



City of Tipp City, Ohio
Summary Annual Financial Report
Year Ended December 31, 2013



Welcome to Tipp City's Annual Summary Financial Report.

This report is prepared to provide a general overview of the City's finances, where the monies of the City are derived, and for what purposes they are spent.

This report is presented on the cash basis of accounting wherein receipts are recognized when received by the City and expenditures are realized when they have been paid by the City.

This report does not provide financial detail on monies due to the City which have not been collected, monies obligated by the City which have not been paid, nor the City's fixed asset balances. That information is available from the City in the Comprehensive Annual Financial Report (CAFR) which is available on the City web-site at www.tippcity.gov by June 30th for the previous year's activity. This cash basis report is provided at this time to give a summary snapshot of the City's finances prior to preparation of the CAFR.

For questions regarding this report please contact the City's Finance Director, John Green, at (937) 667-8424 or by e-mail at greenj@tippcity.net.



Fund Accounting

The City of Tipp City (the City) accounts for its receipts and expenditures in twenty-nine separate accounting funds. Each fund is a separate accounting entity. Funds are specified either as governmental type activity funds (funds used primarily for promoting the general health, safety, and welfare of the citizenry) or business type activities (funds which operate in a business-like capacity for the provision of utility services (Electric, Water, Sewer, and Refuse Collection)).

With the exception of the General Fund, which is the primary operating fund of the City and whose proceeds may be used for any allowable expenditure of the City, all other funds have internal or external restrictions on the use of the monies contained within those funds. For example, gasoline tax and motor vehicle license tax receipts are segregated in the Street Maintenance and Repair Fund and the State Highway Fund and must be used for maintenance, repair, and replacement of the City streets, curbing, and ditches. The monies received for electric, water, sewer, and trash collection services are accounted for in the Electric Fund, the Water Fund, the Sewer Fund, and the Refuse Fund and may be used only for costs related to providing those services.

This report provides detail on the General Fund operations and also aggregates detail of the financial operations of all funds combined.

General Fund

The General Fund is the general operating fund of the City and accounts for all monies not legally restricted (through internal or external restrictions) for a specific purpose.

Revenues

The General Fund receives 53.33% of the 1.5% municipal income tax, proceeds from the 1.4-mill property tax (\$0.014 per \$1,000 of assessed property value) received by the City, grants, local government shared revenues from the State of Ohio, interest earned on the City's deposits, revenues from charges for services (Fire contracts and EMS service charges) and other miscellaneous revenues. Special to 2013 was the return of \$600,000 advanced to the Abbott Park Way Construction Fund in 2012 to allow construction to proceed while awaiting State grant funds.

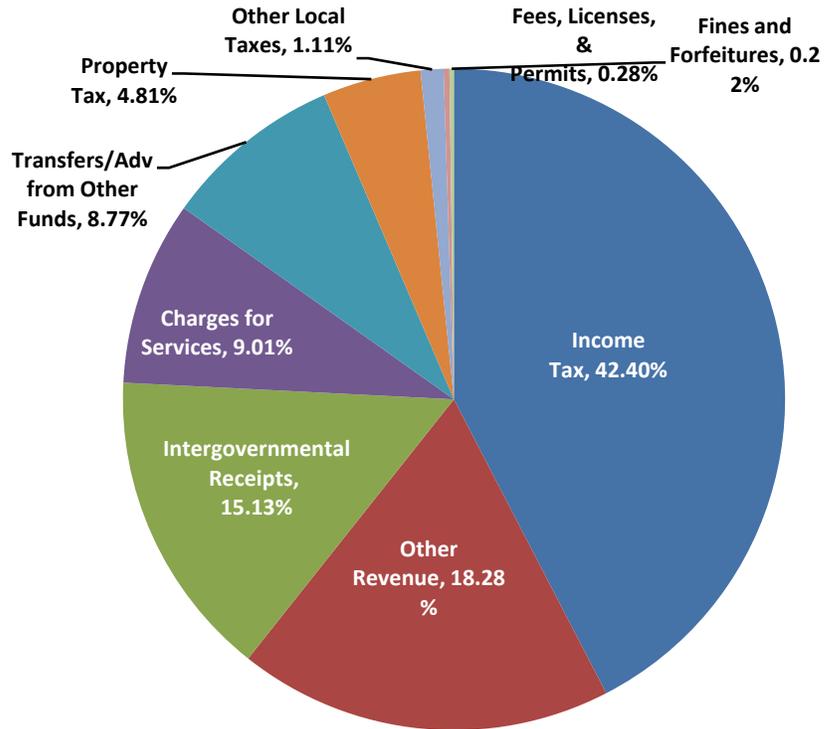
Expenditures

The General Fund accounts for expenditures related to:

