,325,256</b>	<b>\$437,920</b>	<b>\$0</b>	<b>\$749,442</b>	<b>\$14,015</b>	<b>\$4,526,633</b>

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



**THE CITY OF TIPP CITY, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$2,247,687	\$2,236,433	(\$11,254)	\$0	\$0	\$0
Intergovernmental Revenues	758,197	759,065	868	354,273	362,370	8,097
Charges for Services	261,264	273,380	12,116	31,000	31,274	274
Licenses and Permits	36,525	48,473	11,948	200	200	0
Investment Earnings	570,000	596,043	26,043	1,100	2,278	1,178
Special Assessments	200	220	20	0	0	0
Fines and Forfeitures	11,695	11,747	52	850	878	28
All Other Revenues	114,050	115,058	1,008	9,400	8,363	(1,037)
Total Revenues	<u>3,999,618</u>	<u>4,040,419</u>	<u>40,801</u>	<u>396,823</u>	<u>405,363</u>	<u>8,540</u>
<b>Expenditures:</b>						
<b>Current:</b>						
Security of Persons and Property	1,980,025	1,953,793	26,232	11,061	2,065	8,996
Leisure Time Activities	296,350	269,954	26,396	65,190	58,249	6,941
Community Environment	141,270	133,276	7,994	36,023	10,000	26,023
Basic Utility Services	144,695	138,925	5,770	0	0	0
Transportation	2,102	1,339	763	404,447	368,527	35,920
General Government	1,260,022	1,121,729	138,293	0	0	0
Capital Outlay	117,921	114,385	3,536	30,408	28,662	1,746
<b>Debt Service:</b>						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	<u>3,942,385</u>	<u>3,733,401</u>	<u>208,984</u>	<u>547,129</u>	<u>467,503</u>	<u>79,626</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	57,233	307,018	249,785	(150,306)	(62,140)	88,166
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	0	0	0	0	0	0
Proceeds of General Obligation Notes	0	0	0	0	0	0
Operating Transfers In	498,090	498,090	0	40,000	40,000	0
Operating Transfers Out	(933,000)	(933,000)	0	0	0	0
Total Other Financing Sources (Uses)	<u>(434,910)</u>	<u>(434,910)</u>	<u>0</u>	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(377,677)	(127,892)	249,785	(110,306)	(22,140)	88,166
Fund Balance at Beginning of Year	2,672,188	2,672,188	0	324,670	324,670	0
Prior Year Encumbrances	285,843	285,843	0	46,364	46,364	0
Fund Balance at End of Year	<u>\$2,580,354</u>	<u>\$2,830,139</u>	<u>\$249,785</u>	<u>\$260,728</u>	<u>\$348,894</u>	<u>\$88,166</u>

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

(Continued)

**THE CITY OF TIPP CITY, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	<i>Debt Service Fund</i>			<i>Capital Projects Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$0	\$0	\$0	\$485,000	\$481,918	(\$3,082)
Intergovernmental Revenues	0	0	0	210,000	199,121	(10,879)
Charges for Services	0	0	0	0	0	0
Licenses and Permits	0	0	0	0	0	0
Investment Earnings	0	0	0	6,000	4,278	(1,722)
Special Assessments	0	0	0	48,000	48,344	344
Fines and Forfeitures	0	0	0	0	0	0
All Other Revenues	0	0	0	10,000	10,150	150
Total Revenues	0	0	0	759,000	743,811	(15,189)
<b>Expenditures:</b>						
Current:						
Security of Persons and Property	0	0	0	5,000	2,300	2,700
Leisure Time Activities	0	0	0	0	0	0
Community Environment	0	0	0	0	0	0
Basic Utility Services	0	0	0	0	0	0
Transportation	0	0	0	12,759	12,759	0
General Government	0	0	0	3,100	3,042	58
Capital Outlay	0	0	0	3,270,201	1,568,988	1,701,213
Debt Service:						
Principal Retirement	795,000	795,000	0	0	0	0
Interest and Fiscal Charges	190,700	179,864	10,836	0	0	0
Total Expenditures	985,700	974,864	10,836	3,291,060	1,587,089	1,703,971
Excess (Deficiency) of Revenues Over (Under) Expenditures	(985,700)	(974,864)	10,836	(2,532,060)	(843,278)	1,688,782
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	0	0	0	27,000	27,245	245
Proceeds of General Obligation Notes	325,000	325,000	0	2,000,000	2,000,000	0
Operating Transfers In	660,700	649,724	(10,976)	1,032,500	1,032,500	0
Operating Transfers Out	0	0	0	(421,984)	(421,509)	475
Total Other Financing Sources (Uses)	985,700	974,724	(10,976)	2,637,516	2,638,236	720
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	(140)	(140)	105,456	1,794,958	1,689,502
Fund Balance at Beginning of Year	140	140	0	304,558	304,558	0
Prior Year Encumbrances	0	0	0	241,704	241,704	0
Fund Balance at End of Year	\$140	\$0	(\$140)	\$651,718	\$2,341,220	\$1,689,502

(Continued)

**THE CITY OF TIPP CITY, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	<i>Expendable Trust Funds</i>			<i>Totals (Memorandum Only)</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$0	\$0	\$0	\$2,732,687	\$2,718,351	(\$14,336)
Intergovernmental Revenues	0	0	0	1,322,470	1,320,556	(1,914)
Charges for Services	0	0	0	292,264	304,654	12,390
Licenses and Permits	0	0	0	36,725	48,673	11,948
Investment Earnings	0	0	0	577,100	602,599	25,499
Special Assessments	0	0	0	48,200	48,564	364
Fines and Forfeitures	0	0	0	12,545	12,625	80
All Other Revenues	1,300	1,692	392	134,750	135,263	513
Total Revenues	1,300	1,692	392	5,156,741	5,191,285	34,544
<b>Expenditures:</b>						
Current:						
Security of Persons and Property	4,181	3,929	252	2,000,267	1,962,087	38,180
Leisure Time Activities	0	0	0	361,540	328,203	33,337
Community Environment	0	0	0	177,293	143,276	34,017
Basic Utility Services	0	0	0	144,695	138,925	5,770
Transportation	0	0	0	419,308	382,625	36,683
General Government	0	0	0	1,263,122	1,124,771	138,351
Capital Outlay	8,000	400	7,600	3,426,530	1,712,435	1,714,095
Debt Service:						
Principal Retirement	0	0	0	795,000	795,000	0
Interest and Fiscal Charges	0	0	0	190,700	179,864	10,836
Total Expenditures	12,181	4,329	7,852	8,778,455	6,767,186	2,011,269
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,881)	(2,637)	8,244	(3,621,714)	(1,575,901)	2,045,813
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	0	0	0	27,000	27,245	245
Proceeds of General Obligation Notes	0	0	0	2,325,000	2,325,000	0
Operating Transfers In	0	0	0	2,231,290	2,220,314	(10,976)
Operating Transfers Out	0	0	0	(1,354,984)	(1,354,509)	475
Total Other Financing Sources (Uses)	0	0	0	3,228,306	3,218,050	(10,256)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(10,881)	(2,637)	8,244	(393,408)	1,642,149	2,035,557
Fund Balance at Beginning of Year	16,343	16,343	0	3,317,899	3,317,899	0
Prior Year Encumbrances	91	91	0	574,002	574,002	0
Fund Balance at End of Year	\$5,553	\$13,797	\$8,244	\$3,498,493	\$5,534,050	\$2,035,557



**Tipp City, Ohio**

**THE CITY OF TIPP CITY, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS**  
**ALL PROPRIETARY FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	Enterprise Funds	Internal Service Fund	Totals (Memorandum Only)
<u>Operating Revenues:</u>			
Charges for Services	\$9,440,342	\$57,242	\$9,497,584
Other Operating Revenues	153,236	0	153,236
Total Operating Revenues	<u>9,593,578</u>	<u>57,242</u>	<u>9,650,820</u>
<u>Operating Expenses:</u>			
Personal Services	953,105	0	953,105
Materials and Supplies	244,836	0	244,836
Contractual Services	5,761,367	57,033	5,818,400
Utilities	62,060	0	62,060
Depreciation	704,611	0	704,611
Other Operating Expenses	24,731	0	24,731
Total Operating Expenses	<u>7,750,710</u>	<u>57,033</u>	<u>7,807,743</u>
Operating Income	1,842,868	209	1,843,077
<u>Nonoperating Revenues (Expenses):</u>			
Loss on Disposal of Fixed Assets	(43,265)	0	(43,265)
Interest and Fiscal Charges	(104,120)	0	(104,120)
Income from Joint Venture	130,718	0	130,718
Interest Income	16,978	0	16,978
Total Nonoperating Revenues (Expenses)	<u>311</u>	<u>0</u>	<u>311</u>
Income Before Operating Transfers	1,843,179	209	1,843,388
<u>Operating Transfers:</u>			
Operating Transfers Out	(525,524)	0	(525,524)
Total Operating Transfers	<u>(525,524)</u>	<u>0</u>	<u>(525,524)</u>
Net Income	1,317,655	209	1,317,864
Retained Earnings at Beginning of Year	12,955,102	89,153	13,044,255
Retained Earnings at End of Year	<u>\$14,272,757</u>	<u>\$89,362</u>	<u>\$14,362,119</u>

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

**THE CITY OF TIPP CITY, OHIO**  
**COMBINED STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	Enterprise Funds	Internal Service Fund	Totals (Memorandum Only)
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$9,345,792	\$57,242	\$9,403,034
Cash Payments for Goods and Services	(5,966,773)	(57,461)	(6,024,234)
Cash Payments to Employees	(902,341)	0	(902,341)
Other Operating Revenues	174,855	0	174,855
Net Cash Provided (Used) by Operating Activities	<u>2,651,533</u>	<u>(219)</u>	<u>2,651,314</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers Out to Other Funds	(525,524)	0	(525,524)
Net Cash Used for Noncapital Financing Activities	<u>(525,524)</u>	<u>0</u>	<u>(525,524)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(626,438)	0	(626,438)
Principal Paid on General Obligation Bonds	(235,000)	0	(235,000)
Interest Paid on All Debt	(105,281)	0	(105,281)
Net Cash Used for Capital and Related Financing Activities	<u>(966,719)</u>	<u>0</u>	<u>(966,719)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	9,319	0	9,319
Purchase of Investments	(509,648)	0	(509,648)
Sale of Investments	148,145	0	148,145
Net Cash Used by Investing Activities	<u>(352,184)</u>	<u>0</u>	<u>(352,184)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	807,106	(219)	806,887
Cash and Cash Equivalents at Beginning of Year	1,390,556	89,153	1,479,709
Cash and Cash Equivalents at End of Year	<u>\$2,197,662</u>	<u>\$88,934</u>	<u>\$2,286,596</u>
<u>Reconciliation of Cash and Cash</u>			
<u>Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$2,103,414	\$88,934	\$2,192,348
Restricted Cash and Cash Equivalents	94,248	0	94,248
Cash and Cash Equivalents at End of Year	<u>\$2,197,662</u>	<u>\$88,934</u>	<u>\$2,286,596</u>

(Continued)

**THE CITY OF TIPP CITY, OHIO**  
**COMBINED STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	Enterprise Funds	Internal Service Fund	Totals (Memorandum Only)
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income	\$1,842,868	\$209	\$1,843,077
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	704,611	0	704,611
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(90,986)	0	(90,986)
Decrease in Special Assessments Receivable	8,661	0	8,661
Decrease in Inventory	53,794	0	53,794
(Increase) Decrease in Prepaid Items	2,647	(428)	2,219
Increase in Due from Other Funds	(3,564)	0	(3,564)
Increase in Accounts Payable	34,121	0	34,121
Decrease in Accrued Wages and Benefits	(775)	0	(775)
Increase in Due to Other Funds	1,923	0	1,923
Increase in Intergovernmental Payables	43,750	0	43,750
Increase in Customer Deposits Payable	2,762	0	2,762
Increase in Compensated Absences	51,721	0	51,721
Total Adjustments	808,665	(428)	808,237
Net Cash Provided (Used) by Operating Activities	<u>\$2,651,533</u>	<u>(\$219)</u>	<u>\$2,651,314</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2000, the Electric Fund had an outstanding liability of \$5,012 for the purchase of certain capital assets. The Water Fund and Sewer Fund received capital assets contributed by developers/customers in the amounts of \$384,855 and \$269,542 respectively. During 2000 the fair value of investments decreased by \$81,796 and \$63,729 in the Water and Sewer Funds, respectively and increased by \$514,687 in the Electric Fund.

