



**CITY OF TIPP CITY
MIAMI COUNTY
REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021**

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OHIO AUDITOR OF STATE
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the City of Tipp City, Miami County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Tipp City is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 21, 2022

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City of Tipp City, Ohio

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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States’ *Government Auditing Standards*, the financial statements of the governmental activities, business-type activities, each major fund and aggregate remaining fund information of the **City of Tipp City**, Miami County, (the “City”) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated June 30, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 30, 2022

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City of Tipp City, Ohio
Annual Comprehensive Financial Report
Year Ended December 31, 2021





Tipp City

City of Tipp City, Ohio

Miami County



ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2021

Prepared by the Finance Department

John Green, Director



Tipp City

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MIAMI COUNTY, OHIO**

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Tipp City **Introductory
Section**



Tipp City

*Letter of Transmittal
For the Year Ended December 31, 2021*



Council-Manager
Government

June 30, 2022

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

The Annual Comprehensive Financial Report (ACFR) of the City of Tipp City, (the City) for the fiscal year ended December 31, 2021 is hereby submitted for your review.

Ohio law requires that cities file their annual financial reports with the Auditor of State's office within 150 days of the close of each fiscal year. Additionally, the Ohio Administrative Code requires that those reports be prepared pursuant to generally accepted accounting principles. The preparation of this CAFR represents the commitment of Tipp City to adhere to nationally recognized standards of excellence in financial reporting.

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

The accounting firm of Perry & Associates, Inc. has audited the basic financial statements that are included in this report. They have issued an unmodified ("clean") opinion on the City of Tipp City's financial statements for the year ended December 31, 2021. The Auditors' Report is located at the front of the financial section of this report.

As a part of the City's audit, tests are made to determine the adequacy of the internal control structure, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's audit for the year ended December 31, 2021 can be found in a separately issued report available from the City's Finance Department.

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

***Letter of Transmittal
For the Year Ended December 31, 2021***

PROFILE OF THE CITY

The City of Tipp City is a progressive, growing community located fourteen miles north of Dayton on Interstate 75. The City was incorporated as a village in 1850, and became a City in 1960. Its seven and a half square mile area serves a residential population of 10,274 (2020 Census). The City is served by diversified transportation facilities. Immediate access is to four State Highways and to Interstate Highways 70 and 75. The main line of the CSX Railroad (CSX), between Cincinnati and Toledo, passes through the City. Passenger and freight air service is provided by the Dayton International Airport located approximately 10 miles from the City. Easy access to both Interstates 70 and 75 places Tipp City within approximately a one-hour drive of Columbus, Cincinnati, and Indianapolis.

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

The legislative body of Tipp City consists of a seven-member Council, all of whom are elected at-large for overlapping four-year terms. The City Council appoints a City Manager, and a Council Clerk. The City Manager is the City's chief executive and administrative officer. He appoints all department heads and employees of the City.

The City has reviewed its reporting entity definition in order to insure compliance and conformance with the Governmental Accounting Standards Board Statement Number 14, "The Financial Reporting Entity," as amended by GASB Statement No. 61 "*The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34.*" For financial reporting definition purposes, City management considered all agencies, departments, and organizations comprising the City of Tipp City, the primary government, and its potential component units. Areas of consideration include financial accountability, ability to impose its will, financial benefit, and financial burden.

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

The City has representation on the board of two entities for the treatment of wastewater and production of potable water. The City is associated with the Tri-Cities North Regional Wastewater Authority (Tri-Cities), and the Northern Area Water Authority (NAWA), which are both defined as joint ventures. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. These organizations are presented in Note 19.

***Letter of Transmittal
For the Year Ended December 31, 2021***

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

The City also participates in the Ohio Benefits Cooperative (OBC), a risk sharing insurance pool, which provides health insurance coverage to the City's full-time employees. The OBC converted from a fully funded insurance pool purchasing benefits from Anthem to a self-funded insurance pool contracting with Anthem as the third party claims administrator effective September 1, 2015. The pool consists of thirteen municipalities and townships who pool risk for the provision of health insurance coverage. This separate entity does not meet the established criteria for inclusion in the reporting entity and, accordingly is not included in the City's financial report.

Tipp City Council adopts an operating budget on or about the first business day of the fiscal year. This annual budget serves as the foundation for the City of Tipp City's financial planning and control. The budget is prepared on a cash-encumbrance basis wherein transactions are recorded when cash is received or disbursed, or when a commitment has been recorded as an encumbrance against an applicable appropriation. Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the amount of the purchase.

ECONOMIC CONDITIONS AND OUTLOOK

Since Tipp City's beginning in 1850, location has played a prime role in its economic well-being. What began as a canal town has burgeoned into an extremely attractive place for business and industry due to the city's location just north of the crossroads of America, Interstates I-70 and I-75. Interstate I-75 bisects the city from North to South and is a major factor in the continued success of the City's economic development. Over 50 industries call Tipp City home.

The 2020 census sets the population of Tipp City at 10,274 compared to 9,689 at the 2010 census. This represents a population increase of 585 residents, or 6.03% for the period of 2010 to 2020. The number of residential units increased from 4,194 units in 2010 to 4,436 units in 2021, or a \pm 5.8% increase.

The Coronavirus Pandemic affected Tipp City as it affected most communities across the Country. Tipp City residents and businesses have weathered the pandemic well and the local economy was not impacted as greatly as in other communities. The City recognized a small cash basis increase in income tax receipts when a lot of other Ohio communities experienced a revenue decrease. The City received \$538,095 in CARES Act receipts and is expected to receive \$1,061,672 in American Rescue Plan Act (ARPA) funds. The City plans to use ARPA funding for water and sewer infrastructure projects in 2023 and 2024. Tipp City and the Chamber of Commerce have recently discontinued their joint participation in the BusinessFirst! Business Retention and Expansion (BR&E) program although the City's Community Development and Revitalization Director continues to make site visits to gauge the atmosphere in the local business community. Keeping in touch with our existing local businesses and industries is vital, since studies have shown that 80-85% of job creation is done by existing small businesses.

CITY OF TIPP CITY, OHIO

***Letter of Transmittal
For the Year Ended December 31, 2021***

A review of permits issued in 2021 indicates commercial and industrial growth invested \$6,667,643 in the community, with seven projects undertaken this year which compares to similar to the seven projects in 2020. These projects included: the construction of the new Schulte Wellness Center, the new Monroe Federal Bank, a major addition to the Victory Church, along with repairs to the Buggy Whip building, and a new gate/canopy at Menards

The Dayton metropolitan region’s unemployment rate averaged 5.12% in 2021, starting the year at 6.7% then declining steadily to 3.4% at year end (Bureau of Labor Statistics). Miami County’s unemployment rate also fluctuated monthly but ultimately fell from 5.7% in January, 2020 to 3.0% by year-end (Bureau of Labor Statistics). These numbers indicate that employment in the Dayton region has weathered the pandemic fairly well.

During 2021, Tipp City had 48 new residential unit starts which is up from 36 residential starts in 2020. There are currently six active subdivisions being developed: Hunter’s Ridge, Rosewood Creek, Fieldstone Place, Manchester Meadows, Cedar Grove, and The Brooks. The following table outlines the residential growth for the last several years:

Year	Base Units	New Units	Demolished Units	Net% Growth
2014	4251	17	1	.376%
2015	4267	17	0	.376%
2016	4284	15	0	.352%
2017	4299	18	0	.419%
2018	4317	51	2	1.13%
2019	4366	41	0	.940%
2020	4401	36	1	.802%
2021	4436	48	2	1.04%

Over 200 acres of vacant commercial and industrial land remains available for development within the community. Established industrial parks offer attractive sites for building as well. With its abundant natural resources, low cost utilities and facility of transportation, Tipp City is well situated for further expansion.

MAJOR INITIATIVES

For the Year

As reported for the last 5-6 years, Tipp City’s primary focus in 2021 continued to be maintenance, repair, and upgrade of capital facilities and infrastructure. In late fall of 2020, City Council reconvened a citizens committee for the purpose of reviewing a new ten-year capital improvement plan and recommending a funding option to meet the City’s future capital improvement needs in the governmental funds. The committee’s recommendation was to place before the City electorate the renewal of two 0.25% income tax levies which had been originally adopted in 2011 for a staggered ten-year period (0.25% ending June 30, 2021 and 0.25% ending December 31, 2023). The renewal levy was approved by the voters in May, 2021 and extended the final date of collection to June 30, 2031 and December 31, 2033). The renewal of the 2011 income tax levies is expected to generate approximately \$26 million in additional revenues. The additional revenues are restricted for use for capital improvements to include

***Letter of Transmittal
For the Year Ended December 31, 2021***

replacing four ambulances and two fire pumper trucks over the ten year period, replacing twenty-seven Police Department vehicles, providing a second access, additional parking, and additional restroom facilities to Kyle Park, replacement of twenty-four Park Department vehicles and mowers, replacement of thirteen Street Department vehicles and mowers, \$750,000 annually to be spent in street reconstruction and resurfacing, an interstate interchange landscaping and beautification project, and replacement of other vehicles and equipment as necessary.

During 2021, with State and Federal grant assistance, the City spent approximately \$5.9M on street improvements, traffic signalization, and resurfacing projects throughout the community. The most significant street projects were resurfacing a portion of Hyatt Street (\$500,000), extension of Abbott Park Way to the new Meijer industrial warehouse (\$713,000), extending S. Kinna Dr. to provide a second access point to the Northgate Commerce Park (\$776,000), the Main Street Streetscape Project (\$1M) and the County Road 25A Widening Project (\$1.5M). The Streetscape and CR25A Widening Projects were administered by the Ohio Department of Transportation (ODOT) using an 80% federal roadway improvement grant. The City also spent approximately \$713,000 replacing a storm water culvert on N. Third Street.