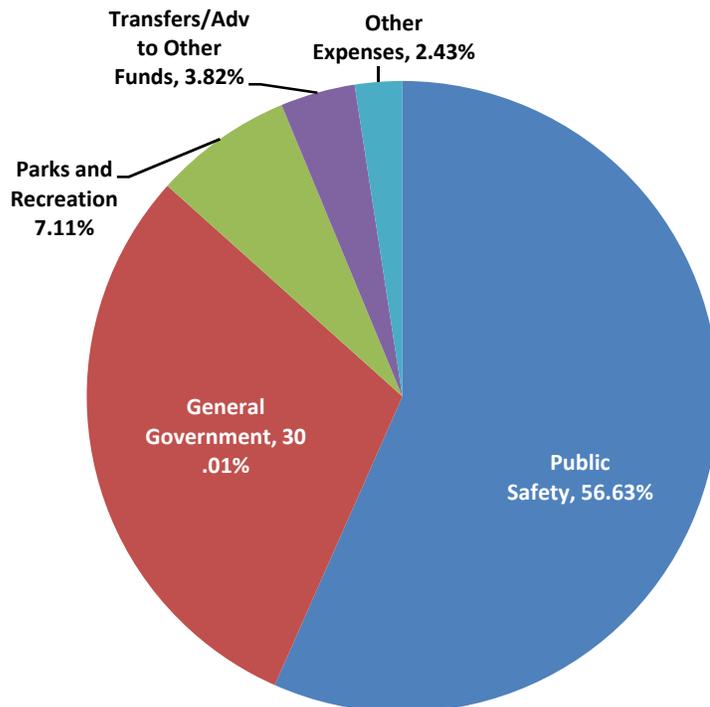
Public Safety - Police, Fire, and EMS services; *General Government* - City Council, City Manager's office, Finance Department, City Engineer's office, Economic Development office; *Parks and Recreation*; and other miscellaneous expenditures.

For 2013, employee wage and benefit costs accounted for 75% of total expenditures. The City made a \$150,000 short-term advance to the Capital Improvement Reserve Fund to facilitate the reconstruction of Dow Street between Fifth Street and Hyatt Street.

General Fund Receipt Sources - \$6,843,299



General Fund Expenditures - \$5,888,526



Summary – All Funds

The most significant of the City’s other funds are the utility funds which are operated similarly to private business enterprises and which are intended to be self-sufficient (i.e. the service charges for providing electric, water, sewer, and refuse (trash collection) services are intended to fully support the costs associated with providing these services).

Electric Fund – 2013 receipts = \$15.1 million, expenditures = \$15.5 million. Cash balance will be further reduced in 2014-2018 with capital improvements to upgrade the electric infrastructure.

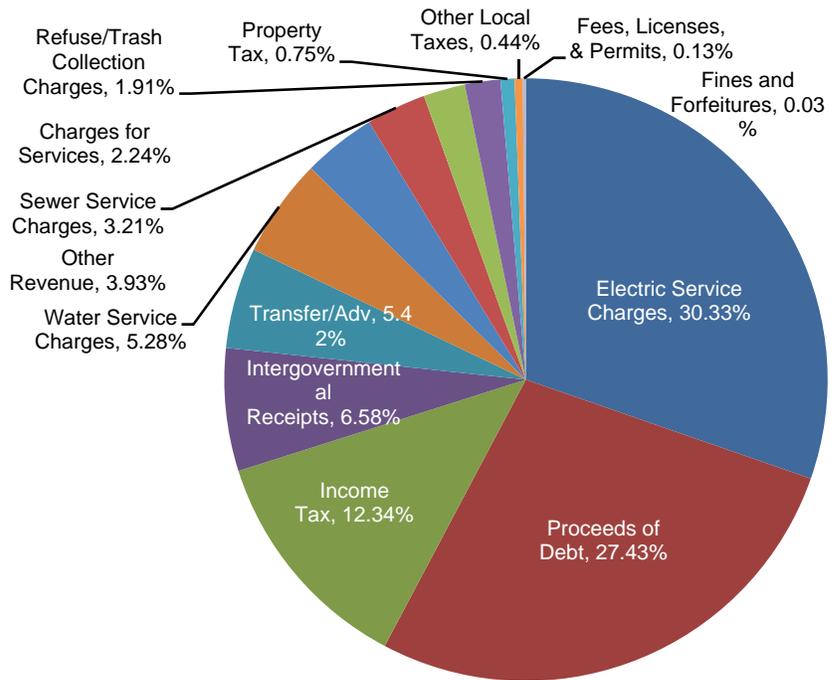
Water Fund – 2013 receipts = \$4.3 million, expenditures = \$4.6 million.