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

**THE CITY OF TIPP CITY, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000**

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**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 accompanying general purpose financial statements of the City present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the proprietary funds. The financial statements are presented as of December 31, 2000 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 (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 general purpose financial statements comply with the provisions of the 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, account groups, 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 14 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.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The accounting policies and financial reporting practices of the City conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the City's significant accounting policies:

The accounting system is organized and operated on the basis of funds and account groups, each of which is 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 general purpose financial statements. The following fund types and account groups are used by the City:

***Governmental Funds*** - The funds through which most governmental functions are typically financed are the governmental funds. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except that 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 governmental fund types:

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 Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Fund - This fund is used for the accumulation of resources for, and the payment of, general obligation debt principal and interest other than those accounted for in the proprietary funds.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).

***Proprietary Funds*** - These funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and liabilities associated with the operation of the proprietary funds are included on the balance sheet. Fund equity (i.e., net assets) is segregated into contributed capital and retained earnings components. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The following are the City's proprietary fund types:

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

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

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, in which 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.

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

***Fiduciary Funds***

Trust and Agency Funds - The City maintains expendable trust funds and an agency fund. Expendable trust funds are accounted for and reported similarly to governmental funds. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

Account Groups - To make a clear distinction between fixed assets related to specific funds and those of general government and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for fixed assets of the City other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term debt and other long-term liabilities of the City except that accounted for in the proprietary funds.

**C. 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, expendable trust and agency 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.

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

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

Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments, state levied locally shared taxes (including motor vehicle license fees and local government assistance), certain charges for services, and levied fines and forfeitures. 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.

Property taxes and special assessments measurable as of December 31, 2000, but not received within the available period are recorded as deferred revenue. Delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 4.

The accrual basis of accounting is utilized for reporting purposes by the proprietary 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 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.

**D. Budgetary Process**

The budgetary process is prescribed by Charter and by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, 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 East Broadway Improvement Fund and the Fire Truck Equipment Fund (capital projects funds) were not budgeted because these funds only exist on a GAAP basis. The legal level of budgetary control is by fund at the major object level (personal services, materials and supplies, contractual services, capital outlay, and transfers) by department. Budgetary control is maintained by not permitting expenditures to exceed appropriations at the major object level for each department within each fund without the approval of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets. Budgetary modifications above the major object level by fund may only be made by ordinance of the City Council

**1. Tax Budget**

By July 15, the City Manager submits an annual tax budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

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

**D. Budgetary Process** (Continued)

2. 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 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 2000.

3. 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 fund and department level, 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. During the year, supplemental appropriations were necessary to budget note proceeds, contingency funds and intergovernmental grants. Expenditures may not legally exceed budgeted appropriations at the fund and department level. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--All Governmental Fund Types and Expendable Trust Funds" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

4. Encumbrances

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. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying general purpose financial statements.

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

**D. Budgetary Process** (Continued)5. 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.

6. 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 cash basis statements for the governmental and expendable trust funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses				
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Expendable Trust Funds
GAAP Basis (as reported)	\$104,352	\$26,644	(\$140)	\$542,833	(\$2,419)
Increase (Decrease):					
Accrued Revenues at December 31, 2000 received during 2001	(400,052)	(27,465)	0	(57,496)	0
Accrued Revenues at December 31, 1999 received during 2000	432,756	22,742	0	50,652	0
Accrued Expenditures at December 31, 2000 paid during 2001	228,716	35,176	0	136,819	0
Accrued Expenditures at December 31, 1999 paid during 2000	(208,062)	(19,387)	0	(15,305)	0
1999 Prepays for 2000	5,055	73	0	0	0
2000 Prepays for 2001	(9,241)	(1,371)	0	0	0
Retirement of Notes Payable	0	0	0	(375,000)	0
Issuance of Notes Payable	0	0	0	2,325,000	0
Outstanding Encumbrances	(281,416)	(58,552)	0	(812,545)	(218)
Budget Basis	<u>(\$127,892)</u>	<u>(\$22,140)</u>	<u>(\$140)</u>	<u>\$1,794,958</u>	<u>(\$2,637)</u>

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

**E. 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 general purpose 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 3, "Pooled Cash, Cash Equivalents and Investments."

**F. 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 3, "Pooled Cash, Cash Equivalents and Investments."

The City has invested funds in the STAR Ohio during 2000. 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, 2000.

**G. Inventory**

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

**H. Fixed Assets and Depreciation**

The accounting and reporting treatment applied to fixed assets is determined by their ultimate use:

**1. Property, Plant and Equipment - General Governmental Purposes**

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

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

**H. Fixed Assets and Depreciation (Continued)**

1. Property, Plant and Equipment - General Governmental Purposes (Continued)

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks and drainage systems, have not been capitalized. Such assets normally are immovable and of value only to the City; therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets. The City has elected not to capitalize interest costs or record depreciation in the General Fixed Assets Account Group.

2. Property, Plant and Equipment - Proprietary Funds

Property, plant and equipment acquired by the proprietary funds is stated at cost (or estimated historical cost). Contributed fixed assets are recorded at fair market value at the date received. Infrastructure is capitalized within the proprietary funds.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (Years)</u>
Buildings	50
Improvements Other Than Buildings	10 - 45
Machinery, Equipment, Furniture and Fixtures	3 - 35

Depreciation on proprietary fixed assets is charged to retained earnings.

**I. Long-Term Obligations**

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	General Bond Retirement Fund
	Water Fund
	Sewer Fund
	Electric Fund
Compensated Absences	General Fund
	Street Construction, Maintenance and Repair Fund
	Municipal Road Fund
	Water Fund
	Sewer Fund
	Electric Fund

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

**J. 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.

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 funds, the portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." The long-term portion of the liability is reported in the General Long-Term Obligations Account Group.

Compensated absences are expensed in the electric, water and sewer enterprise funds when earned. The related liability is reported within the fund.

**K. Pensions**

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

**L. Interfund Transactions**

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are generally classified as follows:

1. Operating transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Operating Transfers In" by the recipient fund, and "Operating Transfers Out" by the disbursing fund.
2. Residual Equity Transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance. The City did not perform any residual equity transfers during 2000.

Transactions that would be treated as revenues and expenditures if the transactions involved organizations external to the City are similarly treated when involving other funds of the City.



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

**M. 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 and encumbered amounts that have not been accrued at year end.

**N. Contributed Capital**

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets resulting from grants, entitlements, shared revenues, and donations is recorded as an operating expense and closed along with other operating expenses directly to retained earnings.

**O. Total Columns on Combined Financial Statements - Overview**

Total columns on the Combined Financial Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 2 - COMPLIANCE AND ACCOUNTABILITY**

**Fund Deficits** - The fund deficits at December 31, 2000 of \$24,540 in the Police Facility Construction Fund, of \$180,706 in the East Broadway Improvement Fund and of \$154,891 in the Fire Truck Equipment Fund (capital projects funds) arise from the recording of general obligation notes payable within the fund. These deficits do not exist under the budgetary basis of accounting. Operating transfers are provided when cash is required, not when accruals occur.

**NOTE 3 - POOLED 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" and "Investments."

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 "cash" or "near cash" 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.

**NOTE 3 - POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

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 no later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds not needed for immediate use but 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;
- 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).

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. Based upon criteria described in GASB Statement No. 3, *"Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements,"* collateral held in single financial collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

**NOTE 3 - POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

The GASB has established risk categories for deposits and investments as follows:

*Deposits:*

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

*Investments:*

- Category 1 Insured or registered with securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered with securities held by the counterparty or by its trust department or agent but not in the City's name.

**A. Deposits**

At year end, the carrying amount of the City's deposits was \$471,542 and the bank balance was \$789,173. Federal depository insurance covered \$300,748 of the bank balance. All remaining deposits were classified as Category 3. In accordance with Ohio Revised Code, the remaining balance was covered by pooled collateral.

**B. Investments**

The City's investments at December 31, 2000 were as follows:

<u>Categorized Investments</u>	<u>Fair Value</u>
United States Treasury Bills (Category 1)	\$190,547
United States Treasury Notes (Category 1)	4,827,068
Total Categorized Investments	5,017,615
<u>Non-Categorized Investments</u>	
STAR Ohio	7,075,000
Total Investments	\$12,092,615

**NOTE 3 - POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

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

The classification of cash, cash equivalents and investments on the combined 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.

	<u>Cash and Cash Equivalents *</u>	<u>Investments</u>
Per Combined Balance Sheet	\$7,096,542	\$5,467,615
Certificates of Deposit (with maturities of more than 3 months)	450,000	(450,000)
Investments:		
STAR Ohio	<u>(7,075,000)</u>	<u>7,075,000</u>
Per GASB Statement No. 3	<u>\$471,542</u>	<u>\$12,092,615</u>

\* - Includes Cash with Fiscal Agent

**NOTE 4 - 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 2000 were levied after October 1, 1999 on assessed values as of January 1, 1999, 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 revaluation was completed in 1995. Real property taxes are payable annually or semiannually. The first payment is due January 20; the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year.

Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semiannually. The first payment is due April 30; the remainder payable by September 20.

**NOTE 4 - TAXES** (Continued)

**A. Property Taxes** (Continued)

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 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

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, 2000 was \$1.40 per \$1,000 of assessed value. The assessed value upon which the 2000 levy was based was \$215,569,470. This amount constitutes \$159,341,120 in real property assessed value, \$11,240,770 in public utility assessed value and \$44,987,580 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 % (1.4 mills) of assessed value.

**B. Income Tax**

The City levies a tax of 1% 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 2000 was \$2,391,923. This represented a 4.88% increase over the 1999 tax revenue of \$2,280,649.

**NOTE 5 - RECEIVABLES**

Receivables at December 31, 2000 consisted of taxes, special assessments, interfund receivables, interest, accounts receivable and intergovernmental receivables arising from shared revenues. All receivables other than those offset by deferred revenues are considered collectable in full.

**NOTE 6 - OPERATING TRANSFERS**

Following is a summary of operating transfers in and out for all funds for 2000:

Fund	Transfer In	Transfer Out
General Fund	\$498,090	\$933,000
Special Revenue Funds:		
Swimming Pool Fund	25,000	0
Street Construction, Maintenance and Repair Fund	15,000	0
Total Special Revenue Funds	40,000	0
Debt Service Fund:		
General Bond Retirement Fund	246,055	0
Capital Projects Funds:		
Capital Improvement Reserve Fund	475,000	421,509
E. Broadway Improvement Fund	32,140	0
North Third Street Reconstruction Fund	373,000	0
Fire Truck Equipment Fund	31,248	0
Elm Street Reconstruction Fund	45,000	0
Donn Davis Way Construction Fund	139,500	0
Total Capital Projects Funds	1,095,888	421,509
Enterprise Funds:		
Water Fund	0	49,575
Sewer Fund	0	59,635
Electric Fund	0	416,314
Total Enterprise Funds	0	525,524
Totals	\$1,880,033	\$1,880,033

**NOTE 7 - INTERFUND RECEIVABLES/PAYABLES**

Following is a summary of interfund receivables and payables for all funds for 2000:

Fund	Due From	Due To
General Fund	\$0	\$2,505
Special Revenue Fund:		
Street Construction, Maintenance and Repair Fund	0	193
Enterprise Funds:		
Water Fund	335	3,781
Sewer Fund	631	1,083
Electric Fund	6,596	0
Total Enterprise Funds	7,562	4,864
Totals	\$7,562	\$7,562

**NOTE 8 - FIXED ASSETS**

**A. General Fixed Assets**

Summary by category of changes in general fixed assets:

Category	December 31, 1999	Additions	Deletions	December 31, 2000
Land	\$1,317,515	\$0	(\$33,097)	\$1,284,418
Buildings	3,174,981	4,000	(57,780)	3,121,201
Improvements Other than Buildings	688,039	19,180	0	707,219
Machinery and Equipment	3,245,719	321,184	(279,403)	3,287,500
Totals	\$8,426,254	\$344,364	(\$370,280)	\$8,400,338

Schedule of General Fixed Assets at December 31, 2000:

General Fixed Assets	Investment in General Fixed Assets	
	General Fund	\$2,355,581
	Special Revenue Funds	364,765
	Capital Projects Funds	5,075,701
Land	General Revenue Sharing	56,936
Buildings	Enterprise Funds	211,743
Improvements Other Than Buildings	Trust/Agency Funds	30,275
Machinery and Equipment	Contributions	305,337
Total	Total	\$8,400,338

**B. Proprietary Fixed Assets**

Summary by Category at December 31, 2000:

Category	Historic Cost	Accumulated Depreciation	Book Value
Land	\$134,434	\$0	\$134,434
Buildings	1,375,575	(445,654)	929,921
Improvements Other Than Buildings	20,069,703	(6,247,141)	13,822,562
Machinery and Equipment	1,748,339	(966,612)	781,727
Property, Plant and Equipment	\$23,328,051	(\$7,659,407)	\$15,668,644

**NOTE 9 – 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. Public Employees Retirement System (the "PERS of Ohio")**

The following information was provided by the PERS of Ohio 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, participate in the PERS of Ohio, a cost-sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The Retirement Board instituted a temporary employer contribution rate rollback for calendar year 2000. The rate rollback was 20% for state and local government divisions. The 2000 employer contribution rate for local government employer units was 10.84%, of covered payroll, 6.54% to fund the pension and 4.3% to fund health care. The 1999 and 1998 employer contribution rates were 13.55%. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 2000, 1999 and 1998 were \$215,912, \$245,902 and \$232,701, respectively, which were equal to the required contributions for each year.