The City continued to work on capital improvement projects in the enterprise funds as well. The City removed the decommissioned electric power plant on S. First St., installed new electric lines and services in the cities new residential subdivisions, and installed water and sewer lines on the Kinna Drive and Abbott Park Way roadway extensions. In the Sewer Fund, approximately \$250,000 was spent on sliplining sanitary sewers to prevent groundwater intrusion.

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

Tipp City's beloved Mum Festival returned in 2021 as the Coronavirus Pandemic was in retreat. The Festival, which takes place the fourth weekend of September, celebrates the long lasting fall flower, the chrysanthemum, and its connection to Tipp City's Springhill Nursery. The chrysanthemum was the inspiration for the City's logo which is presented on the front of this document. Hometown activities featured at the Mum Festival include a street dance, car show, 5K road race, parade and live entertainment.

For The Future

The City of Tipp City continues to face a positive future. Industrial, commercial, and residential development, coupled with the commitment of the residents to fund necessary capital improvements, will help ensure the sound financial position of the City. In 2022-2023, the City will continue to focus on capital improvements with its annual street resurfacing program (~\$750,000/year), various park improvements (\$700,000), Exit 68 Interchange Improvements (~\$1.4M), Electric Substation #4 construction (~\$4M), and upgrades to both the water and sewer systems by constructing a new Service Center for equipment storage and operations (~\$2M).

***Letter of Transmittal
For the Year Ended December 31, 2021***

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System

Development of the City's accounting system included substantial consideration of the adequacy of the internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance of the following:

1. The City's assets are protected against loss and unauthorized use or disposition.
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 applying the following criteria:

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

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 is maintained at the personal services and other expenditures level for each department within each fund via legislation approved by City Council. Lower levels are accounted for and reported internally. Such lower levels are referred to as line items of expenditure. Estimated amounts must be encumbered prior to final approval of purchase orders or other contracts to vendors. Encumbrances in excess of the available object level appropriations are not approved unless additional appropriations are authorized. Unencumbered appropriations return (lapse) to the unappropriated balances in the individual funds at the end of each fiscal year, which coincides with the calendar year.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tipp City, Ohio for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government finance reports.

***Letter of Transmittal
For the Year Ended December 31, 2021***

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

A Certificate of Achievement is valid for a period of one year only. The City of Tipp City has received a Certificate of Achievement for the last twenty-one years (2000-2020). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

ACKNOWLEDGMENTS

The preparation of this report requires the combined efforts and assistance of many employees of the City of Tipp City. My sincere appreciation is extended to all employees whose efforts made this report possible.

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

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

Respectfully submitted,



John W. Green
Director of Finance

CITY OF TIPP CITY, OHIO

***List of Principal Officials
For the Year Ended December 31, 2021***

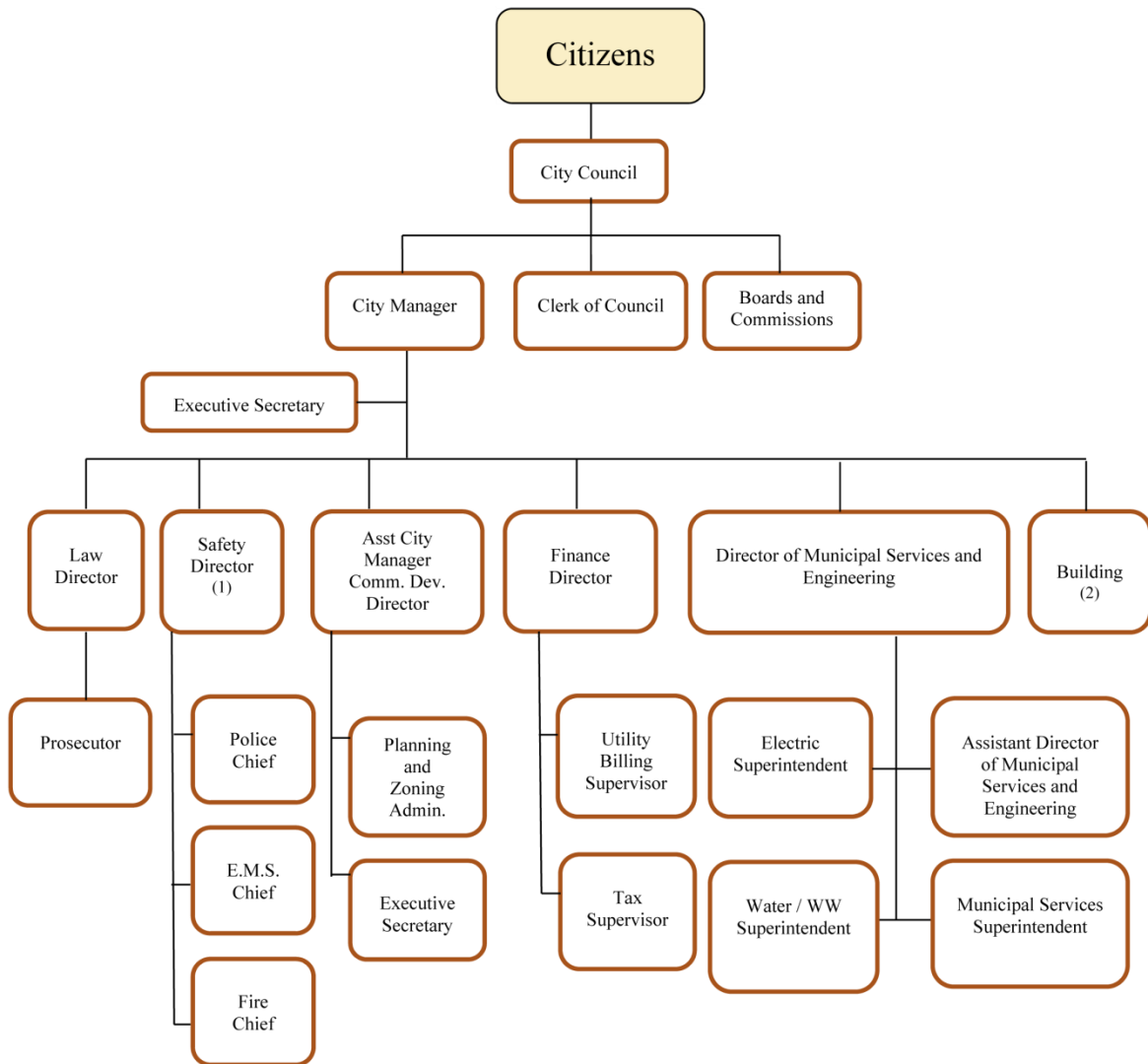
ELECTED OFFICIALS

Mayor	Joseph Gibson
President Of Council	Katelyn Berbach
Council Members	Frank Scenna Logan Rogers Michael McFarland Mike Jackson Kathryn Huffman

APPOINTED OFFICIALS

City Manager	Timothy Eggleston
Clerk Of Council	Janice Bates
Finance Director	John Green
Law Director	Jonathan Freeman
Chief of Police	Gregory Adkins
Chief of Emergency Services	Cameron Haller
Director of Municipal Services and Engineering	Eric Mack
Community Development and Revitalization Director	Matthew Spring

**City Organizational Chart
For the Year Ended December 31, 2021**



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

***Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting***



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Tipp City
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO



Tipp City **Financial
Section**



Tipp City

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Tipp City**, Miami County, Ohio (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tipp City, Miami County, Ohio as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, 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 grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 30, 2022

The discussion and analysis of the City of Tipp City's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2021. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2021 are as follows:

- ❑ In total, net position increased \$7.6 million. Net position of governmental activities increased \$6.4 million, which represents a 12.6% increase from 2021. Net position of business-type activities increased \$1.1 million or 2.3% from 2021.
- ❑ General revenues accounted for \$9.9 million in revenue or 24.5% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for 75.5% of total revenues of \$40.4 million.
- ❑ Total net position of governmental activities increased by \$6.4 million. Capital Assets, net of depreciation, increased by ~\$3.5 million due to three roadway extension projects as well as replacement of fully depreciated assets. Equity in Pooled Cash and Investments increased by \$846,829 due in part to one-time payments intended to stimulate the economy during COVID (ARPA funds) as well as continued increases in income tax receipts which helped to offset wage and benefit cost increases. Net Pension and Other Post-Employment Benefit (OPEB) liabilities decreased significantly (\$2.8 million) due to the strength of the state-wide pension systems than any direct City activities.
- ❑ The City had \$8.7 million in expenses related to governmental activities; \$5.2 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$9.9 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$6.9 million in revenues and \$6.8 million in expenditures. The general fund's fund balance increased \$87,353 to \$7.4 million.
- ❑ Net position for enterprise funds increased by \$1.1 million. The Electric Fund's net position decreased by \$94,132, the Water Fund increased its net position by \$1,011,129, and the Sewer Fund increased its net position by \$240,399.
- ❑ The Electric Fund decrease is largely insignificant to total Electric operations, but reflects an intentional decrease in cash with the 2021 implementation of a new rate structure with slightly lower rates for Industrial users. Overall costs of power purchased for resale rose significantly in 2021 (~11%) and the City's six-month rolling average cost recovery charge will always trend slightly behind rising costs.
- ❑ The Water Fund increase is due in part to operating income where charges for services revenue kept pace with operating expenditures, a concerted effort to repay GO Notes outstanding for this utility (\$272,500 reduction), and a reduction in Net Pension and OPEB Liability (\$553,002) which again is more an indication of the status of the statewide pension systems rather than a reflection on the City's operations.

- The Sewer Fund increase is also due in part to operating income where charges for services revenue kept pace with operating expenditures, a concerted effort to repay GO Notes outstanding for this utility (\$352,500 reduction), and a reduction in Net Pension and OPEB Liability (\$218,599) which again is more an indication of the status of the statewide pension systems rather than a reflection on the City's operations. The Sewer Fund also benefited from an increase in its Investment in Joint Venture (\$165,366) as the joint venture recovered from two extraordinary repair projects (digester lid failure and a collection system line collapse) which depressed operations in prior periods.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

Government-wide Statements

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

The two government-wide statements report the City's net position and how it has changed. Net-position (the difference between the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources) is one way to measure the City's financial health or position.