Sewer Fund – 2013 receipts = \$3.3 million, expenditures = \$2.7 million

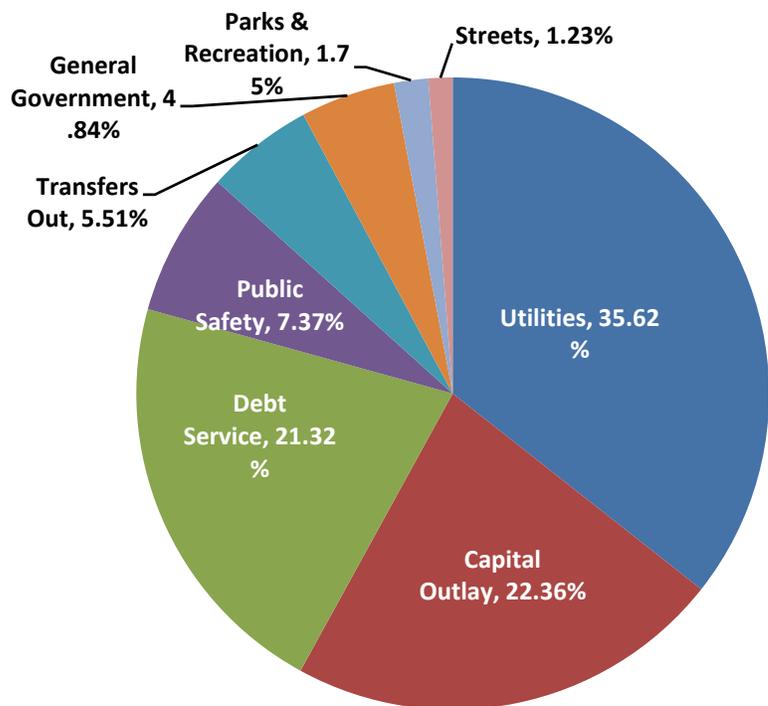
As with the Electric Fund, the City Capital Improvement Plan includes several million dollars of improvements to the water and sewer systems. The most visible improvements will be the replacement/lining of water and sewer lines along North Westedge, North Walnut, and in the Roselyn Subdivision (Judith, Michael, and Earl Court).

Refuse (trash collection) Fund – 2013 receipts = \$839,840, expenditures = \$828,733. This service is provided by a third-party contractor. The cost of service to the residents is a pass-through from the contractor providing the services.

All Funds Receipt Sources - \$ 44,075,384



All Funds Expenditures - \$45,053,377



2014-2018 Planned Capital Improvements - \$40,381,698

Capital Improvements

In May, 2011 the residents of Tipp City approved a capital improvement income tax ballot initiative which increased the local income tax by 0.5% (phased in 0.25% in 2011 and 0.25% in 2013).

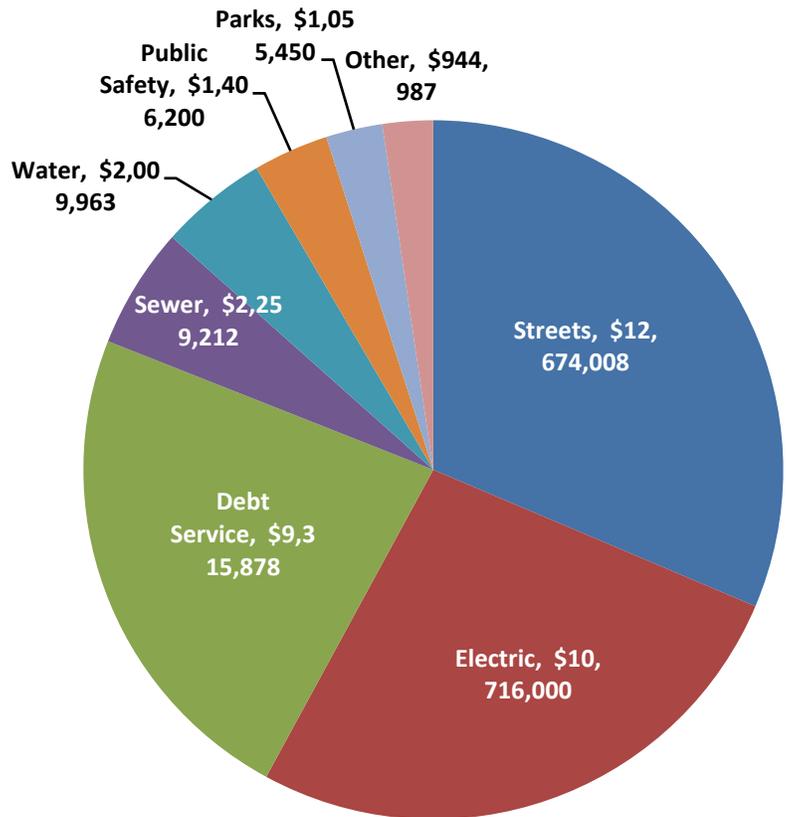
The approval of these tax levies has enabled completion of a comprehensive capital improvement program including reconstruction of portions of S. 3rd St. (\$650,000) and Dow Street (\$520,000); replacement of a 35-year old fire ladder truck (\$935,000 (2012)), expansion and renovation of the West-Side Fire Station (\$1.9 million (funds obligated 2012)); and completion of an annual street resurfacing program (\$400,000+ annually).