The PERS of Ohio provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the PERS of Ohio is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the 2000 employer contribution rate (identified above) that was used to fund health care for the year 2000 was 4.3% of covered payroll which amounted to \$85,648.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the PERS of Ohio's latest actuarial review performed as of December 31, 1999. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and



**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

**A. Public Employees Retirement System (the “PERS of Ohio”)** (Continued)

losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 1999 was 7.75%. An annual increase of 4.75% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%. Health care costs were assumed to increase 4.75% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 401,339. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 1999 is \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively.

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

All City full-time police officers participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund 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 Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. 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. The City's contributions to the OP&F Fund for the years ending December 31, 2000, 1999 and 1998 were \$168,197, \$139,012 and \$130,455 which was equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

The portion of the 2000 covered payroll that was used to fund postemployment health care benefits was \$62,535 representing 7.25% of covered payroll for police. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 1999, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 12,467 for police. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 1999 were \$95,004,633, which was net of member contributions of \$5,518,098.

**NOTE 10 – 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 or 160 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.

As of December 31, 2000, the liability for unpaid compensated absences was \$590,809 for all funds of the City except the proprietary funds. For governmental funds, the entire amount was considered long-term since no payments were anticipated which would require the use of current available financial resources. The liability has been reported in the General Long-Term Obligations Account Group. The portion attributable to the proprietary funds has been recorded within the appropriate fund.

**NOTE 11 - 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.

**NOTE 11 - NOTES PAYABLE (Continued)**

The City had the following general obligation bond anticipation notes outstanding at December 31, 2000:

	Maturity Date	Balance December 31, 1999	Issued (Retired)	Balance December 31, 2000
<b>Capital Projects Notes Payable:</b>				
4.51% Police Facilities Construction	4/12/2001	\$0	\$1,700,000	\$1,700,000
4.51% Storm Sewer Construction	4/12/2001	0	300,000	300,000
4.55% E. Broadway Ave. Improvement	4/12/2001	200,000	(25,000)	175,000
4.55% Fire Truck Improvement	4/12/2001	175,000	(25,000)	150,000
<b>Total Notes Payable</b>		<b>\$375,000</b>	<b>\$1,950,000</b>	<b>\$2,325,000</b>

**NOTE 12 - LONG-TERM OBLIGATIONS**

Long-term debt and other long-term obligations of the City at December 31, 2000 were as follows:

	Maturity Date	Balance December 31, 1999	Issued (Retired)	Balance December 31, 2000
<b>Enterprise Funds:</b>				
<b>General Obligation Bonds:</b>				
10.25% Sewer System Improvement	2000	\$15,000	(\$15,000)	\$0
7.13% Electric Improvement	2006	350,000	(50,000)	300,000
7.13% Water System Improvement	2008	270,000	(30,000)	240,000
5.05% Sewer System Bonds	2002	110,000	(30,000)	80,000
4.6-4.625% Water Improvement Bonds	2002	80,000	(30,000)	50,000
4.6-4.625% Water Improvement Bonds	2007	240,000	(30,000)	210,000
4.6-4.625% Electric Improvement Bonds	2015	845,000	(50,000)	795,000
<b>Total General Obligation Bonds</b>		<b>1,910,000</b>	<b>(235,000)</b>	<b>1,675,000</b>
0.00% North East Sewer Interceptor Loan	2014	580,236	0	580,236
<b>Total Enterprise Long-Term Debt</b>		<b>\$2,490,236</b>	<b>(\$235,000)</b>	<b>\$2,255,236</b>
<b>General Long-Term Debt:</b>				
<b>General Obligation Bonds:</b>				
7.13% Government Center Bond - I	2008	\$260,000	(\$30,000)	\$230,000
3.1-4.95% Government Center Bond- II	2001	50,000	(25,000)	25,000
5.05% South Hyatt Street Improvement	2000	40,000	(40,000)	0
4.6-4.625% North Hyatt Street Improvement	2000	40,000	(40,000)	0
4.6-4.625% Service Center Improvement	2015	790,000	(50,000)	740,000
<b>Total General Obligation Bonds</b>		<b>1,180,000</b>	<b>(185,000)</b>	<b>995,000</b>
<b>Other Long-Term Obligations:</b>				
Compensated Absences		539,418	51,391	590,809
<b>Total Other Long-Term Obligations</b>		<b>539,418</b>	<b>51,391</b>	<b>590,809</b>
<b>Total General Long-Term Debt and Other Long-Term Obligations</b>		<b>\$1,719,418</b>	<b>(\$133,609)</b>	<b>\$1,585,809</b>

**NOTE 12 - LONG-TERM OBLIGATIONS (Continued)**

**A. Principal and Interest Requirements**

A summary of the City's future long-term debt funding requirements, including principal and interest payments as of December 31, 2000, follows:

Years	General Obligation Bonds		Loan	
	Principal	Interest	Principal	Interest
2001	\$330,000	\$143,044	\$0	\$0
2002	305,000	124,706	0	0
2003	240,000	107,606	0	0
2004	240,000	93,789	0	0
2005	240,000	79,971	0	0
2006-2010	780,000	224,226	0	0
2011-2015	535,000	77,444	580,236	0
Totals	\$2,670,000	\$850,786	\$580,236	\$0

**NOTE 13 – CONSTRUCTION COMMITMENTS**

At December 31, 2000 the City had the following construction commitments outstanding:

Project	Remaining Construction Commitment	Expected Date of Completion
Police Facility - Architecture	\$44,734	Spring 2001
Asphalt Resurfacing Program	154,384	Summer 2001

**NOTE 14 - 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. On September 1, 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, 2000, the pool has sixteen 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, general liability, boiler and machinery, 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 sixteen 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 full-time Claims Manager, 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.

**NOTE 14 - RISK MANAGEMENT (Continued)**

The sixteen participating cities and their respective pool contribution factors for the loss year ended December 31, 2000 are:

<u>Entity</u>	<u>Percentage</u>
Beavercreek	8.64 %
Blue Ash	7.48
Indian Hill	2.45
Kettering	16.56
Madeira	1.29
Mason	6.16
Miamisburg	12.15
Montgomery	3.94
Sidney	7.72
Springdale	5.90
Tipp City	2.66
Troy	8.14
Vandalia	5.57
West Carrollton	4.62
Wilmington	4.55
Wyoming	<u>2.17</u>
Total	<u><u>100.00 %</u></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 multijurisdictional 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.

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

Property	\$432,383,397	blanket limit
General Liability	10,500,000	per occurrence
Boiler and Machinery	432,383,397	blanket limit
Public Officials Liability /	500,000	per occurrence
Police Professional Liability	10,000,000	excess \$1 Million
Automobile Liability	10,500,000	per occurrence
Flood (Property)	100,000,000	annual aggregate
Earthquake (Property)	100,000,000	annual aggregate

The deductible per occurrence is \$2,500. During 2000, MVRMA's self insured retention (SIR) limit for property was \$150,000 except boiler and machinery, which was \$5,000. The SIR for liability was \$500,000. 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, 2000.

**NOTE 14 - RISK MANAGEMENT (Continued)**

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 twelve 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.

**NOTE 15 – SUBSEQUENT EVENTS**

On March 5, 2001 the City entered into agreement with L.B. Robinson, Inc. for the construction of a new police facility at a cost of \$1,284,955.

On April 2, 2001 the City entered into contract with Associated Excavating in the amount of \$246,559 to complete the Amokee Ditch Storm Sewer project.

On April 10, 2001 the City issued \$2,325,000 in General Obligation Bonds. The proceeds of the bonds were used to retire the city's bond anticipation notes maturing April 12, 2001 in the amount of \$2,325,000. The bonds were sold to NatCity Investments with the net interest rate of 4.746%.

**NOTE 16 - CONTRIBUTED CAPITAL**

At December 31, 2000 contributed capital balances in the enterprise funds were as follows:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Electric Fund</u>	<u>Total</u>
Balance at Beginning of Year	\$2,397,747	\$6,475,051	\$300,640	\$9,173,438
Current Year Activity:				
Wastewater Authority	0	(115,380)	0	(115,380)
Developers/Customers	384,855	269,542	0	654,397
Balance at End of Year	<u>\$2,782,602</u>	<u>\$6,629,213</u>	<u>\$300,640</u>	<u>\$9,712,455</u>

**NOTE 17 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

Included in the services provided by the City financed primarily by user charges are water treatment and distribution, wastewater collection and treatment and electric services. The key financial information for the year ended December 31, 2000 for these enterprise activities is indicated below:

	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>	<u>Total</u>
Operating Revenues	\$724,366	\$887,274	\$7,981,938	\$9,593,578
Depreciation	246,618	170,134	287,859	704,611
Operating Income (Loss)	88,137	(36,455)	1,791,186	1,842,868
Operating Transfers Out	49,575	59,635	416,314	525,524
Net Income	15,937	28,440	1,273,278	1,317,655
Current Capital Contributions	384,855	269,542	0	654,397
Property, Plant and Equipment:				
Additions	47,453	14,328	554,461	616,242
Deletions	0	2,096	120,037	122,133
Assets	8,077,302	9,607,777	9,445,148	27,130,227
Net Working Capital	2,396,549	1,641,643	3,309,341	7,347,533
Bonds and Loans Payable	500,000	660,236	1,095,000	2,255,236
Total Equity	7,499,218	8,861,398	7,624,596	23,985,212

**NOTE 18 - JOINT VENTURE**

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. Although the City's percentage of usage was lower in 2000, the equity interest in the joint venture increased due to higher overall joint venture equity. The City's equity interest is \$3,422,901 which represents 17.12% of the total equity in Tri-Cities. This reflects a decrease of .60% below the City's equity interest of 17.72% in 1999. 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 2000, the City paid \$546,145 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.

**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.

*COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP  
STATEMENTS AND SCHEDULES*

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*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE THE  
GENERAL FUND, SPECIAL REVENUE FUNDS, CAPITAL PROJECTS FUNDS,  
ENTERPRISE FUNDS, FIDUCIARY FUNDS AND THE GENERAL FIXED ASSETS  
ACCOUNT GROUP.*



***GENERAL FUND***

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The General Fund is used to account for government resources not accounted for in any other fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter and/or the general laws of Ohio.