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

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

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

Fund Financial Statements

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

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

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

**Management's Discussion and Analysis
For the Year Ended December 31, 2021**

Unaudited

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table focuses on the net position of the City's governmental and business- type activities for both 2021 and 2020.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$14,678,995	\$13,669,289	\$31,633,083	\$26,633,499	\$46,312,078	\$40,302,788
Net OPEB Asset	261,683	0	202,543	0	464,226	0
Capital assets, Net	53,715,644	50,225,547	35,301,234	36,319,416	89,016,878	86,544,963
Total assets	68,656,322	63,894,836	67,136,860	62,952,915	135,793,182	126,847,751
Deferred Outflows of Resources	2,224,753	2,534,813	407,312	532,819	2,632,065	3,067,632
Net Pension Liability	7,229,792	7,966,303	1,712,864	2,004,349	8,942,656	9,970,652
Net OPEB Liability	779,716	2,838,478	0	1,368,926	779,716	4,207,404
Noncurrent liabilities	1,549,716	1,713,055	10,107,412	6,997,376	11,657,128	8,710,431
Other liabilities	1,012,807	687,434	3,779,474	2,958,295	4,792,281	3,645,729
Total liabilities	10,572,031	13,205,270	15,599,750	13,328,946	26,171,781	26,534,216
Deferred Inflows of Resources	2,932,958	2,275,183	1,455,882	795,457	4,388,840	3,070,640
Net position						
Net investment in capital assets	52,868,241	49,269,962	23,805,230	28,740,514	76,673,471	78,010,476
Restricted	5,223,434	4,629,543	0	0	5,223,434	4,629,543
Unrestricted (Deficit)	(715,589)	(2,950,309)	26,683,310	20,620,817	25,967,721	17,670,508
Total net position	\$57,376,086	\$50,949,196	\$50,488,540	\$49,361,331	\$107,864,626	\$100,310,527

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net OPEB liability (NOL) is reported by the City pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*.

***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting.

**Management's Discussion and Analysis
For the Year Ended December 31, 2021**

Unaudited

Changes in Net position – The following table shows the changes in net position for the fiscal year 2021 compared with 2020:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for Services and Sales	\$1,676,428	\$1,182,020	\$25,085,811	\$23,824,159	\$26,762,239	\$25,006,179
Operating Grants and Contributions	936,404	1,394,874	0	0	936,404	1,394,874
Capital Grants and Contributions	2,598,679	10,771	189,426	0	2,788,105	10,771
Total Program Revenues	<u>5,211,511</u>	<u>2,587,665</u>	<u>25,275,237</u>	<u>23,824,159</u>	<u>30,486,748</u>	<u>26,411,824</u>
General revenues:						
Income Taxes	7,774,120	6,508,608	0	0	7,774,120	6,508,608
Property Taxes	510,022	503,698	0	0	510,022	503,698
Other Local Taxes	57,682	53,455	0	0	57,682	53,455
Unrestricted Shared Revenues	1,187,777	1,103,967	0	0	1,187,777	1,103,967
Investment Earnings	18,784	133,499	0	0	18,784	133,499
Miscellaneous	365,762	718,261	0	0	365,762	718,261
Total General Revenues	<u>9,914,147</u>	<u>9,021,488</u>	<u>0</u>	<u>0</u>	<u>9,914,147</u>	<u>9,021,488</u>
Total Revenues	<u>15,125,658</u>	<u>11,609,153</u>	<u>25,275,237</u>	<u>23,824,159</u>	<u>40,400,895</u>	<u>35,433,312</u>
Program Expenses						
Security of Persons and Property	4,410,398	5,714,105	0	0	4,410,398	5,714,105
Leisure Time Activities	813,919	1,253,806	0	0	813,919	1,253,806
Community Environment	131,389	443,457	0	0	131,389	443,457
Basic Utility Services	0	301,498	0	0	0	301,498
Transportation	2,443,363	2,814,270	0	0	2,443,363	2,814,270
General Government	888,674	2,222,475	0	0	888,674	2,222,475
Interest and Fiscal Charges	11,025	25,095	0	0	11,025	25,095
Electric	0	0	17,775,032	16,518,044	17,775,032	16,518,044
Water	0	0	3,211,044	3,692,868	3,211,044	3,692,868
Sewer	0	0	2,124,101	2,341,119	2,124,101	2,341,119
Refuse Collection	0	0	1,037,851	968,032	1,037,851	968,032
Total expenses	<u>8,698,768</u>	<u>12,774,706</u>	<u>24,148,028</u>	<u>23,520,063</u>	<u>32,846,796</u>	<u>36,294,769</u>
Change in Net Position before transfers	<u>6,426,890</u>	<u>(1,165,553)</u>	<u>1,127,209</u>	<u>304,096</u>	<u>7,554,099</u>	<u>(861,457)</u>
Transfers	0	0	0	0	0	0
Total Change in Net Position	<u>6,426,890</u>	<u>(1,165,553)</u>	<u>1,127,209</u>	<u>304,096</u>	<u>7,554,099</u>	<u>(861,457)</u>
Beginning Net Position	<u>50,949,196</u>	<u>52,114,749</u>	<u>49,361,331</u>	<u>49,057,235</u>	<u>100,310,527</u>	<u>101,171,984</u>
Ending Net Position	<u>\$57,376,086</u>	<u>\$50,949,196</u>	<u>\$50,488,540</u>	<u>\$49,361,331</u>	<u>\$107,864,626</u>	<u>\$100,310,527</u>

***Management’s Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

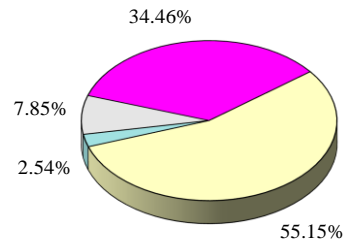
Governmental Activities

Net position of the City’s governmental activities increased by \$6.4 million or 12.6%. Restricted net position increased by \$593,891 or 12.8% and unrestricted net position increased by \$2,234,720 or 75.7%.

The City receives an income tax, which was increased by a vote of the City electorate from 1.25% to 1.50% effective July, 2011. This income tax is assessed on all salaries, wages, commissions and other compensation earned from residents living within the City and from nonresidents for work done or services performed or rendered in the City. Income tax is the largest source of revenue for the City. 46.7% of the City’s income tax received is designated for capital outlay. Income tax revenue was \$7,774,120 compared to \$6,508,608 in 2021, an increase of 19.4%. The City tracks income taxes received using three categories: employee payroll withholding, business net profit, and individual taxpayer paid local income tax. All three categories of receipts were up when compared to 2021 collections. Payroll withholding collections increased by 8.35%. Corporate net profit collections increased by 58.76%, and individual taxpayer collections increased by 15.42%. The increases in payroll withholding and corporate income taxes are positive indicators that employment and wage growth continue to improve in Tipp City.

Property taxes and income taxes made up 3.4% and 51.4% respectively of revenues for governmental activities for the City in fiscal year 2021. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 55.15% of total revenues comes from general tax revenues:

<u>Revenue Sources</u>	<u>2021</u>	<u>Percent of Total</u>
Unrestricted Shared Revenues	\$1,187,777	7.85%
Program Revenues	5,211,511	34.46%
General Tax Revenues	8,341,824	55.15%
General Other	384,546	2.54%
Total Revenue	\$15,125,658	100.00%



***Management’s Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

Business-Type Activities

Net position of the business-type activities increased \$1,127,209. This increase was primarily attributed to reductions in Net Pension and OPEB liabilities (\$1,660,411) as well as a concerted effort to pay down general obligation debt in the water and sewer utilities (\$625,000 reduction in Notes Payable).

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

The City’s governmental funds reported a combined fund balance of \$11,751,350, which is an increase from last year’s balance of \$11,049,766. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2021 and 2021:

	Fund Balance December 31, 2021	Fund Balance December 31, 2020	Increase (Decrease)
General	\$7,351,155	\$7,263,802	\$87,353
Capital Improvement Reserve	2,684,128	1,879,696	804,432
Other Governmental	1,716,067	1,906,268	(190,201)
Total	<u>\$11,751,350</u>	<u>\$11,049,766</u>	<u>\$701,584</u>

General Fund – The City’s General Fund balance had a increase of \$87,353 in 2021. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2021 Revenues	2020 Revenues	Increase (Decrease)
Taxes	\$4,565,337	\$4,014,272	\$551,065
Intergovernmental Revenue	1,172,723	1,098,013	74,710
Charges for Services	791,287	853,976	(62,689)
Licenses, Permits and Fees	274,396	196,993	77,403
Investment Earnings	18,181	139,080	(120,899)
Fines and Forfeitures	4,049	3,413	636
All Other Revenue	93,612	655,668	(562,056)
Total	<u>\$6,919,585</u>	<u>\$6,961,415</u>	<u>(\$41,830)</u>

The decrease in charges for services is due to decreased collections for fire protection and emergency medical service runs. The City restructured the contract with Monroe Township for the provision of these services which resulted in a decrease of service charge revenues. The decrease in investment earnings is due to the continuing poor interest rate environment. Over the last eighteen months the Federal Reserve decreased interest rates from around 2% to effectively 0%. The decrease in all other revenues is due to a series of rebates offered in 2021 by the Ohio Bureau of Worker’s Compensation with their “Billion Back” program and some special dividends made available due to their strong cash balance and a desire to assist local employers operating during the COVID pandemic.