Utility Funds

Utility rates, in addition to paying for operating costs, include funding for capital improvements to improve, expand, and maintain the electric, water, and sewer infrastructure. Major projects include:

Electric Fund - Electric Service Center (\$2.6 million), a fourth substation with a 2nd tie-in to DP&L to ensure service continuity (\$2.5 million), and improvements to the main substation downtown, parts of which are over 40-years old (\$5 million)

Water and Sewer Funds - Main Street sewer lift station improvements (\$1.1 million); Painting and renovation of Water Tower #2 (by Menards (\$700,000); service, replacement and improvement of various utility lines prior to street resurfacing (\$2.6 million). Many of these lines are in excess of 40 years old with some undersized for the current population.



FUND REPORT – ALL FUNDS - CASH POSITION

FUND	1/1/2013 BEGINNING CASH BALANCE	RECEIPTS	EXPENDITURES	12/31/2013 ENDING CASH BALANCE	OUTSTANDING PURCHASE ORDERS	AVAILABLE CASH BALANCE
GENERAL FUND	3,933,326.95	6,843,299.01	5,888,526.54	4,888,099.42	207,669.15	4,680,430.27
SWIMMING POOL FUND	24,097.70	360,683.54	377,358.61	7,422.63	124.07	7298.56
STREET REPAIR & MAINT. FUND	277,966.14	456,087.56	427,818.21	306,235.49	20,440.54	285,794.95
STATE HIGHWAY FUND	104,745.50	32,675.93	28,569.02	108,852.41	5,013.80	103,838.61
MUNICIPAL ROAD FUND	219,927.61	206,219.84	171,389.24	254,758.21	11,536.45	243,221.76
LAW ENFORCEMENT FUND	16,438.57	10,521.91	5,355.62	21,604.86	-	21,604.86
ENFORCEMENT AND EDUCATION FUND	3,779.25	275.00	-	4,054.25	-	4,054.25
DRUG LAW ENFORCEMENT FUND	6,891.08	-	-	6,891.08	-	6,891.08
FEMA GRANT FUND	16,455.00	2,743.00	19,198.00	-	-	-
GENERAL BOND RETIREMENT FUND	40,552.33	5,578,590.11	5,263,711.00	355,431.44	-	355,431.44
S. ASSESS. BOND RET. FUND	10,970.17	73,653.22	70,172.30	14,451.09	-	14,451.09
CAPITAL IMP. RESERVE FUND	3,002,065.17	2,545,922.24	4,653,011.96	894,975.45	540,333.96	354,641.49
PARKS CAPITAL IMP. FUND	154,051.04	203,406.17	345,127.14	12,330.07	-	12,330.07
ABBOTT DRIVE CONST. FUND	513,964.71	600,000.00	1,080,772.76	33,191.95	-	33,191.95
25-A CONSTRUCTION FUND	-	50,000.00	-	50,000.00	-	50,000.00
OPWC GRANT FUND	-	38,580.57	38,580.57	-	-	-
ELECTRIC FUND	7,882,014.39	15,126,467.64	15,492,446.71	7,516,035.32	3,587,497.97	3,928,537.35
WATER FUND	2,536,384.04	4,273,802.52	4,595,645.83	2,214,540.73	239,183.08	1,975,357.65
WATER IMP. RESERVE FUND	550,957.59	318,367.60	85,398.55	783,926.64	754,499.78	29,426.86
WATER TOWER CONSTRUCTION FUND	269,234.30	582,247.75	212,110.70	639,371.35	625,000.00	14,371.35
DOWNTOWN UTILITY REPLACEMENT	263,366.99	2,250,042.75	2,505,280.07	8,129.67	111629.02	(103,499.35)
NORTH WESTEDGE UTILITIES	38,795.5	160,000.00	26,101.58	172,693.92	-	172,693.92
SEWER FUND	1,365,952.40	3,332,616.01	2,741,827.43	1,956,740.98	952,616.23	1,004,124.75
UTILITY SERVICE DEPOSITS FUND	177,764.52	28,168.62	17,476.75	188,456.39	-	188,456.39
REFUSE COLLECTION FUND	122,103.18	839,840.23	828,733.08	133,210.33	-	133,210.33
SELF INSURANCE HEALTH FUND	43,179.89	109,333.07	120,348.22	32,164.74	10,221.64	21,943.10
POLICE DONATION TRUST FUND	1,511	-	-	1,511.02	-	1,511.02
CONTRACTOR MAINT DEPOSIT FUND	66,962.36	36,104.00	42,359.76	60,706.60	52,343.36	8,363.24
MEDICAL REIMBURSEMENT FUND	5,702.50	15,735.32	16,057.00	5,380.82	-	5,380.82
TOTALS	21,649,159.90	44,075,383.61	45,053,376.65	20,671,166.86	7,118,109.05	13,553,057.81