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$2,247,687	\$2,236,433	(\$11,254)
Intergovernmental Revenues	758,197	759,065	868
Charges for Services	261,264	273,380	12,116
Licenses and Permits	36,525	48,473	11,948
Investment Earnings	570,000	596,043	26,043
Special Assessments	200	220	20
Fines and Forfeitures	11,695	11,747	52
All Other Revenues	114,050	115,058	1,008
Total Revenues	3,999,618	4,040,419	40,801
<b>Expenditures:</b>			
<b>Security of Persons and Property:</b>			
<b>Police:</b>			
Personal Services	1,253,087	1,247,337	5,750
Travel and Training	19,265	18,538	727
Contractual Services	68,438	64,538	3,900
Materials and Supplies	30,488	28,493	1,995
Total Police	1,371,278	1,358,906	12,372
<b>Fire:</b>			
Personal Services	79,024	75,030	3,994
Travel and Training	5,144	4,493	651
Contractual Services	32,710	31,781	929
Materials and Supplies	4,670	4,512	158
Total Fire	121,548	115,816	5,732
<b>Emergency Medic Service:</b>			
Personal Services	399,660	399,198	462
Travel and Training	10,710	10,093	617
Contractual Services	61,634	55,363	6,271
Materials and Supplies	15,195	14,417	778
Total Emergency Medic Service	487,199	479,071	8,128
Total Security of Persons and Property	1,980,025	1,953,793	26,232
<b>Leisure Time Activities:</b>			
<b>Parks:</b>			
Personal Services	184,164	167,758	16,406
Travel and Training	1,000	478	522
Contractual Services	60,447	55,314	5,133
Materials and Supplies	34,239	30,904	3,335
Total Parks	279,850	254,454	25,396

(Continued)

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Recreation:			
Contractual Services	16,500	15,500	1,000
Total Recreation	<u>16,500</u>	<u>15,500</u>	<u>1,000</u>
Total Leisure Time Activities	<u>296,350</u>	<u>269,954</u>	<u>26,396</u>
Community Environment:			
Planning:			
Personal Services	94,994	92,263	2,731
Travel and Training	2,673	806	1,867
Contractual Services	41,403	38,715	2,688
Materials and Supplies	<u>2,200</u>	<u>1,492</u>	<u>708</u>
Total Community Environment	<u>141,270</u>	<u>133,276</u>	<u>7,994</u>
Basic Utility Services			
Utility Billing:			
Personal Services	106,808	103,415	3,393
Travel and Training	9,685	8,280	1,405
Contractual Services	5,920	5,789	131
Materials and Supplies	<u>22,282</u>	<u>21,441</u>	<u>841</u>
Total Basic Utility Services	<u>144,695</u>	<u>138,925</u>	<u>5,770</u>
Transportation:			
Street:			
Personal Services	1,705	1,194	511
Contractual Services	316	64	252
Materials and Supplies	<u>81</u>	<u>81</u>	<u>0</u>
Total Transportation	<u>2,102</u>	<u>1,339</u>	<u>763</u>
General Government:			
City Council:			
Personal Services	28,771	27,236	1,535
Travel and Training	5,247	5,182	65
Contractual Services	10,810	8,375	2,435
Materials and Supplies	<u>3,239</u>	<u>1,836</u>	<u>1,403</u>
Total City Council	<u>48,067</u>	<u>42,629</u>	<u>5,438</u>
Commissions:			
Personal Services	11,718	10,947	771
Travel and Training	2,000	238	1,762
Contractual Services	26,686	23,977	2,709
Materials and Supplies	<u>3,160</u>	<u>2,490</u>	<u>670</u>
Total Commissions	<u>43,564</u>	<u>37,652</u>	<u>5,912</u>

(Continued)

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Administration:			
Personal Services	149,936	147,905	2,031
Travel and Training	3,500	2,162	1,338
Contractual Services	3,525	3,254	271
Materials and Supplies	2,525	2,463	62
Total Administration	<u>159,486</u>	<u>155,784</u>	<u>3,702</u>
Buildings and Grounds:			
Contractual Services	96,230	85,171	11,059
Materials and Supplies	4,125	3,712	413
Total Buildings and Grounds	<u>100,355</u>	<u>88,883</u>	<u>11,472</u>
Finance - Accounting:			
Personal Services	125,727	125,600	127
Travel and Training	3,580	3,371	209
Contractual Services	8,694	8,328	366
Materials and Supplies	2,575	2,083	492
Total Finance - Accounting	<u>140,576</u>	<u>139,382</u>	<u>1,194</u>
Finance - Income Tax:			
Personal Services	104,646	100,109	4,537
Travel and Training	3,700	2,682	1,018
Contractual Services	7,219	6,240	979
Materials and Supplies	6,932	5,930	1,002
Income Tax Refunds	75,000	72,024	2,976
Total Finance - Income Tax	<u>197,497</u>	<u>186,985</u>	<u>10,512</u>
Legal:			
Personal Services	33,177	32,796	381
Travel and Training	360	0	360
Contractual Services	40,744	38,262	2,482
Materials and Supplies	200	0	200
Total Legal	<u>74,481</u>	<u>71,058</u>	<u>3,423</u>
Engineering:			
Personal Services	60,380	47,486	12,894
Travel and Training	1,210	1,132	78
Contractual Services	84,335	61,314	23,021
Materials and Supplies	825	410	415
Total Engineering	<u>146,750</u>	<u>110,342</u>	<u>36,408</u>

(Continued)

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
General Administrative:			
Personal Services	1,000	963	37
Contractual Services	345,440	286,330	59,110
Other Expenditures	2,806	1,721	1,085
Total General Administrative	<u>349,246</u>	<u>289,014</u>	<u>60,232</u>
Total General Government	<u>1,260,022</u>	<u>1,121,729</u>	<u>138,293</u>
Capital Outlay:			
Police	32,090	31,515	575
Fire	28,869	28,341	528
Emergency Medical Service	14,377	13,602	775
Parks	5,995	5,605	390
Planning	4,850	4,842	8
Utility Billing	5,972	5,820	152
City Council	2,225	2,223	2
Administration	2,585	2,573	12
Buildings and Grounds	4,850	4,833	17
Finance - Accounting	5,200	4,929	271
Finance - Income Tax	5,400	4,742	658
Engineering	3,100	3,060	40
General Administrative	2,408	2,300	108
Total Capital Outlay	<u>117,921</u>	<u>114,385</u>	<u>3,536</u>
Total Expenditures	<u>3,942,385</u>	<u>3,733,401</u>	<u>208,984</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	57,233	307,018	249,785
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	498,090	498,090	0
Operating Transfers Out	<u>(933,000)</u>	<u>(933,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(434,910)</u>	<u>(434,910)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(377,677)	(127,892)	249,785
Fund Balance at Beginning of Year	2,672,188	2,672,188	0
Prior Year Encumbrances	285,843	285,843	0
Fund Balance at End of Year	<u>\$2,580,354</u>	<u>\$2,830,139</u>	<u>\$249,785</u>

## ***SPECIAL REVENUE FUNDS***

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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.

### **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.

### **Community Development Fund**

To account for monies received from the federal government under the Community Development Block Grant program.

### **Law Enforcement Fund**

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

### **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.

(Continued)

***SPECIAL REVENUE FUNDS***

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**DARE Projects Fund**

To account for revenues and expenditures relative to DARE activities.

**THE CITY OF TIPP CITY, OHIO**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2000**

	Swimming Pool	Street Construction, Maintenance and Repair	State Highway Improvement	Municipal Road
<u>Assets:</u>				
Cash and Cash Equivalents	\$15,607	\$218,232	\$39,701	\$84,686
Intergovernmental Receivables	0	22,158	1,797	3,485
Inventory of Supplies at Cost	0	36,814	0	0
Prepaid Items	0	1,326	0	45
Total Assets	<u>\$15,607</u>	<u>\$278,530</u>	<u>\$41,498</u>	<u>\$88,216</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$227	\$13,668	\$485	\$5,798
Accrued Wages and Benefits	416	11,950	0	2,439
Due to Other Funds	0	193	0	0
Total Liabilities	<u>643</u>	<u>25,811</u>	<u>485</u>	<u>8,237</u>
Fund Equity:				
Reserved for Encumbrances	6,800	8,801	13,026	1,461
Reserved for Supplies Inventory	0	36,814	0	0
Reserved for Prepaid Items	0	1,326	0	45
Unreserved	8,164	205,778	27,987	78,473
Total Fund Equity	<u>14,964</u>	<u>252,719</u>	<u>41,013</u>	<u>79,979</u>
Total Liabilities and Fund Equity	<u>\$15,607</u>	<u>\$278,530</u>	<u>\$41,498</u>	<u>\$88,216</u>



**THE CITY OF TIPP CITY, OHIO  
 COMBINING BALANCE SHEET  
 SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2000**

Enforcement and Education	Community Development	Law Enforcement	Drug Law Enforcement	DARE Projects	Totals
\$5,136	\$37,501	\$674	\$4,251	\$1,658	\$407,446
25	0	0	0	0	27,465
0	0	0	0	0	36,814
0	0	0	0	0	1,371
<u>\$5,161</u>	<u>\$37,501</u>	<u>\$674</u>	<u>\$4,251</u>	<u>\$1,658</u>	<u>\$473,096</u>
\$0	\$0	\$0	\$0	\$0	\$20,178
0	0	0	0	0	14,805
0	0	0	0	0	193
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>35,176</u>
0	10,000	0	0	0	40,088
0	0	0	0	0	36,814
0	0	0	0	0	1,371
5,161	27,501	674	4,251	1,658	359,647
<u>5,161</u>	<u>37,501</u>	<u>674</u>	<u>4,251</u>	<u>1,658</u>	<u>437,920</u>
<u>\$5,161</u>	<u>\$37,501</u>	<u>\$674</u>	<u>\$4,251</u>	<u>\$1,658</u>	<u>\$473,096</u>

**THE CITY OF TIPP CITY, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	Swimming Pool	Street Construction, Maintenance and Repair	State Highway Improvement	Municipal Road
<b>Revenues:</b>				
Intergovernmental Revenues	\$0	\$285,768	\$23,171	\$58,204
Charges for Services	31,274	0	0	0
Licenses and Permits	0	200	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenues	1,002	3,394	0	0
Total Revenues	<u>32,276</u>	<u>289,362</u>	<u>23,171</u>	<u>58,204</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	0	0
Leisure Time Activities	58,673	0	0	0
Transportation	0	255,390	20,066	67,316
Capital Outlay	4,980	10,020	0	0
Total Expenditures	<u>63,653</u>	<u>265,410</u>	<u>20,066</u>	<u>67,316</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,377)	23,952	3,105	(9,112)
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	25,000	15,000	0	0
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>15,000</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(6,377)	38,952	3,105	(9,112)
Fund Balance at Beginning of Year	21,341	212,666	37,908	89,091
Increase in Inventory Reserve	0	1,101	0	0
Fund Balance at End of Year	<u>\$14,964</u>	<u>\$252,719</u>	<u>\$41,013</u>	<u>\$79,979</u>

**THE CITY OF TIPP CITY, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

<u>Enforcement and Education</u>	<u>Community Development</u>	<u>Law Enforcement</u>	<u>Drug Law Enforcement</u>	<u>DARE Projects</u>	<u>Totals</u>
\$0	\$0	\$0	\$0	\$0	\$367,143
0	0	0	0	0	31,274
0	0	0	0	0	200
0	2,278	0	0	0	2,278
566	0	0	262	0	828
0	0	292	0	3,675	8,363
<u>566</u>	<u>2,278</u>	<u>292</u>	<u>262</u>	<u>3,675</u>	<u>410,086</u>
0	0	48	0	2,017	2,065
0	0	0	0	0	58,673
0	0	0	0	0	342,772
0	0	4,932	0	0	19,932
<u>0</u>	<u>0</u>	<u>4,980</u>	<u>0</u>	<u>2,017</u>	<u>423,442</u>
566	2,278	(4,688)	262	1,658	(13,356)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,000</u>
566	2,278	(4,688)	262	1,658	26,644
4,595	35,223	5,362	3,989	0	410,175
0	0	0	0	0	1,101
<u>\$5,161</u>	<u>\$37,501</u>	<u>\$674</u>	<u>\$4,251</u>	<u>\$1,658</u>	<u>\$437,920</u>

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**SWIMMING POOL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$31,000	\$31,274	\$274
All Other Revenues	1,100	1,002	(98)
Total Revenues	32,100	32,276	176
<u>Expenditures:</u>			
Leisure Time Activities:			
Swimming Pool:			
Personal Services	38,930	37,820	1,110
Contractual Services	16,895	11,428	5,467
Materials and Supplies	9,365	9,001	364
Total Leisure Time Activities	65,190	58,249	6,941
Capital Outlay	12,644	11,780	864
Total Expenditures	77,834	70,029	7,805
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,734)	(37,753)	7,981
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	25,000	25,000	0
Total Other Financing Sources (Uses):	25,000	25,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(20,734)	(12,753)	7,981
Fund Balance at Beginning of Year	11,986	11,986	0
Prior Year Encumbrances	9,574	9,574	0
Fund Balance at End of Year	\$826	\$8,807	\$7,981

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$277,480	\$284,577	\$7,097
Licenses and Permits	200	200	0
All Other Revenues	3,000	3,394	394
Total Revenues	<u>280,680</u>	<u>288,171</u>	<u>7,491</u>
<u>Expenditures:</u>			
Transportation:			
Street:			
Personal Services	184,099	172,602	11,497
Travel and Training	1,500	854	646
Contractual Services	54,104	49,378	4,726
Materials and Supplies	46,366	42,974	3,392
Total Transportation	<u>286,069</u>	<u>265,808</u>	<u>20,261</u>
Capital Outlay	<u>12,825</u>	<u>11,950</u>	<u>875</u>
Total Expenditures	<u>298,894</u>	<u>277,758</u>	<u>21,136</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,214)	10,413	28,627
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,214)	25,413	28,627
Fund Balance at Beginning of Year	156,393	156,393	0
Prior Year Encumbrances	15,375	15,375	0
Fund Balance at End of Year	<u><u>\$168,554</u></u>	<u><u>\$197,181</u></u>	<u><u>\$28,627</u></u>