***Management’s Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

	2021 <u>Expenditures</u>	2020 <u>Expenditures</u>	Increase <u>(Decrease)</u>
Security of Persons and Property	\$4,459,221	\$4,016,674	\$442,547
Leisure Time Activities	559,056	484,190	74,866
Community Environment	313,803	361,716	(47,913)
Basic Utility Services	33,472	30,023	3,449
General Government	1,448,072	1,433,089	14,983
Capital Outlay	48,295	64,598	(16,303)
Total	<u>\$6,861,919</u>	<u>\$6,390,290</u>	<u>\$471,629</u>

Expenditures increased 7.4% led by the increases in security of persons and property. The increases are employment and wage related. As noted in previous periods, the City is beginning the transition from an all-volunteer (paid per run) Fire Department to a Combined Full-Time/Part-Time Fire and EMS Department which will ensure minimum levels of staffing at the Fire Station on a 24/7 basis. The first step was hiring a professional, full-time Chief in 2021 and a professional, full-time Assistant Chief in 2021. In addition to these hires, employees in the Fraternal Order of Police bargaining unit received a 3% cost of living increase in 2021 while members of the American Federation of State, County, and Municipal Employees union as well as all non-bargaining unit employees received a 2.5% cost of living adjustment in 2021. The City’s health insurance costs also increased approx. 5% from the prior year.

Capital Improvement Reserve Fund – This fund is the main fund for general capital improvements taking place throughout the City. It is funded by 0.7% of the total 1.5% local income tax which is restricted for the acquisition, construction, maintenance, and repair of the City’s non-utility capital improvements. The balance will fluctuate yearly according to the capital improvement activity taking place in any given year. The increase this year is due to strong income tax revenues and delays in starting (and completing) several large-dollar capital improvement projects.

The City’s budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal year 2021 the City amended its General Fund budget several times. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

Final General Fund budgeted revenues did not change from original budgeted figures. Actual revenues collected were \$178,337, 2.4% above budget. The City’s original budgeted appropriations were increased during the year by \$129,499 to arrive at a final figure of \$8,163,497. There was a significant variance between actual expenditures and final budgeted expenditures. Total actual expenditures were \$7,748,119, \$415,378 or 5.1% below the final budget. Savings from the original budget include: \$162,000 in Fire/EMS department expenditures (wages, health insurance, overtime, and fuel costs) and smaller across the board savings in almost all other general fund departments. All city departments experienced a significant cost reduction in travel and training costs as most meetings, conferences, and training programs moved to an online format due to the COVID pandemic.

***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2021 the City had \$89,016,878 net of accumulated depreciation invested in land, construction in progress, buildings, improvements other than buildings, machinery and equipment and infrastructure. Of this total, \$53,715,644 was related to governmental activities and \$35,301,234 to the business-type activities. The following table shows fiscal year 2021 and 2020 balances:

	Governmental Activities		Increase (Decrease)
	2021	2020	
Land	\$14,275,563	\$14,275,563	\$0
Construction in Progress	3,679,681	1,032,325	2,647,356
Total Non-Depreciable Capital Assets	17,955,244	15,307,888	2,647,356
Buildings	9,232,041	9,203,026	29,015
Improvements Other Than Buildings	9,068,228	6,991,641	2,076,587
Machinery and Equipment	9,584,299	9,234,110	350,189
Infrastructure	41,748,617	41,394,686	353,931
Less: Accumulated Depreciation	(33,872,785)	(31,905,804)	(1,966,981)
Total Depreciable Capital Assets	35,760,400	34,917,659	842,741
Totals	\$53,715,644	\$50,225,547	\$3,490,097

	Business-Type Activities		Increase (Decrease)
	2021	2020	
Land	\$2,234,492	\$2,234,492	\$0
Construction in Progress	246,366	165,244	81,122
Total Non-Depreciable Capital Assets	2,480,858	2,399,736	81,122
Buildings	6,771,716	6,751,461	20,255
Improvements Other Than Buildings	51,789,647	51,648,334	141,313
Machinery and Equipment	3,538,291	3,487,728	50,563
Less: Accumulated Depreciation	(29,279,278)	(27,967,843)	(1,311,435)
Total Depreciable Capital Assets	32,820,376	33,919,680	(1,099,304)
Totals	\$35,301,234	\$36,319,416	(\$1,018,182)

Capital assets, net of depreciation, in governmental activities increased \$3.5 million (6.9%) in 2021. During 2021, the City invested approximately \$5.9M in street resurfacing, expansion, or reconstruction improvements. The City also purchased six vehicles as replacements for older vehicles in the Police and Fire/EMS Departments (\$241,500). Three of these vehicles were purchased a year early as the Police Chief was notified that supply chain disruptions may prevent vehicles from being available in 2022. Depreciation expense (\$2M) was high enough to partially offset the increased spending on capital assets.

***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

Capital assets, net of depreciation, for the business-type activities had a decrease of \$1 million (2.8%). In the Enterprise Funds, 2021 was a planning year as we entered into several engineering agreements for future capital improvements (Substation #4 and a Water/Sewer Service Center) but did not have many new projects in the works. The decrease noted above was almost entirely due to accumulated depreciation expense.

As of December 31, 2021, the City has contractual commitments of \$914,885 for various improvements. Additional information on the City's capital assets can be found in Note 11.

Debt

At December 31, 2021, the City had \$190,000 in bonds outstanding, \$60,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2021 and 2020:

	2021	2020
Governmental Activities:		
Special Assessment Bonds	\$190,000	\$250,000
OPWC Loan	657,403	705,585
Compensated Absences	702,313	757,470
Total Governmental Activities	<u>1,549,716</u>	<u>1,713,055</u>
Business-Type Activities:		
OPWC Loans	\$2,446,004	\$2,603,902
General Obligation Notes	7,555,000	4,050,000
Compensated Absences	381,108	343,474
Total Business-Type Activities	<u>10,382,112</u>	<u>6,997,376</u>
Totals	<u><u>\$11,931,828</u></u>	<u><u>\$8,710,431</u></u>

During 2021, the City reissued several different general obligation notes for various capital improvement projects to take advantage of the historically low interest rate environment for short-term debt instruments. Detail on the 2021 general obligation note(s) activity can be found in Note 16.

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Tipp City lies, is limited to ten mills. At December 31, 2021, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 17.

ECONOMIC FACTORS

Tipp City's future remains bright. Income tax receipts, the largest single source of general operating revenues, remained strong again in 2021 reflecting improvements in the local economy and reduced unemployment numbers. The City has retained existing businesses while attracting business expansion. The residents committed in 2011, and renewed that commitment in 2021, to provide funding necessary for capital improvement projects over a ten year period (initially 2011-2021 and renewed for 2021-2031). This has, and will continue to, enable the City to complete much needed infrastructure improvement projects.

The 2022 operating budget continues to reflect the conservatism of the City while beginning the transition from a volunteer fire department to a department with paid staffing 24 hours a day/7 days per week. This transition has been discussed at length for a number of years, but the early steps were made in 2021 which increased costs for Security of Persons and Property and will into the future. Total 2022 general fund operating revenues are projected at \$7.65 million which is approximately \$58,000 higher than actual revenues received in 2021. The City expects continued increases in income and property tax revenues with other revenue sources remaining consistent with 2021 receipts.

The 2022 appropriation budget for the general fund totals \$7.65 million which is a decrease of approximately \$125,000 from the original 2021 appropriations. In order to not budget a general fund operating deficit, several open positions were left unfilled or subjected to temporary hiring delays to reduce costs. This budget does include the negotiated wage increases for both bargaining units and includes a change in the health insurance cost sharing provisions reducing the City's share of premiums from 88% to 85% for members of the City's bargaining units. These changes are expected to be made for the non-bargaining employees in early 2022.

The City's general fund balance has increased in fourteen of the last sixteen consecutive years and remains strong at \$7.3 million. City Council has committed to not use fund balance to balance the annual operating budget but expects annual revenues to cover annual costs. This will ensure funds are available if an emergency situation should ever arise. As always, the City will continue to monitor its receipts and expenditure activity very closely to preserve this fund balance.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Department by calling (937) 667-8424 or writing to City of Tipp City Finance Department, 260 South Garber Drive, Tipp City, Ohio 45371. This report is also available on the City's web site at www.tippcityohio.gov.



CITY OF TIPP CITY, OHIO

**Statement of Net Position
December 31, 2021**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$ 11,197,268	\$ 19,466,892	\$ 30,664,160
Receivables:			
Taxes	2,005,426	0	2,005,426
Accounts	212,552	2,844,338	3,056,890
Intergovernmental	693,137	0	693,137
Interest	809	0	809
Special Assessments	247,530	27,093	274,623
Internal Balances	86,326	(86,326)	0
Inventory of Supplies at Cost	178,845	580,362	759,207
Prepaid Items	57,102	19,622	76,724
Net OPEB Asset	261,683	202,543	464,226
Restricted Assets:			
Cash and Cash Equivalents	0	356,487	356,487
Investment in Joint Venture	0	8,424,615	8,424,615
Non-Depreciable Capital Assets	17,955,244	2,480,858	20,436,102
Depreciable Capital Assets, Net	35,760,400	32,820,376	68,580,776
Total Assets	68,656,322	67,136,860	135,793,182
Deferred Outflows of Resources:			
Pension	1,453,211	280,253	1,733,464
OPEB	771,542	127,059	898,601
Total Deferred Outflows of Resources	2,224,753	407,312	2,632,065
Liabilities:			
Accounts Payable	218,400	1,295,688	1,514,088
Accrued Wages and Benefits Payable	214,754	82,070	296,824
Intergovernmental Payable	6,956	215,196	222,152
Due to Others	42,206	0	42,206
Refundable Deposits	0	356,487	356,487
Unearned Revenue	529,778	0	529,778
Accrued Interest Payable	713	60,333	61,046
General Obligation Notes Payable	0	1,495,000	1,495,000
Noncurrent liabilities:			
Due within one year	377,640	295,446	673,086
Due in more than one year:			
Net Pension Liability	7,229,792	1,712,864	8,942,656
Net OPEB Liability	779,716	0	779,716
Other Amounts Due in More Than One Year	1,172,076	10,086,666	11,258,742
Total Liabilities	10,572,031	15,599,750	26,171,781