**CITY OF TIPP CITY
DEBT SCHEDULE
DECEMBER 31, 2013**

Description of Debt	1/1/2013 Beginning Balance	Debt Issued For New Projects	Net Principal Reductions	12/31/2013 Ending Balance	Interest Paid	YTD Payments (Net)
SHORT TERM NOTES						
25A Reconstruction	473,000	-	27,000	446,000	5,912	32,912
Kinna Drive Construction	285,000	-	20,000	265,000	3,563	23,563
Electric Generator Note	850,000	-	50,000	800,000	10,635	60,625
AMR-AMI Note	1,112,000	-	83,000	1,029,000	13,674	96,674
Water Tower Construction Note	1,260,000	-	70,000	1,190,000	15,750	85,750
Aerial Ladder Fire Truck	650,000	-	75,000	575,000	8,125	83,125
Abbott Park Way Construction	675,000	-	75,000	600,000	8,323	83,323
Fire Station Expansion/Reconstruct	1,900,000	-	190,000	1,710,000	19,000	209,000
South Third Street Reconstruction	536,000	-	55,000	481,000	5,360	60,360
Roselyn Water/Sewer Line	530,000	-	-	530,000	5,300	5,300
Main Street Utility Line Replace	350,000	-	35,000	315,000	3,500	38,500
Main Street Lift Station Improvement	-	1,500,000	-	1,500,000	-	-
W. Walnut St. Water Line Replace	-	290,000	-	290,000	-	-
Main Street Streetscape Improve.	-	550,000	-	550,000	-	-
Water Tower #2 Rehabilitation	-	500,000	-	500,000	-	-
Total Short Term Notes	8,621,000	2,840,000	680,000	10,781,000	99,132	779,132
LONG TERM BONDS						
Service Center Improvement	140,000	-	50,000	90,000	6,476	56,476
Capital Facilities	700,000	-	100,000	600,000	34,588	134,588
Recreation Facility	400,000	-	400,000	-	14,000	414,000
25A Reconstruction	50,000	-	25,000	25,000	1,788	26,788
Fire Truck Equipment	60,000	-	30,000	30,000	2,145	32,145
Donn Davis Construction	50,000	-	10,000	40,000	1,900	11,900
Donn Davis Construction	635,000	-	40,000	595,000	26,665	66,665
Electric Improvement Bonds	195,000	-	50,000	145,000	9,019	59,019
Woodlawn Sewer Bonds	25,000	-	25,000	-	875	25,875
Rosewood Sewer Bonds	100,000	-	25,000	75,000	3,713	28,713
Total Long Term Bonds	2,355,000	-	755,000	1,600,000	101,169	856,169
0% INTEREST LOANS						
North East Sewer Interceptor Loan	397,680	-	-	397,680	-	-
AMR/AMI Loan	570,000	-	30,000	540,000	-	30,000
Water Tower Construction Loan	425,000	-	-	425,000	-	-
Downtown Utilities Loan	1,400,000	1,400,000	-	1,400,000	-	-
Total 0% Interest Loans	1,392,680	-	30,000	2,762,680	-	30,000
TOTAL DEBT	12,368,680	4,240,000	1,465,000	15,143,680	200,301	1,665,301