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**STATE HIGHWAY IMPROVEMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$22,498	\$23,074	\$576
Total Revenues	22,498	23,074	576
<u>Expenditures:</u>			
Transportation:			
Street:			
Contractual Services	25,424	24,447	977
Materials and Supplies	8,680	8,645	35
Total Expenditures	34,104	33,092	1,012
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,606)	(10,018)	1,588
Fund Balance at Beginning of Year	28,104	28,104	0
Prior Year Encumbrances	8,104	8,104	0
Fund Balance at End of Year	<u>\$24,602</u>	<u>\$26,190</u>	<u>\$1,588</u>

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**MUNICIPAL ROAD FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$54,295	\$54,719	\$424
Total Revenues	54,295	54,719	424
<u>Expenditures:</u>			
Transportation:			
Street:			
Personal Services	39,628	34,125	5,503
Contractual Services	968	0	968
Materials and Supplies	43,678	35,502	8,176
Total Expenditures	84,274	69,627	14,647
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,979)	(14,908)	15,071
Fund Balance at Beginning of Year	79,093	79,093	0
Prior Year Encumbrances	13,311	13,311	0
Fund Balance at End of Year	\$62,425	\$77,496	\$15,071

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**ENFORCEMENT AND EDUCATION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$600	\$616	\$16
Total Revenues	600	616	16
<u>Expenditures:</u>			
Security of Persons and Property:			
State Grant:			
Contractual Services	3,000	0	3,000
Total Expenditures	3,000	0	3,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,400)	616	3,016
Fund Balance at Beginning of Year	4,520	4,520	0
Fund Balance at End of Year	<u>\$2,120</u>	<u>\$5,136</u>	<u>\$3,016</u>



**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**COMMUNITY DEVELOPMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$1,100	\$2,278	\$1,178
Total Revenues	1,100	2,278	1,178
<u>Expenditures:</u>			
Community Environment:			
State Grant:			
Contractual Services	36,023	10,000	26,023
Total Expenditures	36,023	10,000	26,023
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(34,923)	(7,722)	27,201
Fund Balance at Beginning of Year	35,223	35,223	0
Fund Balance at End of Year	\$300	\$27,501	\$27,201

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**LAW ENFORCEMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$300	\$292	(\$8)
Total Revenues	300	292	(8)
<u>Expenditures:</u>			
Security of Persons and Property:			
State Grant:			
Contractual Services	61	48	13
Total Security of Persons and Property	61	48	13
Capital Outlay	4,939	4,932	7
Total Expenditures	5,000	4,980	20
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,700)	(4,688)	12
Fund Balance at Beginning of Year	5,362	5,362	0
Fund Balance at End of Year	\$662	\$674	\$12

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**DRUG LAW ENFORCEMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$250	\$262	\$12
Total Revenues	250	262	12
<u>Expenditures:</u>			
Security of Persons and Property:			
State Grant:			
Contractual Services	3,000	0	3,000
Total Expenditures	3,000	0	3,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,750)	262	3,012
Fund Balance at Beginning of Year	3,989	3,989	0
Fund Balance at End of Year	\$1,239	\$4,251	\$3,012

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**DARE PROJECTS FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$5,000	\$3,675	(\$1,325)
Total Revenues	<u>5,000</u>	<u>3,675</u>	<u>(1,325)</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
State Grant:			
Contractual Services	5,000	2,017	2,983
Total Expenditures	<u>5,000</u>	<u>2,017</u>	<u>2,983</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	0	1,658	1,658
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$1,658</u>	<u>\$1,658</u>

## ***CAPITAL PROJECTS FUNDS***

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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.

### **Capital Improvement Reserve Fund**

To account for financial resources used for the major capital projects undertaken by the City.

### **Police Facility Construction Fund**

To account for construction of a new police facility financed by note proceeds.

### **Storm Sewer Construction Fund**

To account for construction of a new storm sewer financed by note proceeds.

### **East Broadway Improvement Fund**

To account for improvements to Broadway Avenue. Improvements were funded by federal and state grants and note proceeds.

### **North Third Street Reconstruction Fund**

To account for improvements to north Third Street. This project is funded by State Issue II funds and a transfer from the General Fund.

### **Fire Truck Equipment Fund**

To account for the purchase of a fire truck and equipment financed by the sale of a note.

### **Elm Street Reconstruction Fund**

To account for improvements to Elm Street. This project is funded by State Issue II Grant funds and transfers from the General, Water and Sewer funds.

### **Donn Davis Way Construction Fund**

To account for construction of Donn Davis Way.

**THE CITY OF TIPP CITY, OHIO**  
**COMBINING BALANCE SHEET**  
**CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 2000**

	Capital Improvement Reserve	Police Facility Construction	Storm Sewer Construction	East Broadway Improvement
<u>Assets:</u>				
Cash and Cash Equivalents	\$647,148	\$1,690,367	\$300,645	\$0
Receivables:				
Taxes	65,958	0	0	0
Special Assessments	240,843	0	0	0
Total Assets	<u>\$953,949</u>	<u>\$1,690,367</u>	<u>\$300,645</u>	<u>\$0</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$110,939	\$12,777	\$0	\$0
Accrued Interest Payable	0	2,130	376	5,706
Deferred Revenue	249,305	0	0	0
General Obligation Notes Payable	0	1,700,000	300,000	175,000
Total Liabilities	<u>360,244</u>	<u>1,714,907</u>	<u>300,376</u>	<u>180,706</u>
Fund Equity:				
Fund Balances:				
Reserved for Encumbrances	340,588	34,257	300,000	0
Unreserved - Undesignated	253,117	(58,797)	(299,731)	(180,706)
Total Fund Equity	<u>593,705</u>	<u>(24,540)</u>	<u>269</u>	<u>(180,706)</u>
Total Liabilities and Fund Equity	<u>\$953,949</u>	<u>\$1,690,367</u>	<u>\$300,645</u>	<u>\$0</u>

**THE CITY OF TIPP CITY, OHIO**  
**COMBINING BALANCE SHEET**  
**CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 2000**

North Third Street Reconstruction	Fire Truck Equipment	Elm Street Reconstruction	Donn Davis Way Construction	Totals
\$373,000	\$0	\$3,105	\$139,500	\$3,153,765
0	0	0	0	65,958
0	0	0	0	240,843
<u>\$373,000</u>	<u>\$0</u>	<u>\$3,105</u>	<u>\$139,500</u>	<u>\$3,460,566</u>
\$0	\$0	\$0	\$0	\$123,716
0	4,891	0	0	13,103
0	0	0	0	249,305
0	150,000	0	0	2,325,000
<u>0</u>	<u>154,891</u>	<u>0</u>	<u>0</u>	<u>2,711,124</u>
0	0	13,984	0	688,829
373,000	(154,891)	(10,879)	139,500	60,613
<u>373,000</u>	<u>(154,891)</u>	<u>3,105</u>	<u>139,500</u>	<u>749,442</u>
<u>\$373,000</u>	<u>\$0</u>	<u>\$3,105</u>	<u>\$139,500</u>	<u>\$3,460,566</u>

**THE CITY OF TIPP CITY, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	Capital Improvement Reserve	Police Facility Construction	Storm Sewer Construction	East Broadway Improvement
<b>Revenues:</b>				
Taxes	\$492,790	\$0	\$0	\$0
Intergovernmental Revenues	0	0	0	0
Investment Earnings	0	3,633	645	0
Special Assessments	44,316	0	0	0
All Other Revenues	10,150	0	0	0
Total Revenues	<u>547,256</u>	<u>3,633</u>	<u>645</u>	<u>0</u>
<b>Expenditures:</b>				
Transportation	0	0	0	0
General Government	3,042	0	0	0
Capital Outlay	504,095	26,043	0	0
Debt Service:				
Interest and Fiscal Charges	0	2,130	376	8,046
Total Expenditures	<u>507,137</u>	<u>28,173</u>	<u>376</u>	<u>8,046</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,119	(24,540)	269	(8,046)
<b>Other Financing Sources (Uses):</b>				
Proceeds from the Sale of Fixed Assets	27,245	0	0	0
Operating Transfers In	475,000	0	0	32,140
Operating Transfers Out	(421,509)	0	0	0
Total Other Financing Sources (Uses)	<u>80,736</u>	<u>0</u>	<u>0</u>	<u>32,140</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	120,855	(24,540)	269	24,094
Fund Balance (Deficit) at Beginning of Year	472,850	0	0	(204,800)
Fund Balance (Deficit) at End of Year	<u>\$593,705</u>	<u>(\$24,540)</u>	<u>\$269</u>	<u>(\$180,706)</u>



**THE CITY OF TIPP CITY, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

North Third Street Reconstruction	Fire Truck Equipment	Elm Street Reconstruction	Donn Davis Way Construction	Totals
\$0	\$0	\$0	\$0	\$492,790
0	0	199,121	0	199,121
0	0	0	0	4,278
0	0	0	0	44,316
0	0	0	0	10,150
0	0	199,121	0	750,655
0	0	9,654	0	9,654
0	0	0	0	3,042
0	0	349,121	0	879,259
0	6,939	0	0	17,491
0	6,939	358,775	0	909,446
0	(6,939)	(159,654)	0	(158,791)
0	0	0	0	27,245
373,000	31,248	45,000	139,500	1,095,888
0	0	0	0	(421,509)
373,000	31,248	45,000	139,500	701,624
373,000	24,309	(114,654)	139,500	542,833
0	(179,200)	117,759	0	206,609
<u>\$373,000</u>	<u>(\$154,891)</u>	<u>\$3,105</u>	<u>\$139,500</u>	<u>\$749,442</u>

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**CAPITAL IMPROVEMENT RESERVE FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$485,000	\$481,918	(\$3,082)
Special Assessments	48,000	48,344	344
All Other Revenues	10,000	10,150	150
Total Revenues	<u>543,000</u>	<u>540,412</u>	<u>(2,588)</u>
<u>Expenditures:</u>			
General Government:			
Contractual Services	3,100	3,042	58
Total General Government	<u>3,100</u>	<u>3,042</u>	<u>58</u>
Capital Outlay	922,201	850,988	71,213
Total Expenditures	<u>925,301</u>	<u>854,030</u>	<u>71,271</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(382,301)	(313,618)	68,683
<u>Other Financing Sources (Uses):</u>			
Proceeds from the Sale of Fixed Assets	27,000	27,245	245
Operating Transfers In	475,000	475,000	0
Operating Transfers Out	(421,984)	(421,509)	475
Total Other Financing Sources (Uses)	<u>80,016</u>	<u>80,736</u>	<u>720</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(302,285)	(232,882)	69,403
Fund Balance at Beginning of Year	199,558	199,558	0
Prior Year Encumbrances	228,945	228,945	0
Fund Balance at End of Year	<u>\$126,218</u>	<u>\$195,621</u>	<u>\$69,403</u>

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**POLICE FACILITY CONSTRUCTION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$5,000	\$3,633	(\$1,367)
Total Revenues	5,000	3,633	(1,367)
<u>Expenditures:</u>			
Security of Persons and Property:			
Contractual Services	5,000	2,300	2,700
Total Security of Persons and Property	5,000	2,300	2,700
Capital Outlay	1,315,000	58,000	1,257,000
Total Expenditures	1,320,000	60,300	1,259,700
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,315,000)	(56,667)	1,258,333
<u>Other Financing Sources (Uses):</u>			
Proceeds from the Sale of Notes	1,700,000	1,700,000	0
Total Other Financing Sources (Uses)	1,700,000	1,700,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	385,000	1,643,333	1,258,333
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$385,000	\$1,643,333	\$1,258,333

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**STORM SEWER CONSTRUCTION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$1,000	\$645	(\$355)
Total Revenues	1,000	645	(355)
<u>Expenditures:</u>			
Capital Outlay	300,000	300,000	0
Total Expenditures	300,000	300,000	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(299,000)	(299,355)	(355)
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Notes	300,000	300,000	0
Total Other Financing Sources (Uses)	300,000	300,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,000	645	(355)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$1,000</u>	<u>\$645</u>	<u>(\$355)</u>

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**NORTH THIRD STREET RECONSTRUCTION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay	373,000	0	373,000
Total Expenditures	373,000	0	373,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(373,000)	0	373,000
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	373,000	373,000	0
Total Other Financing Sources (Uses)	373,000	373,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	373,000	373,000
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$373,000	\$373,000

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**ELM STREET RECONSTRUCTION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$210,000	\$199,121	(\$10,879)
Total Revenues	<u>210,000</u>	<u>199,121</u>	<u>(10,879)</u>
<u>Expenditures:</u>			
Transportation:			
Contractual Services	12,759	12,759	0
Total Transportation	<u>12,759</u>	<u>12,759</u>	<u>0</u>
Capital Outlay	<u>360,000</u>	<u>360,000</u>	<u>0</u>
Total Expenditures	<u>372,759</u>	<u>372,759</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(162,759)	(173,638)	(10,879)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	<u>45,000</u>	<u>45,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>45,000</u>	<u>45,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(117,759)	(128,638)	(10,879)
Fund Balance at Beginning of Year	105,000	105,000	0
Prior Year Encumbrances	<u>12,759</u>	<u>12,759</u>	<u>0</u>
Fund Deficit at End of Year	<u>\$0</u>	<u>(\$10,879)</u>	<u>(\$10,879)</u>

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**DONN DAVIS WAY CONSTRUCTION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	139,500	139,500	0
Total Other Financing Sources (Uses)	139,500	139,500	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	139,500	139,500	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$139,500	\$139,500	\$0



**Tipp City, Ohio**



## ***ENTERPRISE FUNDS***

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The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the City is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City has decided that periodic determination of net income is appropriate for accountability purposes.