CITY OF TIPP CITY, OHIO

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Deferred Revenue	0	70,354	70,354
Property Tax Levy for Next Fiscal Year	415,194	0	415,194
Pension	1,419,225	755,562	2,174,787
OPEB	1,098,539	629,966	1,728,505
Total Deferred Inflows of Resources	<u>2,932,958</u>	<u>1,455,882</u>	<u>4,388,840</u>
Net Position:			
Net Investment in Capital Assets	52,868,241	23,805,230	76,673,471
Restricted For:			
Capital Projects	3,155,849	0	3,155,849
Debt Service	255,981	0	255,981
Transportation	1,745,500	0	1,745,500
Security of Persons	66,104	0	66,104
Unrestricted	(715,589)	26,683,310	25,967,721
Total Net Position	<u>\$ 57,376,086</u>	<u>\$ 50,488,540</u>	<u>\$ 107,864,626</u>

See accompanying notes to the basic financial statements

CITY OF TIPP CITY, OHIO

**Statement of Activities
For the Year Ended December 31, 2021**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 4,410,398	\$ 781,627	\$ 0	\$ 0
Leisure Time Activities	813,919	331,450	0	0
Community Environment	131,389	285,446	0	0
Transportation	2,443,363	272,788	936,404	2,598,679
General Government	888,674	5,117	0	0
Interest and Fiscal Charges	11,025	0	0	0
Total Governmental Activities	8,698,768	1,676,428	936,404	2,598,679
Business-Type Activities:				
Electric	17,775,032	17,680,900	0	0
Water	3,211,044	4,222,173	0	0
Sewer	2,124,101	2,175,074	0	189,426
Refuse Collection	1,037,851	1,007,664	0	0
Total Business-Type Activities	24,148,028	25,085,811	0	189,426
Totals	\$ 32,846,796	\$ 26,762,239	\$ 936,404	\$ 2,788,105

General Revenues:

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

See accompanying notes to the basic financial statements

CITY OF TIPP CITY, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (3,628,771)	\$ 0	\$ (3,628,771)
(482,469)	0	(482,469)
154,057	0	154,057
1,364,508	0	1,364,508
(883,557)	0	(883,557)
(11,025)	0	(11,025)
<u>(3,487,257)</u>	<u>0</u>	<u>(3,487,257)</u>
0	(94,132)	(94,132)
0	1,011,129	1,011,129
0	240,399	240,399
0	(30,187)	(30,187)
<u>0</u>	<u>1,127,209</u>	<u>1,127,209</u>
<u>(3,487,257)</u>	<u>1,127,209</u>	<u>(2,360,048)</u>
7,774,120	0	7,774,120
510,022	0	510,022
57,682	0	57,682
1,187,777	0	1,187,777
18,784	0	18,784
365,762	0	365,762
<u>9,914,147</u>	<u>0</u>	<u>9,914,147</u>
6,426,890	1,127,209	7,554,099
50,949,196	49,361,331	100,310,527
<u>\$ 57,376,086</u>	<u>\$ 50,488,540</u>	<u>\$ 107,864,626</u>

CITY OF TIPP CITY, OHIO

**Balance Sheet
Governmental Funds
December 31, 2021**

	General	Capital Improvement Reserve	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 6,834,071	\$ 2,310,423	\$ 2,052,774	\$ 11,197,268
Receivables:				
Taxes	1,265,034	740,392	0	2,005,426
Accounts	212,552	0	0	212,552
Intergovernmental	243,693	0	449,444	693,137
Interest	809	0	0	809
Special Assessments	0	26,570	220,960	247,530
Due from Other Funds	86,326	0	0	86,326
Inventory of Supplies, at Cost	110,282	0	68,563	178,845
Prepaid Items	47,445	4,230	5,427	57,102
Total Assets	\$ 8,800,212	\$ 3,081,615	\$ 2,797,168	\$ 14,678,995
Liabilities:				
Accounts Payable	\$ 180,241	\$ 19,523	\$ 18,636	\$ 218,400
Accrued Wages and Benefits Payable	203,147	0	11,607	214,754
Intergovernmental Payable	6,415	0	541	6,956
Due to Others	42,206	0	0	42,206
Unearned Revenue	0	0	529,778	529,778
Compensated Absences Payable	11,902	0	0	11,902
Total Liabilities	443,911	19,523	560,562	1,023,996
Deferred Inflows of Resources:				
Unavailable Amounts	589,952	377,964	520,539	1,488,455
Property Tax Levy for Next Fiscal Year	415,194	0	0	415,194
Total Deferred Inflows of Resources	1,005,146	377,964	520,539	1,903,649
Fund Balances:				
Nonspendable	157,727	4,230	73,990	235,947
Restricted	0	2,679,898	1,636,959	4,316,857
Committed	0	0	5,118	5,118
Assigned	867,780	0	0	867,780
Unassigned	6,325,648	0	0	6,325,648
Total Fund Balances	7,351,155	2,684,128	1,716,067	11,751,350
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,800,212	\$ 3,081,615	\$ 2,797,168	\$ 14,678,995

See accompanying notes to the basic financial statements

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2021***

Total Governmental Fund Balances	\$ 11,751,350
<i>Amounts reported for governmental activities in the statement of net position are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	53,715,644
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows in the funds.	1,488,455
The net pension and OPEB liabilities are not due and payable in the current period; therefore, the liability and related deferred inflows & outflows are not reported in governmental funds.	(8,040,836)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,538,527)</u>
<i>Net Position of Governmental Funds</i>	<u>\$ 57,376,086</u>
See accompanying notes to the basic financial statements	

CITY OF TIPP CITY, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021**

	General	Capital Improvement Reserve	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 4,565,337	\$ 3,607,538	\$ 104,579	\$ 8,277,454
Intergovernmental Revenues	1,172,723	6,973	3,519,660	4,699,356
Charges for Services	791,287	0	286,779	1,078,066
Licenses, Permits and Fees	274,396	0	0	274,396
Investment Earnings	18,181	0	0	18,181
Special Assessments	0	27,619	73,653	101,272
Fines and Forfeitures	4,049	0	1,353	5,402
All Other Revenue	93,612	279,488	340,172	713,272
Total Revenue	6,919,585	3,921,618	4,326,196	15,167,399
Expenditures:				
Current:				
Security of Persons and Property	4,459,221	0	8,408	4,467,629
Leisure Time Activities	559,056	0	305,049	864,105
Community Environment	313,803	0	0	313,803
Basic Utility Services	33,472	0	0	33,472
Transportation	0	0	863,950	863,950
General Government	1,448,072	110,266	25,206	1,583,544
Capital Outlay	48,295	2,967,238	3,246,952	6,262,485
Debt Service:				
Principal Retirement	0	0	108,182	108,182
Interest and Fiscal Charges	0	0	11,250	11,250
Total Expenditures	6,861,919	3,077,504	4,568,997	14,508,420
Excess (Deficiency) of Revenues Over Expenditures				
	57,666	844,114	(242,801)	658,979
Other Financing Sources (Uses):				
Transfers In	0	0	78,813	78,813
Transfers Out	(10,000)	(39,682)	(29,131)	(78,813)
Total Other Financing Sources (Uses)	(10,000)	(39,682)	49,682	0
Net Change in Fund Balances	47,666	804,432	(193,119)	658,979
Fund Balances at Beginning of Year	7,263,802	1,879,696	1,906,268	11,049,766
Change in Inventory	39,687	0	2,918	42,605
Fund Balances End of Year	\$ 7,351,155	\$ 2,684,128	\$ 1,716,067	\$ 11,751,350

See accompanying notes to the basic financial statements

CITY OF TIPP CITY, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Year Ended December 31, 2021***

Net Change in Fund Balances - Total Governmental Funds	\$ 658,979
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation.	3,604,003
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals) is to decrease net position.	(113,906)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(41,741)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	727,062
Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension expense in the statement of activities.	1,374,422
The repayment of principal of long-term debt consumes current financial resources of governmental funds, however, it does not effect net position.	108,182
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	225
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>109,664</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ 6,426,890</u></u>

See accompanying notes to the basic financial statements



CITY OF TIPP CITY, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 4,204,184	\$ 4,204,184	\$ 4,643,206	\$ 439,022
Intergovernmental Revenue	1,192,621	1,192,621	1,161,263	(31,358)
Charges for Services	1,404,502	1,404,502	1,428,812	24,310
Licenses and Permits	191,100	191,100	250,315	59,215
Investment Earnings	225,000	225,000	18,655	(206,345)
Fines and Forfeitures	3,600	3,600	3,908	308
All Other Revenues	191,350	191,350	84,535	(106,815)
Total Revenues	<u>7,412,357</u>	<u>7,412,357</u>	<u>7,590,694</u>	<u>178,337</u>
Expenditures:				
Current:				
Security of Persons and Property	4,679,963	4,686,963	4,469,503	217,460
Leisure Time Activities	565,297	596,297	570,163	26,134
Community Environment	355,645	355,645	322,245	33,400
Basic Utility Services	354,536	358,986	335,894	23,092
General Government	1,992,690	2,052,689	1,955,677	97,012
Capital Outlay	85,867	87,917	84,637	3,280
Total Expenditures	<u>8,033,998</u>	<u>8,138,497</u>	<u>7,738,119</u>	<u>400,378</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(621,641)	(726,140)	(147,425)	578,715
Other Financing Sources (Uses):				
Transfers Out	0	(25,000)	(10,000)	15,000
Total Other Financing Sources (Uses):	<u>0</u>	<u>(25,000)</u>	<u>(10,000)</u>	<u>15,000</u>
Net Change in Fund Balance	(621,641)	(751,140)	(157,425)	593,715
Fund Balance at Beginning of Year	6,565,574	6,565,574	6,565,574	0
Prior Year Encumbrances	101,239	101,239	101,239	0
Fund Balance at End of Year	<u>\$ 6,045,172</u>	<u>\$ 5,915,673</u>	<u>\$ 6,509,388</u>	<u>\$ 593,715</u>

See accompanying notes to the basic financial statements

CITY OF TIPP CITY, OHIO

**Statement of Fund Net Position
Proprietary Funds
December 31, 2021**

	Business-Type Activities		
	Enterprise Funds		
	Electric	Water	Sewer
Assets:			
Current assets:			
Equity in Pooled Cash and Investments	\$ 14,610,408	\$ 2,325,381	\$ 2,461,054
Receivables:			
Accounts	2,168,527	429,085	246,726
Special Assessments	6,189	5,591	15,313
Inventory of Supplies at Cost	431,222	129,384	19,756
Prepaid Items	7,130	2,160	10,332
Restricted Assets:			
Cash and Cash Equivalents	356,487	0	0
Total current assets	17,579,963	2,891,601	2,753,181
Noncurrent assets:			
Investment in Joint Venture	0	1,804,176	6,620,439
Net OPEB Asset	107,074	66,717	28,752
Capital assets:			
Non-Depreciable Capital Assets	462,324	1,981,787	36,747
Depreciable Capital Assets, net	14,023,448	11,147,714	7,649,214
Total capital assets	14,485,772	13,129,501	7,685,961
Total noncurrent assets	14,592,846	15,000,394	14,335,152
Total assets	32,172,809	17,891,995	17,088,333
Deferred Outflows of Resources:			
Pension	148,152	92,316	39,785
OPEB	67,168	41,854	18,037
Total Deferred Outflows of Resources	215,320	134,170	57,822
Liabilities:			
Current liabilities:			
Accounts Payable	1,176,993	5,629	36,588
Accrued Wages and Benefits Payable	42,258	28,160	11,652
Intergovernmental Payable	2,804	145,282	67,110
Refundable Deposits	356,487	0	0
Due to Other Funds	82,077	0	0
Accrued Interest Payable	50,000	5,833	4,500
General Obligation Notes Payable - Current	905,000	240,000	350,000
OPWC Loans Payable - Current	0	148,122	9,776
Compensated Absences Payable - Current	71,891	45,640	20,017
Total Current Liabilities	2,687,510	618,666	499,643

CITY OF TIPP CITY, OHIO

Refuse Collection	Total
\$ 70,049	\$ 19,466,892
0	2,844,338
0	27,093
0	580,362
0	19,622
0	356,487
<u>70,049</u>	<u>23,294,794</u>
0	8,424,615
0	202,543
0	2,480,858
0	32,820,376
<u>0</u>	<u>35,301,234</u>
<u>0</u>	<u>43,928,392</u>
<u>70,049</u>	<u>67,223,186</u>
0	280,253
0	127,059
<u>0</u>	<u>407,312</u>
76,478	1,295,688
0	82,070
0	215,196
0	356,487
4,249	86,326
0	60,333
0	1,495,000
0	157,898
0	137,548
<u>80,727</u>	<u>3,886,546</u>

(Continued)

CITY OF TIPP CITY, OHIO

**Statement of Fund Net Position
Proprietary Funds
December 31, 2021**

	Business-Type Activities		
	Enterprise Funds		
	Electric	Water	Sewer
Noncurrent Liabilities:			
General Obligation Notes Payable	6,595,000	635,000	325,000
OPWC Loans Payable	0	2,184,840	103,266
Compensated Absences Payable	123,836	76,141	43,583
Net Pension Liability	905,496	564,216	243,152
Total noncurrent liabilities	<u>7,624,332</u>	<u>3,460,197</u>	<u>715,001</u>
Total Liabilities	<u>10,311,842</u>	<u>4,078,863</u>	<u>1,214,644</u>
Deferred Inflows of Resources:			
Deferred Revenue	0	0	0
Pension	399,477	248,911	107,174
OPEB	333,085	207,512	89,369
Total Deferred Inflows of Resources	<u>732,562</u>	<u>456,423</u>	<u>196,543</u>
Net Position:			
Net Investment in Capital Assets	6,985,772	9,921,539	6,897,919
Unrestricted	14,357,953	3,569,340	8,837,049
Total Net Position	<u>\$ 21,343,725</u>	<u>\$ 13,490,879</u>	<u>\$ 15,734,968</u>

See accompanying notes to the basic financial statements

CITY OF TIPP CITY, OHIO

<u>Refuse Collection</u>	<u>Total</u>
0	7,555,000
0	2,288,106
0	243,560
0	1,712,864
<u>0</u>	<u>11,799,530</u>
<u>80,727</u>	<u>15,686,076</u>
70,354	70,354
0	755,562
0	629,966
<u>70,354</u>	<u>1,455,882</u>
0	23,805,230
(81,032)	26,683,310
<u>\$ (81,032)</u>	<u>\$ 50,488,540</u>

CITY OF TIPP CITY, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2021**

	Business-type activities - Enterprise Funds		
	Electric	Water	Sewer
Operating Revenues:			
Charges for Services	\$ 17,559,128	\$ 4,011,951	\$ 2,174,536
Other Operating Revenues	121,772	30,654	538
Total Operating Revenues	<u>17,680,900</u>	<u>4,042,605</u>	<u>2,175,074</u>
Operating Expenses:			
Personal Services	863,710	529,973	254,097
Contractual Services	15,802,734	2,113,653	1,023,982
Materials and Supplies	186,304	40,474	37,654
Utilities	8,366	25,044	19,006
Depreciation	873,390	491,252	377,225
Other Operating Expenses	15,290	3,409	382,623
Total Operating Expenses	<u>17,749,794</u>	<u>3,203,805</u>	<u>2,094,587</u>
Operating Income (Loss)	(68,894)	838,800	80,487
Non-Operating Revenue (Expenses):			
Income (Loss) from Joint Venture	0	179,568	(24,060)
Loss on Disposal of Capital Assets	(8,691)	0	0
Interest and Fiscal Charges	(16,547)	(7,239)	(5,454)
Total Non-Operating Revenues (Expenses)	<u>(25,238)</u>	<u>172,329</u>	<u>(29,514)</u>
Income (Loss) Before Contributions	(94,132)	1,011,129	50,973
Capital Contributions	0	0	189,426
Change in Net Position	(94,132)	1,011,129	240,399
Net Position Beginning of Year	21,437,857	12,479,750	15,494,569
Net Position End of Year	<u>\$ 21,343,725</u>	<u>\$ 13,490,879</u>	<u>\$ 15,734,968</u>

See accompanying notes to the basic financial statements

CITY OF TIPP CITY, OHIO

Refuse Collection	Total Enterprise Funds
\$ 1,007,587	\$ 24,753,202
77	153,041
<u>1,007,664</u>	<u>24,906,243</u>
0	1,647,780
1,037,851	19,978,220
0	264,432
0	52,416
0	1,741,867
0	401,322
<u>1,037,851</u>	<u>24,086,037</u>
(30,187)	820,206
0	155,508
0	(8,691)
0	(29,240)
<u>0</u>	<u>117,577</u>
(30,187)	937,783
0	189,426
(30,187)	1,127,209
(50,845)	49,361,331
<u>\$ (81,032)</u>	<u>\$ 50,488,540</u>

CITY OF TIPP CITY, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021**

	Business-type activities - Enterprise Funds		
	Electric	Water	Sewer
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$17,234,906	\$3,959,552	\$2,173,250
Cash Payments for Goods and Services	(16,113,766)	(2,197,297)	(1,070,311)
Cash Payments to Employees	(1,419,243)	(882,807)	(385,814)
Other Operating Revenues	216,048	33,657	6,949
Net Cash Provided (Used) by Operating Activities	(82,055)	913,105	724,074
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(226,723)	(103,555)	(390,213)
Sale of General Obligation Notes	7,500,000	875,000	675,000
Premium on Sale of General Obligation Notes	40,275	4,699	3,625
Principal Paid on General Obligation Notes	(3,000,000)	(1,147,500)	(827,500)
Principal Paid on OPWC Loan	0	(148,122)	(9,776)
Interest Paid on Capital Debt	(59,822)	(26,378)	(19,198)
Net Cash Provided (Used) for Capital and Related Financing Activities	4,253,730	(545,856)	(568,062)
Net Increase (Decrease) in Cash and Cash Equivalents	4,171,675	367,249	156,012
Cash and Cash Equivalents at Beginning of Year	10,795,220	1,958,132	2,305,042
Cash and Cash Equivalents at End of Year	\$14,966,895	\$2,325,381	\$2,461,054
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$14,610,408	\$2,325,381	\$2,461,054
Restricted Cash and Cash Equivalents	356,487	0	0
Cash and Cash Equivalents at End of Year	\$14,966,895	\$2,325,381	\$2,461,054

CITY OF TIPP CITY, OHIO

Refuse Collection	Total
\$1,017,308	\$24,385,016
(1,036,431)	(20,417,805)
0	(2,687,864)
77	256,731
<u>(19,046)</u>	<u>1,536,078</u>
0	(720,491)
0	9,050,000
0	48,599
0	(4,975,000)
0	(157,898)
<u>0</u>	<u>(105,398)</u>
0	3,139,812
<u>(19,046)</u>	<u>4,675,890</u>
<u>89,095</u>	<u>15,147,489</u>
<u><u>\$70,049</u></u>	<u><u>\$19,823,379</u></u>

\$70,049	\$19,466,892
0	356,487
<u><u>\$70,049</u></u>	<u><u>\$19,823,379</u></u>

(Continued)