### **Water Fund**

To account for the operation of the City's water service.

### **Sewer Fund**

To account for the operation of the City's sanitary sewer service.

### **Electric Fund**

To account for the operation of the City's electric service.

**THE CITY OF TIPP CITY, OHIO**  
**COMBINING BALANCE SHEET**  
**ENTERPRISE FUNDS**  
**DECEMBER 31, 2000**

	Water	Sewer	Electric	Totals
<u>Assets:</u>				
Cash and Cash Equivalents	\$864,958	\$348,275	\$890,181	\$2,103,414
Investments	1,393,358	561,034	1,585,813	3,540,205
Receivables:				
Accounts	69,849	92,178	908,972	1,070,999
Special Assessments	0	690,747	0	690,747
Due from Other Funds	335	631	6,596	7,562
Inventory of Supplies at Cost	88,726	4,670	436,771	530,167
Prepaid Items	844	23	473	1,340
Restricted Assets:				
Cash and Cash Equivalents	0	0	94,248	94,248
Investment in Joint Venture	0	3,422,901	0	3,422,901
Property, Plant and Equipment	8,794,437	6,414,309	8,119,305	23,328,051
Less Accumulated Depreciation	(3,135,205)	(1,926,991)	(2,597,211)	(7,659,407)
Net Fixed Assets	<u>5,659,232</u>	<u>4,487,318</u>	<u>5,522,094</u>	<u>15,668,644</u>
Total Assets	<u>\$8,077,302</u>	<u>\$9,607,777</u>	<u>\$9,445,148</u>	<u>\$27,130,227</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$3,873	\$5,124	\$481,185	\$490,182
Accrued Wages and Benefits	11,426	5,621	33,449	50,496
Due to Other Funds	3,781	1,083	0	4,864
Intergovernmental Payable	0	43,750	0	43,750
Accrued Interest Payable	2,441	337	4,831	7,609
Customer Deposits Payable	0	0	94,248	94,248
Compensated Absences Payable	56,563	30,228	111,839	198,630
General Obligation Bonds Payable	500,000	80,000	1,095,000	1,675,000
State Loans Payable	0	580,236	0	580,236
Total Liabilities	<u>578,084</u>	<u>746,379</u>	<u>1,820,552</u>	<u>3,145,015</u>
Fund Equity:				
Contributed Capital:				
Wastewater Authority	0	2,915,405	0	2,915,405
Other	2,782,602	3,713,808	300,640	6,797,050
Retained earnings:				
Unreserved	<u>4,716,616</u>	<u>2,232,185</u>	<u>7,323,956</u>	<u>14,272,757</u>
Total Fund Equity	<u>7,499,218</u>	<u>8,861,398</u>	<u>7,624,596</u>	<u>23,985,212</u>
Total Liabilities and Fund Equity	<u>\$8,077,302</u>	<u>\$9,607,777</u>	<u>\$9,445,148</u>	<u>\$27,130,227</u>

**THE CITY OF TIPP CITY, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	Water	Sewer	Electric	Totals
<u>Operating Revenues:</u>				
Charges for Services	\$704,176	\$877,080	\$7,859,086	\$9,440,342
Other Operating Revenues	20,190	10,194	122,852	153,236
Total Operating Revenues	<u>724,366</u>	<u>887,274</u>	<u>7,981,938</u>	<u>9,593,578</u>
<u>Operating Expenses:</u>				
Personal Services	214,566	103,568	634,971	953,105
Materials and Supplies	87,034	46,141	111,661	244,836
Contractual Services	43,092	574,055	5,144,220	5,761,367
Utilities	43,493	10,986	7,581	62,060
Depreciation	246,618	170,134	287,859	704,611
Other Operating Expenses	1,426	18,845	4,460	24,731
Total Operating Expenses	<u>636,229</u>	<u>923,729</u>	<u>6,190,752</u>	<u>7,750,710</u>
Operating Income (Loss)	88,137	(36,455)	1,791,186	1,842,868
<u>Nonoperating Revenues (Expenses):</u>				
Loss on Sale of Fixed Assets	0	0	(43,265)	(43,265)
Interest and Fiscal Charges	(33,913)	(6,839)	(63,368)	(104,120)
Income from Joint Venture	0	130,718	0	130,718
Interest Income	11,288	651	5,039	16,978
Total Nonoperating Revenues (Expenses)	<u>(22,625)</u>	<u>124,530</u>	<u>(101,594)</u>	<u>311</u>
Income Before Operating Transfers	65,512	88,075	1,689,592	1,843,179
<u>Operating Transfers:</u>				
Operating Transfers Out	(49,575)	(59,635)	(416,314)	(525,524)
Total Operating Transfers	<u>(49,575)</u>	<u>(59,635)</u>	<u>(416,314)</u>	<u>(525,524)</u>
Net Income	15,937	28,440	1,273,278	1,317,655
Retained Earnings at Beginning of Year	4,700,679	2,203,745	6,050,678	12,955,102
Retained Earnings at End of Year	<u>\$4,716,616</u>	<u>\$2,232,185</u>	<u>\$7,323,956</u>	<u>\$14,272,757</u>

**THE CITY OF TIPP CITY, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	Water	Sewer	Electric	Total
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$699,772	\$871,503	\$7,774,517	\$9,345,792
Cash Payments for Goods and Services	(172,166)	(661,084)	(5,133,523)	(5,966,773)
Cash Payments to Employees	(197,643)	(93,292)	(611,406)	(902,341)
Other Operating Revenues	20,190	18,855	135,810	174,855
Net Cash Provided by Operating Activities	<u>350,153</u>	<u>135,982</u>	<u>2,165,398</u>	<u>2,651,533</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers Out to Other Funds	(49,575)	(59,635)	(416,314)	(525,524)
Net Cash Used for Noncapital Financing Activities	<u>(49,575)</u>	<u>(59,635)</u>	<u>(416,314)</u>	<u>(525,524)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition and Construction of Assets	(51,253)	(14,328)	(560,857)	(626,438)
Principal Paid on General Obligation Bonds	(90,000)	(45,000)	(100,000)	(235,000)
Interest Paid on All Debt	(34,332)	(7,093)	(63,856)	(105,281)
Net Cash Used for Capital and Related Financing Activities	<u>(175,585)</u>	<u>(66,421)</u>	<u>(724,713)</u>	<u>(966,719)</u>
<u>Cash Flows from Investing Activities:</u>				
Receipts of Interest	9,319	0	0	9,319
Purchase of Investments	0	0	(509,648)	(509,648)
Sale of Investments	83,765	64,380	0	148,145
Net Cash Provided (Used) by Investing Activities	<u>93,084</u>	<u>64,380</u>	<u>(509,648)</u>	<u>(352,184)</u>
Net Increase in Cash and Cash Equivalents	218,077	74,306	514,723	807,106
Cash and Cash Equivalents at Beginning of Year	646,881	273,969	469,706	1,390,556
Cash and Cash Equivalents at End of Year	<u>\$864,958</u>	<u>\$348,275</u>	<u>\$984,429</u>	<u>\$2,197,662</u>
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>				
Cash and Cash Equivalents	\$864,958	\$348,275	\$890,181	\$2,103,414
Restricted Cash and Cash Equivalents	0	0	94,248	94,248
Cash and Cash Equivalents at End of Year	<u>\$864,958</u>	<u>\$348,275</u>	<u>\$984,429</u>	<u>\$2,197,662</u>

(Continued)

**THE CITY OF TIPP CITY, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	Water	Sewer	Electric	Total
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>				
Operating Income (Loss)	\$88,137	(\$36,455)	\$1,791,186	\$1,842,868
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	246,618	170,134	287,859	704,611
Adjustments to Assets and Liabilities:				
Increase in Accounts Receivable	(4,220)	(5,362)	(81,404)	(90,986)
Decrease in Special Assessments Receivable	0	8,661	0	8,661
(Increase) Decrease in Inventory	15,398	(167)	38,563	53,794
(Increase) Decrease in Prepaid Items	2,805	315	(473)	2,647
Increase in Due from Other Funds	(184)	(215)	(3,165)	(3,564)
Increase (Decrease) in Accounts Payable	(16,800)	(55,584)	106,505	34,121
Increase (Decrease) in Accrued Wages and Benefits	469	423	(1,667)	(775)
Increase in Due to Other Funds	1,294	629	0	1,923
Increase in Intergovernmental Payable	0	43,750	0	43,750
Increase in Customer Deposits Payable	0	0	2,762	2,762
Increase in Compensated Absences	16,636	9,853	25,232	51,721
Total Adjustments	<u>262,016</u>	<u>172,437</u>	<u>374,212</u>	<u>808,665</u>
Net Cash Provided by Operating Activities	<u>\$350,153</u>	<u>\$135,982</u>	<u>\$2,165,398</u>	<u>\$2,651,533</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2000, the Electric Fund had an outstanding liability of \$5,012 for the purchase of certain capital assets. The Water Fund and Sewer Fund received capital assets contributed by developers/customers in the amounts of \$384,855 and \$269,542 respectively. During 2000 the fair value of investments decreased by \$81,796 and \$63,729 in the Water and Sewer Funds, respectively and increased by \$514,687 in the Electric Fund.

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***FIDUCIARY FUND TYPE***

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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.

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***EXPENDABLE TRUST FUNDS***

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**Fire Donation Trust Fund**

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

**E.M.S. 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.

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***AGENCY FUND***

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**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.

**THE CITY OF TIPP CITY, OHIO**  
**COMBINING BALANCE SHEET**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2000**

	<i>Expendable Trust Funds</i>			<i>Agency Fund</i>	Totals
	Fire Donation Trust	E.M.S. Donation Trust	Police Donation Trust	Contractor Maintenance Deposit	
<u>Assets:</u>					
Cash and Cash Equivalents	\$400	\$11,961	\$1,654	\$0	\$14,015
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	38,238	38,238
Total Assets	<u>\$400</u>	<u>\$11,961</u>	<u>\$1,654</u>	<u>\$38,238</u>	<u>\$52,253</u>
<u>Liabilities and Fund Equity:</u>					
Liabilities:					
Due to Others	\$0	\$0	\$0	\$38,238	\$38,238
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>38,238</u>	<u>38,238</u>
Fund Equity:					
Reserved for Encumbrances	0	0	218	0	218
Unreserved	400	11,961	1,436	0	13,797
Total Fund Equity	<u>400</u>	<u>11,961</u>	<u>1,654</u>	<u>0</u>	<u>14,015</u>
Total Liabilities and Fund Equity	<u>\$400</u>	<u>\$11,961</u>	<u>\$1,654</u>	<u>\$38,238</u>	<u>\$52,253</u>

**THE CITY OF TIPP CITY, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**EXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	<i>Expendable Trust Funds</i>			Totals
	Fire Donation Trust	E.M.S. Donation Trust	Police Donation Trust	
<u>Revenues:</u>				
All Other Revenues	\$0	\$420	\$1,272	\$1,692
Total Revenues	0	420	1,272	1,692
<u>Expenditures:</u>				
Security of Persons and Property	0	0	3,711	3,711
Capital Outlay	0	400	0	400
Total Expenditures	0	400	3,711	4,111
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	20	(2,439)	(2,419)
Fund Balance at Beginning of Year	400	11,941	4,093	16,434
Fund Balance at End of Year	<u>\$400</u>	<u>\$11,961</u>	<u>\$1,654</u>	<u>\$14,015</u>