CITY OF TIPP CITY, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021**

	Business-type activities - Enterprise Funds		
	Electric	Water	Sewer
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$68,894)	\$838,800	\$80,487
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	873,390	491,252	377,225
Adjustments to Assets and Liabilities:			
(Increase) in Accounts Receivable	(344,096)	(85,023)	(1,753)
Decrease in Intergovernmental Receivable	0	32,048	0
Decrease in Special Assessments Receivable	2,061	3,003	388,140
(Increase) Decrease in Inventory	49,853	(15,807)	1,215
(Increase) in Prepaid Items	(1,060)	(555)	(601)
Decrease in Due from Other Funds	3,947	576	467
Decrease in Deferred Outflows - Pension	19,251	11,918	3,295
Decrease in Deferred Outflows - OPEB	48,880	30,340	11,823
(Increase) in Net OPEB Asset	(107,074)	(66,717)	(28,752)
Increase (Decrease) in Accounts Payable	(117,246)	3,573	6,387
Increase in Accrued Wages and Benefits	6,827	1,870	2,739
Increase (Decrease) in Due to Other Funds	423	(1,806)	(790)
Increase in Deferred Revenue	0	0	0
Increase (Decrease) in Intergovernmental Payable	(1,058)	(366)	4,960
(Decrease) in Retainage Payable	(13,741)	0	0
Increase in Customer Deposits Payable	87,786	0	0
Increase in Compensated Absences	27,480	8,390	1,764
Increase in Deferred Inflows - Pension	133,771	85,086	39,132
Increase in Deferred Inflows - OPEB	206,255	129,525	56,935
Decrease in Net Pension Liability	(160,654)	(99,618)	(31,213)
Decrease in Net OPEB Liability	(728,156)	(453,384)	(187,386)
Total Adjustments	(13,161)	74,305	643,587
Net Cash Provided (Used) by Operating Activities	(\$82,055)	\$913,105	\$724,074

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2021 the Electric and Sewer Funds had outstanding liabilities for capital assets of \$6,460 and \$27,433, respectively. The Sewer Fund had a prepaid balance of \$9,073 related to certain amounts recorded as capital outlay.

See accompanying notes to the basic financial statements

CITY OF TIPP CITY, OHIO

<u>Refuse Collection</u>	<u>Total</u>
(\$30,187)	\$820,206
0	1,741,867
0	(430,872)
0	32,048
0	393,204
0	35,261
0	(2,216)
0	4,990
0	34,464
0	91,043
0	(202,543)
1,349	(105,937)
0	11,436
71	(2,102)
9,721	9,721
0	3,536
0	(13,741)
0	87,786
0	37,634
0	257,989
0	392,715
0	(291,485)
0	(1,368,926)
<u>11,141</u>	<u>715,872</u>
<u>(\$19,046)</u>	<u>\$1,536,078</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements are presented as of December 31, 2021 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, “*The Financial Reporting Entity*,” as amended by GASB Statement No. 61 “*The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34*,” in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

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

The City is a participant in a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA) with other local cities. This organization is a jointly governed organization. The City has no explicit and measurable equity interest in MVRMA and no ongoing financial responsibility for MVRMA. See Note 18 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 19 for further information.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

1. Joint Venture with Equity Interest (Continued)

Northern Area Water Authority (NAWA) – The City is a participant with the City of Vandalia in a joint venture to provide efficient water treatment services to meet the needs of both communities. See Note 19 for further information.

B. Basis of Presentation - Fund Accounting

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

Governmental Funds

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Proprietary Funds

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

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

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

D. Basis of Accounting

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

Special assessment installments including related interest, which are measurable but not available at December 31, are recorded as deferred inflows of resources – unavailable amount. Property taxes measurable as of December 31, 2021 but which are not intended to finance 2021 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources – property tax levy for next fiscal year as further described in Note 7.

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

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

1. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2021.

2. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the personal services and other expenditures level within each department within each fund, and may be modified during the year by ordinance of the City Council. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the personal services and other expenditures level within each department within each fund. The allocation of appropriations within a fund may be modified with the approval of the City Council. During 2021, several supplemental appropriations measures were necessary to budget the use of contingency funds and capital improvement projects. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) for the General Fund is presented on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Lapsing of Appropriations

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

4. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

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

<u>Net Change in Fund Balance</u>	<u>General Fund</u>
GAAP Basis (as reported)	\$47,666
Increase (Decrease):	
Accrued Revenues at December 31, 2021 received during 2022	(945,419)
Accrued Revenues at December 31, 2020 received during 2021	781,293
Accrued Expenditures at December 31, 2021 paid during 2022	443,911
Accrued Expenditures at December 31, 2020 paid during 2021	(302,963)
2021 Prepays for 2022	(47,445)
2020 Prepays for 2021	47,764
Outstanding Encumbrances	(182,232)
Budget Basis	<u>(\$157,425)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During fiscal year 2021, cash and cash equivalents included amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the basic financial statements.

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 6, "Cash, Cash Equivalents and Investments."

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and GASB Statement No. 72, "Fair Value Measurement and Application," the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See Note 6, "Cash, Cash Equivalents and Investments."

The City's investment in the State Treasury Asset Reserve of Ohio (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 and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

H. Restricted Assets

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Inventory

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

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,500 and an estimated useful life threshold of three or more years.

1. Property, Plant and Equipment - Governmental Activities

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

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

2. Property, Plant and Equipment – Business Type Activities

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets and Depreciation (Continued)

3. Depreciation

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

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (in Years)</u>
Buildings	50
Improvements Other Than Buildings	10 - 45
Machinery and Equipment	3 - 35
Infrastructure	50 - 65

L. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Notes	Capital Improvement Reserve Fund 25-A Construction Fund Electric Fund Water Fund Sewer Fund
Special Assessment Bond	Special Assessment Bond Retirement Fund
Compensated Absences / Net Pension Liability / Net OPEB Liability	General Fund Street Construction, Maintenance and Repair Fund Municipal Road Fund Electric Fund Water Fund Sewer Fund
OPWC Loans	Capital Improvement Reserve Fund Water Fund Sewer Fund

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Compensated Absences

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

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

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

N. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

O. Pension/OPEB

The provision for pension/OPEB cost is recorded when the related payroll is accrued and the obligation is incurred. For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB systems report investments at fair value.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Interfund Activity

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

Q. Interfund Assets/Liabilities

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

R. Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Fund Balance (Continued)

Assigned – Assigned fund balance consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City Charter authorizes the Finance Director to assign fund balance.

Unassigned – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

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

S. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

T. Operating Revenues and Expenses

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

U. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports for deferred pension/OPEB amounts. Deferred outflows of resources are reported for pension/OPEB amounts on the government-wide and proprietary funds statement of net position. See Notes 12 and 13.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows.

In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide and proprietary funds statement of net position. See Notes 12 and 13.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period.”

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. The implementation of this statement had no effect on beginning of year net position/fund balance.

NOTE 3 – FUND BALANCE CLASSIFICATION

Fund balance is classified as nonspendable, restricted, committed, assigned, and unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Capital Improvement Reserve Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid Items	\$47,445	\$4,230	\$5,427	\$57,102
Supplies Inventory	110,282	0	68,563	178,845
Total Nonspendable	<u>157,727</u>	<u>4,230</u>	<u>73,990</u>	<u>235,947</u>
Restricted:				
Transportation Projects	0	0	1,446,283	1,446,283
Police Activities	0	0	24,509	24,509
Debt Retirement	0	0	35,734	35,734
Capital Improvements	0	2,679,898	130,433	2,810,331
Total Restricted	<u>0</u>	<u>2,679,898</u>	<u>1,636,959</u>	<u>4,316,857</u>
Committed:				
Swimming Pool	0	0	4,773	4,773
Police Activities	0	0	345	345
Total Committed	<u>0</u>	<u>0</u>	<u>5,118</u>	<u>5,118</u>
Assigned:				
Services and Supplies	154,982	0	0	154,982
Projected Budgetary Deficit	712,798	0	0	712,798
Total Assigned	<u>867,780</u>	<u>0</u>	<u>0</u>	<u>867,780</u>
Unassigned:				
	<u>6,325,648</u>	<u>0</u>	<u>0</u>	<u>6,325,648</u>
Total Fund Balances	<u>\$7,351,155</u>	<u>\$2,684,128</u>	<u>\$1,716,067</u>	<u>\$11,751,350</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 4 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

Deferred/Delinquent Income Tax Revenue	\$755,874
Shared Revenues	460,881
Interest Revenue	809
Special Assessment Revenue	246,609
Deferred Licenses and Permits	0
Deferred Charges for Services	24,282
	<hr/>
	\$1,488,455

Long-Term liabilities not reported in the funds:

Special Assessment Bond Payable	(\$190,000)
Accrued Interest on Long-Term Debt	(713)
OPWC Loan Payable	(657,403)
Compensated Absences Payable	(690,411)
	<hr/>
	(\$1,538,527)

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 4 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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

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

Amount by which depreciation exceeded capital outlay in the current period:

Capital Outlay	\$5,969,387
Depreciation Expense	(2,365,384)
	<u>\$3,604,003</u>

Governmental revenues not reported in the funds:

Increase in Deferred/Delinquent Tax Revenue	\$64,370
Increase in Shared Revenue	23,504
Decrease in Special Assessment Revenue	(95,170)
Increase in Interest Revenue	603
Decrease in Licenses & Permits Revenue	(25,626)
Decrease in Deferred Charges for Services	(9,422)
	<u>(\$41,741)</u>

Contractually required contributions reported as deferred outflows:

Pension	\$716,642
OPEB	10,420
	<u>\$727,062</u>

Pension and OPEB expense:

Pension	(\$274,634)
OPEB	1,649,056
	<u>\$1,374,422</u>

Amount of bond principal payments:

Special Assessment Bond Principal Payment	\$60,000
OPWC Loan Principal Payment	48,182
	<u>\$108,182</u>

Expenses not requiring the use of current financial resources:

Decrease in Compensated Absences Payable	\$67,059
Increase in supplies inventory	42,605
	<u>\$109,664</u>

NOTE 5 – COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficit

The fund deficit at December 31, 2021 of \$81,032 in the Refuse Collection fund is the result of accruals in the individual fund balance sheet. The General Fund provides transfers, upon City Council’s approval when cash is required not when accruals occur.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Category 3 consists of "interim" funds - those funds which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

- 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).