**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**EXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**FIRE DONATION TRUST FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Security of Persons and Property:			
Other Expenditures	200	0	200
Total Expenditures	200	0	200
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(200)	0	200
Fund Balance at Beginning of Year	400	400	0
Fund Balance at End of Year	\$200	\$400	\$200

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**EXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**E.M.S. DONATION TRUST FUND**

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$400	\$420	\$20
Total Revenues	<u>400</u>	<u>420</u>	<u>20</u>
<u>Expenditures:</u>			
Capital Outlay	8,000	400	7,600
Total Expenditures	<u>8,000</u>	<u>400</u>	<u>7,600</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(7,600)	20	7,620
Fund Balance at Beginning of Year	<u>11,941</u>	<u>11,941</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$4,341</u></u>	<u><u>\$11,961</u></u>	<u><u>\$7,620</u></u>

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**EXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**POLICE DONATION TRUST FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$900	\$1,272	\$372
Total Revenues	900	1,272	372
 <u>Expenditures:</u>			
Security of Persons and Property:			
Contractual Services	3,981	3,929	52
Total Expenditures	3,981	3,929	52
 Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(3,081)	(2,657)	424
Fund Balance at Beginning of Year	4,002	4,002	0
Prior Year Encumbrances	91	91	0
Fund Balance at End of Year	\$1,012	\$1,436	\$424

**THE CITY OF TIPP CITY, OHIO**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	Balance December 31, 1999	Additions	Deductions	Balance December 31, 2000
<u>Contractor Maintenance Deposit</u>				
Assets:				
Restricted Cash and Cash Equivalents	\$33,679	\$18,156	(\$13,597)	\$38,238
Total Assets	<u>\$33,679</u>	<u>\$18,156</u>	<u>(\$13,597)</u>	<u>\$38,238</u>
Liabilities:				
Due to Others	\$33,679	\$18,156	(\$13,597)	\$38,238
Total Liabilities	<u>\$33,679</u>	<u>\$18,156</u>	<u>(\$13,597)</u>	<u>\$38,238</u>

***GENERAL FIXED ASSETS ACCOUNT GROUP***

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General Fixed Assets Account Group is used to account for fixed assets other than those accounted for in the Proprietary Funds.

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY SOURCE**  
**DECEMBER 31, 2000**

<u>General Fixed Assets</u>	
Land	\$1,284,418
Buildings	3,121,201
Improvements Other Than Buildings	707,219
Machinery and Equipment	<u>3,287,500</u>
Total General Fixed Assets	<u><u>\$8,400,338</u></u>
<u>Investment in General Fixed Assets</u>	
General Fund	\$2,355,581
Special Revenue Funds	364,765
Capital Projects Funds	5,075,701
Revenue Sharing	56,936
Proprietary Funds	211,743
Trust/Agency Funds	30,275
Contributions	<u>305,337</u>
Total Investment in General Fixed Assets	<u><u>\$8,400,338</u></u>

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY CATEGORY**  
**DECEMBER 31, 2000**

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
<b><u>General Government:</u></b>					
Clerk - Council	\$0	\$0	\$0	\$13,185	\$13,185
City Manager	0	0	0	24,099	24,099
Buildings and Grounds	95,971	1,187,316	0	123,839	1,407,126
Finance - Administration	0	0	0	36,141	36,141
Finance - Utility Billing	0	0	0	38,559	38,559
Finance - Income Tax	0	0	0	9,542	9,542
Miscellaneous	0	0	0	27,150	27,150
Total	<u>95,971</u>	<u>1,187,316</u>	<u>0</u>	<u>272,515</u>	<u>1,555,802</u>
<b><u>Security of Persons and Property:</u></b>					
Police	685	29,259	0	520,723	550,667
Fire	13,330	397,676	9,934	944,551	1,365,491
EMS	0	1,750	0	450,998	452,748
Total	<u>14,015</u>	<u>428,685</u>	<u>9,934</u>	<u>1,916,272</u>	<u>2,368,906</u>
<b><u>Transportation:</u></b>					
Planning/Engineering	0	0	0	39,842	39,842
Street	82,387	970,659	80,224	584,357	1,717,627
Total	<u>82,387</u>	<u>970,659</u>	<u>80,224</u>	<u>624,199</u>	<u>1,757,469</u>
<b><u>Leisure Time Activities:</u></b>					
Parks	1,092,045	497,506	326,694	450,238	2,366,483
Pool	0	37,035	290,367	24,276	351,678
Total	<u>1,092,045</u>	<u>534,541</u>	<u>617,061</u>	<u>474,514</u>	<u>2,718,161</u>
Total General Fixed Assets	<u><u>\$1,284,418</u></u>	<u><u>\$3,121,201</u></u>	<u><u>\$707,219</u></u>	<u><u>\$3,287,500</u></u>	<u><u>\$8,400,338</u></u>

**THE CITY OF TIPP CITY, OHIO**  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

<u>Function and Activity</u>	<u>December 31, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2000</u>
<u>General Government:</u>				
Clerk - Council	\$14,543	\$1,892	(\$3,250)	\$13,185
City Manager	21,279	4,205	(1,385)	24,099
Buildings and Grounds	1,457,919	14,847	(65,640)	1,407,126
Finance - Administration	41,235	1,200	(6,294)	36,141
Finance - Utility Billing	24,264	16,427	(2,132)	38,559
Finance - Income Tax	9,961	1,200	(1,619)	9,542
Miscellaneous	27,150	0	0	27,150
Total	<u>1,596,351</u>	<u>39,771</u>	<u>(80,320)</u>	<u>1,555,802</u>
<u>Security of Persons and Property:</u>				
Police	510,697	93,483	(53,513)	550,667
Fire	1,314,893	53,172	(2,574)	1,365,491
EMS	435,390	17,358	0	452,748
Total	<u>2,260,980</u>	<u>164,013</u>	<u>(56,087)</u>	<u>2,368,906</u>
<u>Transportation:</u>				
Planning/Engineering	42,583	745	(3,486)	39,842
Street	1,863,233	70,657	(216,263)	1,717,627
Total	<u>1,905,816</u>	<u>71,402</u>	<u>(219,749)</u>	<u>1,757,469</u>
<u>Leisure Time Activities:</u>				
Parks	2,312,704	67,903	(14,124)	2,366,483
Pool	350,403	1,275	0	351,678
Total	<u>2,663,107</u>	<u>69,178</u>	<u>(14,124)</u>	<u>2,718,161</u>
Total General Fixed Assets	<u>\$8,426,254</u>	<u>\$344,364</u>	<u>(\$370,280)</u>	<u>\$8,400,338</u>



*STATISTICAL SECTION*

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## *STATISTICAL TABLES*

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*THE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE CITY.*

**THE CITY OF TIPP CITY, OHIO**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)**  
**LAST TEN YEARS**

<u>Year</u>	<u>Security of Persons and Property</u>	<u>Leisure Time Activities</u>	<u>Community Environment</u>	<u>Trans- portation</u>	<u>Basic Utilities</u>	<u>General Government</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
1991	\$829,302	\$145,105	\$46,743	\$218,605	\$82,727	\$621,354	\$10,793	\$100,887	\$2,055,516
1992	906,167	171,299	60,575	273,967	83,524	620,050	6,056	97,068	2,218,706
1993	905,967	187,097	70,082	292,989	81,878	638,198	2,264	107,579	2,286,054
1994	1,127,120	214,296	65,530	319,358	91,772	751,137	52,182	112,724	2,734,119
1995	1,125,168	224,685	54,466	332,903	89,361	739,643	44,996	125,269	2,736,491
1996	1,262,467	240,203	120,162	324,913	99,321	809,177	44,388	176,836	3,077,467
1997	1,258,472	240,981	115,482	316,308	115,812	758,825	123,880	274,354	3,204,114
1998	1,494,252	268,929	121,268	330,822	170,865	835,009	292,749	265,016	3,778,910
1999	1,543,564	280,857	133,517	333,911	120,321	901,757	421,574	255,632	3,991,133
2000	1,912,131	314,361	113,088	342,793	129,327	892,442	115,729	246,195	4,066,066

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund  
Source: Tipp City Department of Finance

**THE CITY OF TIPP CITY, OHIO**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)**  
**LAST TEN YEARS**

<b>Year</b>	<b>Taxes</b>	<b>Inter-Governmental Revenue</b>	<b>Charges for Services</b>	<b>Licenses and Permits</b>	<b>Investment Earnings</b>	<b>Fines and Forfeitures</b>	<b>All Other</b>	<b>Total</b>
1991	\$1,434,873	\$7,000	\$161,109	\$98,908	\$215,515	\$18,268	\$79,195	\$2,014,868
1992	1,579,978	0	173,911	108,712	149,633	17,333	156,671	2,186,238
1993	1,131,275	595,501	195,794	107,689	135,384	14,082	118,958	2,298,683
1994	1,293,661	623,336	215,381	112,345	180,661	23,315	147,963	2,596,662
1995	1,427,129	721,492	210,519	118,008	266,203	30,930	167,959	2,942,240
1996	1,569,061	801,571	230,153	143,895	348,173	17,790	142,883	3,253,526
1997	1,829,546	890,691	318,556	90,281	405,443	18,924	129,090	3,682,531
1998	1,878,229	917,625	309,291	70,769	490,380	18,801	125,318	3,810,413
1999	2,029,562	1,110,545	302,952	56,338	429,144	18,207	129,482	4,076,230
2000	2,197,531	1,050,707	300,753	48,673	611,282	12,831	124,000	4,345,777

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund  
Source: Tipp City Department of Finance

**THE CITY OF TIPP CITY, OHIO  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS**

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</u>
1991	\$107,287	\$105,460	\$1,758	\$107,218	99.94%	\$2,969	2.77%
1992	111,584	110,459	1,965	112,424	100.75%	2,537	2.27%
1993	131,711	131,798	2,016	133,814	101.60%	2,536	1.93%
1994	141,303	138,937	2,514	141,451	100.10%	2,403	1.70%
1995	149,792	150,836	2,141	152,977	102.13%	1,942	1.30%
1996	191,148	185,664	2,055	187,719	98.21%	4,121	2.16%
1997	203,009	197,422	2,587	200,009	98.52%	4,145	2.04%
1998	214,793	209,440	2,771	212,211	98.80%	3,716	1.73%
1999	243,582	237,143	3,697	240,840	98.87%	3,411	1.40%
2000	249,639	243,570	2,965	246,535	98.76%	3,790	1.52%

Source: Miami County Auditor

**THE CITY OF TIPP CITY, OHIO  
TANGIBLE TAX COLLECTED  
LAST TEN YEARS**

<b><u>Year Paid</u></b>	<b><u>Amount</u></b>
1991	\$27,270
1992	26,559
1993	25,728
1994	31,444
1995	34,274
1996	35,280
1997	45,713
1998	47,488
1999	48,565
2000	60,592

Source: Miami County Auditor

**THE CITY OF TIPP CITY, OHIO**  
**ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES**  
**OF TAXABLE PROPERTY**  
**LAST TEN YEARS**

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1991	\$62,930,500	\$179,801,429	\$8,551,500	\$24,432,857	\$20,788,220	\$76,993,407	\$92,270,220	\$281,227,693	32.81%
1992	77,728,770	222,082,200	9,078,280	25,937,942	19,711,730	75,814,346	106,518,780	323,834,488	32.89%
1993	84,740,940	242,116,971	9,159,400	26,169,714	20,867,860	83,471,440	114,768,200	351,758,125	32.63%
1994	90,106,730	257,447,800	9,771,120	27,917,486	22,687,430	90,749,720	122,565,280	376,115,006	32.59%
1995	116,621,050	333,203,000	9,796,050	27,988,714	23,989,360	95,957,440	150,406,460	457,149,154	32.90%
1996	122,044,480	348,698,514	11,055,280	31,586,514	26,535,050	106,140,200	159,634,810	486,425,228	32.82%
1997	131,610,120	376,028,914	11,690,530	33,401,515	33,592,560	134,370,240	176,893,210	543,800,669	32.53%
1998	149,111,080	426,031,657	11,610,700	33,173,428	35,719,150	142,876,600	196,440,930	602,081,685	32.63%
1999	154,572,570	441,635,914	11,837,420	33,821,200	36,613,070	146,452,280	203,023,060	621,909,394	32.65%
2000	159,341,120	455,260,343	11,240,770	32,116,486	44,987,580	179,950,320	215,569,470	667,327,149	32.30%

Source: Miami County Auditor

**THE CITY OF TIPP CITY, OHIO**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**(PER \$1,000 OF ASSESSED VALUATIONS)**  
**LAST TEN YEARS**

<b>Collection Year</b>	<b>City of Tipp City</b>		<b>Tipp City Exempted Village School District</b>	<b>Miami Valley Joint Vocational School District</b>	<b>Miami County</b>	<b>Special Taxing District</b>	<b>Total</b>
	<b>General Fund</b>	<b>Total City</b>					
1991	1.40	1.40	36.82	1.98	8.50	1.30	50.00
1992	1.40	1.40	44.50	1.98	6.52	1.70	56.10
1993	1.40	1.40	43.90	1.98	10.54	1.70	59.52
1994	1.40	1.40	41.65	2.58	10.51	1.70	57.84
1995	1.40	1.40	43.69	2.58	10.51	1.70	59.88
1996	1.40	1.40	43.20	2.58	6.02	1.70	54.90
1997	1.40	1.40	43.28	2.58	7.03	1.70	55.99
1998	1.40	1.40	43.20	2.58	8.82	1.70	57.70
1999	1.40	1.40	43.20	2.58	8.82	1.70	57.70
2000	1.40	1.40	43.20	2.58	8.81	1.70	57.69

Source: Miami County Auditor  
Miami County Treasurer



**THE CITY OF TIPP CITY, OHIO**  
**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS**  
**LAST TEN YEARS**

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Percent Collected</u>
1991	\$26,713	\$21,068	78.87%
1992	39,077	33,808	86.52%
1993	47,678	42,907	89.99%
1994	44,287	41,329	93.32%
1995	42,713	42,442	99.37%
1996	43,391	41,934	96.64%
1997	59,737	51,614	86.40%
1998	42,251	33,928	80.30%
1999	43,372	33,872	78.10%
2000	48,879	47,558	97.30%

Source: Miami County Auditor

**THE CITY OF TIPP CITY, OHIO**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**DECEMBER 31, 2000**

	<b>Total Debt</b>	<b>Unvoted Debt</b>
Net Assessed Valuation	\$215,569,470	\$215,569,470
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	22,634,794	11,856,321
Applicable City Debt Outstanding (2)	3,320,000	3,320,000
Less: Applicable Debt Service Fund Amounts	0	0
Net Indebtedness Subject to Limitation	3,320,000	3,320,000
Legal Debt Margin	\$19,314,794	\$8,536,321

(1) Direct Debt Limitation Based Upon Section 133, The Uniform Bond Act of the Ohio Revised Code

(2) City Debt Outstanding Includes Non Self-Supporting General Obligation Notes and Bonds Only  
Enterprise Debt is Not Considered in the Computation of the Legal Debt Margin

**THE CITY OF TIPP CITY, OHIO**  
**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE**  
**AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA**  
**LAST TEN YEARS**

<b>Tax Year</b>		<b>Population (1)</b>	<b>Assessed Value (2)</b>	<b>Gross Bonded Debt (3)</b>	<b>Debt Service Funds Available</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Valuation</b>	<b>Net Bonded Debt Per Capita</b>
1991	a	6,027	\$92,270,220	\$600,000	\$0	\$600,000	0.65%	\$99.55
1992	a	6,027	106,518,780	545,000	2	544,998	0.51%	90.43
1993	a	6,027	114,768,200	680,000	156	679,844	0.59%	112.80
1994	a	6,027	122,565,280	610,000	21	609,979	0.50%	101.21
1995	a	6,027	150,406,460	730,000	103	729,897	0.49%	121.10
1996	a	6,027	159,634,810	1,735,000	1,025	1,733,975	1.09%	287.70
1997	a	6,027	176,893,210	1,550,000	23	1,549,977	0.88%	257.17
1998	a	6,027	196,440,930	1,365,000	23	1,364,977	0.69%	226.48
1999	a	6,027	203,023,060	1,180,000	140	1,179,860	0.58%	195.76
2000	b	9,221	215,569,470	995,000	0	995,000	0.46%	107.91

Source:

- (1) U.S. Bureau of Census of Population - (a) U.S. Bureau of Census, Federal 1990 Census  
(b) U.S. Bureau of Census, Federal 2000 Census

(2) Miami County Auditor

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

**THE CITY OF TIPP CITY, OHIO**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES**  
**FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES**  
**LAST TEN YEARS**

<u>Year</u>		<u>Debt Principal</u>	<u>Debt Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Tax Debt Service to General Governmental Expenditures</u>
1991	b	\$55,000	\$45,887	\$100,887	\$2,055,516	4.91%
1992	b	55,000	42,068	97,068	2,218,706	4.37%
1993	b	65,000	42,579	107,579	2,286,054	4.71%
1994	b	70,000	42,724	112,724	2,734,119	4.12%
1995	b	80,000	45,269	125,269	2,736,491	4.58%
1996	b	95,000	81,836	176,836	3,077,467	5.75%
1997	b	185,000	89,354	274,354	3,204,114	8.56%
1998	b	185,000	80,076	265,076	3,778,910	7.01%
1999	b	185,000	70,632	255,632	3,991,133	6.40%
2000	b	185,000	61,195	246,195	4,066,066	6.05%

a - Cash Basis Financial Data  
b - GAAP Basis Financial Data

**THE CITY OF TIPP CITY, OHIO**  
**COMPUTATION OF ALL DIRECT AND OVERLAPPING DEBT**  
**DECEMBER 31, 2000**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Tipp City</u>	<u>Amount Applicable to City of Tipp City</u>
<b>Direct</b>			
City of Tipp City	\$3,345,000	100.00%	\$3,345,000
<b>Overlapping Subdivisions</b>			
Tipp City Exempted Village School District	0	65.30%	0
Miami Valley Joint Vocational School District	0	3.50%	0
Miami County	14,740,000	11.10%	<u>1,636,140</u>
		Subtotal	<u>1,636,140</u>
		Total	<u><u>\$4,981,140</u></u>

Source: Miami County Auditor and Fiscal Officers of Subdivisions

**THE CITY OF TIPP CITY, OHIO  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS**

<b>Year</b>		<b>City of Tipp City Population (1)</b>	<b>Miami County Population (1)</b>	<b>Unemployment Rate County Area (2)</b>	<b>School Enrollment (3)</b>
1991	a	6,027	93,182	6.3%	2,321
1992	a	6,027	93,182	6.7%	2,389
1993	a	6,027	93,182	6.1%	2,441
1994	a	6,027	93,182	4.3%	2,456
1995	a	6,027	93,182	3.7%	2,588
1996	a	6,027	93,182	4.2%	2,532
1997	a	6,027	93,182	4.3%	2,609
1998	a	6,027	93,182	3.6%	2,625
1999	a	6,027	93,182	3.8%	2,659
2000	b	9,221	98,868	3.3%	2,714

Source: (1) U.S. Bureau of Census of Population - (a) U.S. Bureau of Census, Federal 1990 Census  
(b) U.S. Bureau of Census, Federal 2000 Census

(2) Ohio Department of Jobs and Family Services

(3) Tipp City Exempted Village School District, Board of Education

**THE CITY OF TIPP CITY, OHIO**  
**PROPERTY VALUE AND CONSTRUCTION PERMITS**  
**LAST TEN YEARS**

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>	
	<u>Number of Permits</u>	<u>Property Value</u>	<u>Number of Permits</u>	<u>Property Value</u>
1991	143	\$7,150,519	29	\$5,753,638
1992	338	23,646,540	85	30,940,634
1993	253	27,353,617	28	4,827,108
1994	226	14,375,680	41	3,593,920
1995	190	21,050,422	47	7,649,500
1996	151	20,950,812	36	9,116,640
1997	167	14,724,000	24	16,620,000
1998	111	13,051,534	22	19,361,300
1999	62	6,419,669	13	2,876,000
2000	66	6,366,753	16	11,132,537

Source: City of Tipp City Building Department

**THE CITY OF TIPP CITY, OHIO**  
**PRINCIPAL TAXPAYERS (PERSONAL PROPERTY TAX)**  
**DECEMBER 31, 2000**

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>2000 Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1	Meijer, Inc.	Warehouse Distribution	\$8,767,250	19.49%
2	A. O. Smith Corporation	Manufacturing	2,786,150	6.19%
3	DAP Products, Inc.	Manufacturing	2,425,090	5.39%
4	Arbogast	Auto Dealer	2,262,040	5.03%
5	Trophy Nut Company	Food Processing	1,340,360	2.98%
6	Tipp Machine and Tool	Manufacturing	1,151,330	2.56%
7	Dolly, Inc.	Manufacturing	1,089,400	2.42%
8	Creative Extruded Products	Manufacturing	1,038,300	2.31%
9	Winco Industries	Manufacturing	954,240	2.12%
10	Tip Top Canning	Manufacturing	884,040	1.97%
		Sub-Total	22,698,200	50.46%
		All Others	22,289,380	49.54%
		Total	<u>\$44,987,580</u>	<u>100.00%</u>

Based on valuation of property taxes assessed in 2000  
Source: Miami County Auditor



**THE CITY OF TIPP CITY, OHIO**  
**PRINCIPAL TAXPAYERS (PROPERTY TAX)**  
**DECEMBER 31, 2000**

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>2000 Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1	Dayton Power & Light	Utility - Gas and Electric	\$9,787,740	6.14%
2	UVMC Nursing Care	Health Care - Nursing Home	2,495,780	1.57%
3	Meijer, Inc.	Warehouse Distribution	1,808,600	1.14%
4	Borchers Construction	Property Management	1,767,480	1.11%
5	Springhill Nurseries	Agricultural and Nursery	1,632,370	1.02%
6	Borchers Construction Company	Property Management	1,501,180	0.94%
7	Dodd Limited Partnership	Property Management	1,388,430	0.87%
8	Snell Richards	Property Management	1,112,300	0.70%
9	A. O. Smith Corporation	Manufacturing	1,100,660	0.69%
10	GTE North, Inc.	Utility - Telephone	1,042,780	0.65%
		Sub-Total	23,637,320	14.83%
		All Others	135,703,800	85.17%
		Total	<u>\$159,341,120</u>	<u>100.00%</u>

Based on valuation of property taxes assessed in 2000  
Source: Miami County Auditor

**THE CITY OF TIPP CITY, OHIO**  
**PRINCIPAL TAXPAYERS (INCOME TAX)**  
**DECEMBER 31, 2000**

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Amount of Tax Paid in 2000</u>	<u>Percentage of Total Tax Paid in 2000</u>
1	Meijer, Inc.	Warehouse Distribution	\$215,532	9.01%
2	A. O. Smith Corporation	Manufacturing	194,942	8.15%
3	Tipp City Exempted Village School District	Education	100,749	4.21%
4	Springhill Nurseries	Agricultural and Nursery	71,976	3.01%
5	Creative Extruded Products	Manufacturing	67,388	2.82%
6	Tipp Machine and Tool	Manufacturing	63,657	2.66%
7	Dolly, Inc.	Manufacturing	61,281	2.56%
8	Arbogast	Auto Dealer	47,225	1.97%
9	DAP Products, Inc.	Manufacturing	45,535	1.90%
10	Wright Patterson Air Force Base	U.S. Government	41,544	1.74%
		Sub-Total	909,829	38.03%
		All Others	1,482,094	61.97%
		Total	<u>\$2,391,923</u>	<u>100.00%</u>

Source: Tipp City Department of Finance

**THE CITY OF TIPP CITY, OHIO  
PRINCIPAL EMPLOYERS  
DECEMBER 31, 2000**

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

Source: City of Tipp City Income Tax Department

**THE CITY OF TIPP CITY, OHIO  
MISCELLANEOUS STATISTICS  
DECEMBER 31, 2000**

	Date of City Incorporation		1960		
	Charter Adopted		1968		
	Form of Government		Council-Manager		
Area (square miles)	6.2	Education:		Water System:	
Facilities and Services:		Number of Schools	5	Miles of Waterlines	45
Miles of Streets	48	Number of Teachers	160	Number of Fire Hydrants	520
Number of Street Lights	1,141	Number of Students	2,664	Average Daily Consumption (mgd)	1.8
Miles of Storm Sewers	0			Maximum Daily Capacity of Plant (mgd)	2.9
Police Services:		Recreation and Culture:			
Number of Stations	1	Number of Parks	11		
Number of Uniformed Police Officers	16	Park Area (acres)	366	Sewerage System:	
		Number of Ball Fields	12	Miles of Sanitary Sewers	43
Fire/Emergency Medical Services:		Number of Tennis Courts	2	Average Daily Treatment (mgd)	1.3
Number of Stations	2	Swimming Pools	2	Maximum Daily Capacity of Treatment (mgd)	4.9
Number of Full-time Officers and Fire Personnel	1	Number of Libraries	1		
Number of Part-time Fire/EMS Personnel	38				

Source: Tipp City Department of Finance



**Tipp City, Ohio**



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**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 26, 2001**