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

A. Deposits

At year end the carrying amount of the City's deposits was \$14,054,629 and the bank balance was \$13,835,435. Federal depository insurance covered \$500,000 of the bank balance and \$13,335,435 was uninsured and collateralized with securities held in the Ohio Pooled Collateral System.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 6- CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

The City’s investments at December 31, 2021 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)	
			less than 1	1-3
STAR Ohio	\$15,466,018	AAAm	\$15,466,018	\$0
FHLB	500,000	AA ⁺	0	500,000
FFCB	1,000,000	AA ⁺	500,000	500,000
Total Investments	<u>\$16,966,018</u>		<u>\$15,966,018</u>	<u>\$1,000,000</u>

Credit Rating - Standard & Poor’s

The City’s investments in government agency securities are classified as Level 2 of the fair value hierarchy which are valued using valuation techniques that incorporate market data for similar types of investments, broker quotes and inactive transaction prices. These prices are obtained by our custodian banks from various pricing sources.

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

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

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. Of the City’s total investments, 91.2% are STAR Ohio, 2.9% are FHLB and 5.9% are FFCB.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 7 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property used in business and located in the City. Real property taxes (other than public utility) collected during 2021 were levied after October 1, 2020 on assessed values as of January 1, 2020, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last reappraisal was completed in 2021. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

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

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, 2021 was \$1.40 per \$1,000 of assessed value. The assessed value upon which the 2021 levy was based was \$329,387,080. This amount constitutes \$320,700,230 in real property assessed value and \$8,686,850 in public utility assessed value.

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

B. Income Tax

The City levies a tax of 1.5% 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 2021 was \$7,774,120. This represents a 19.4% increase from 2020 income tax revenue of \$6,508,608.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 8 - RECEIVABLES

Receivables at December 31, 2021 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 inflows of resources are considered collectable in full.

NOTE 9 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2021:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$10,000
Capital Improvement Reserve Fund	0	39,682
Other Governmental Funds	78,813	29,131
Totals	<u>\$78,813</u>	<u>\$78,813</u>

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

NOTE 10 - INTERFUND RECEIVABLES AND PAYABLES

Following is a summary of due from other funds and due to other funds for all funds for 2021:

Fund	Due From	Due To
General Fund	\$86,326	\$0
Total Governmental Funds	<u>86,326</u>	<u>0</u>
Electric Fund	0	82,077
Refuse Collection Fund	0	4,249
Total Proprietary Funds	<u>0</u>	<u>86,326</u>
Totals	<u>\$86,326</u>	<u>\$86,326</u>

The due to / due from balances account for amounts due between funds for utility balances.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 11 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2021:

Historical Cost:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
<i>Non-depreciable Capital assets:</i>				
Land	\$14,275,563	\$0	\$0	\$14,275,563
Construction in Progress	1,032,325	2,870,309	(222,953)	3,679,681
Total Non-depreciable Capital assets	15,307,888	2,870,309	(222,953)	17,955,244
<i>Capital assets being depreciated:</i>				
Buildings	9,203,026	29,015	0	9,232,041
Improvements Other Than Buildings	6,991,641	2,076,587	0	9,068,228
Machinery and Equipment	9,234,110	495,117	(144,928)	9,584,299
Infrastructure	41,394,686	721,312	(367,381)	41,748,617
Total Depreciable Capital assets	66,823,463	3,322,031	(512,309)	69,633,185
Total Cost	\$82,131,351	\$6,192,340	(\$735,262)	\$87,588,429

Accumulated Depreciation:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
Buildings	(\$3,547,862)	(\$169,258)	\$0	(\$3,717,120)
Improvements Other Than Buildings	(4,275,809)	(266,769)	0	(4,542,578)
Machinery and Equipment	(6,499,802)	(674,961)	139,368	(7,035,395)
Infrastructure	(17,582,331)	(1,254,396)	259,035	(18,577,692)
Total Depreciation	(\$31,905,804)	(\$2,365,384) *	\$398,403	(\$33,872,785)
<i>Net Value:</i>	\$50,225,547			\$53,715,644

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$499,674
Leisure Time Activities	202,303
Transportation	1,534,914
General Government	128,493
Total Depreciation Expense	\$2,365,384

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 11 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by category of changes in business-type activities capital assets at December 31, 2021:

Historical Cost:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
<i>Non-depreciable Capital assets:</i>				
Land	\$2,234,492	\$0	\$0	\$2,234,492
Construction in Progress	165,244	81,122	0	246,366
Total Non-depreciable Capital Assets	2,399,736	81,122	0	2,480,858
<i>Capital assets being depreciated:</i>				
Buildings	6,751,461	20,255	0	6,771,716
Improvements Other Than Buildings	51,648,334	576,056	(434,743)	51,789,647
Machinery and Equipment	3,487,728	54,943	(4,380)	3,538,291
Total Depreciable Capital assets	61,887,523	651,254	(439,123)	62,099,654
Total Cost	\$64,287,259	\$732,376	(\$439,123)	\$64,580,512

Accumulated Depreciation:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
Buildings	(\$2,007,187)	(\$170,307)	\$0	(\$2,177,494)
Improvements Other Than Buildings	(23,535,505)	(1,332,343)	426,052	(24,441,796)
Machinery and Equipment	(2,425,151)	(239,217)	4,380	(2,659,988)
Total Depreciation	(\$27,967,843)	(\$1,741,867)	\$430,432	(\$29,279,278)
<i>Net Value:</i>	\$36,319,416			\$35,301,234

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. For additional information, see the Plan Statement in the OPERS Annual Comprehensive Financial Report.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$557,648 for 2021.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$402,298 for 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$3,925,850	\$5,016,806	\$8,942,656
Proportion of the Net Pension Liability-2021	0.026512%	0.073592%	
Proportion of the Net Pension Liability-2020	0.025897%	0.072024%	
Percentage Change	<u>0.000615%</u>	<u>0.001568%</u>	
Pension Expense	\$742	\$518,164	\$518,906

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$0	\$84,133	\$84,133
Differences between expected and actual experience	0	209,720	209,720
Change in proportionate share	84,684	394,981	479,665
City contributions subsequent to the measurement date	<u>557,648</u>	<u>402,298</u>	<u>959,946</u>
Total Deferred Outflows of Resources	<u>\$642,332</u>	<u>\$1,091,132</u>	<u>\$1,733,464</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$1,530,184	\$243,349	\$1,773,533
Differences between expected and actual experience	164,222	195,440	359,662
Change in proportionate share	<u>41,592</u>	<u>0</u>	<u>41,592</u>
Total Deferred Inflows of Resources	<u>\$1,735,998</u>	<u>\$438,789</u>	<u>\$2,174,787</u>

\$959,946 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2022	(\$631,378)	\$117,911	(\$513,467)
2023	(187,487)	226,964	39,477
2024	(623,753)	(131,600)	(755,353)
2025	(208,696)	17,448	(191,248)
2026	<u>0</u>	<u>19,322</u>	<u>19,322</u>
Total	<u>(\$1,651,314)</u>	<u>\$250,045</u>	<u>(\$1,401,269)</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2020 and December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>December 31, 2020</u>
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	0.5 percent simple through 2021. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	<u>December 31, 2019</u>
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	1.4 percent simple through 2020. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$7,488,580	\$3,925,850	\$963,446

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2020, compared with January 1, 2019, are presented below.

	<u>January 1, 2020</u>	<u>January 1, 2019</u>
Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	2.2 percent simple	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For the January 1, 2020 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

For the January 1, 2020 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016. The prior experience study was completed December 31, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2020 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

* levered 2x

Note: Assumptions are geometric

OPF’s Board of Trustees has incorporated the “risk parity” concept into OPF’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2020, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2019 was 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$6,984,036	\$5,016,806	\$3,370,432

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

The net OPEB liability (asset) reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability (asset) represents the City’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which OPEB are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2021.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OP&F was \$10,420 for 2021.

OPEB Liabilities (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability (Asset)	(\$464,226)	\$779,716	\$315,490
Proportion of the Net OPEB Liability (Asset) -2021	0.026057%	0.073592%	
Proportion of the Net OPEB Liability-2020	<u>0.025310%</u>	<u>0.072024%</u>	
Percentage Change	<u>0.0007470%</u>	<u>0.001568%</u>	
OPEB Expense	(\$2,848,327)	\$111,560	(\$2,736,767)

CITY OF TIPP CITY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$228,221	\$430,752	\$658,973
Change in proportionate share	62,994	166,214	229,208
City contributions subsequent to the measurement date	0	10,420	10,420
Total Deferred Outflows of Resources	<u>\$291,215</u>	<u>\$607,386</u>	<u>\$898,601</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$247,251	\$28,979	\$276,230
Changes in assumptions	752,186	124,300	876,486
Differences between expected and actual experience	418,961	128,609	547,570
Change in proportionate share	28,219	0	28,219
Total Deferred Inflows of Resources	<u>\$1,446,617</u>	<u>\$281,888</u>	<u>\$1,728,505</u>

\$10,420 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2022	(\$611,068)	\$69,795	(\$541,273)
2023	(407,755)	76,657	(331,098)
2024	(107,447)	65,841	(41,606)
2025	(29,132)	66,259	37,127
2026	0	19,190	19,190
2027	0	13,252	13,252
2028	0	4,084	4,084
Total	<u>(\$1,155,402)</u>	<u>\$315,078</u>	<u>(\$840,324)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current measurement date	8.5 percent initial, 3.5 percent ultimate in 2035
Prior Measurement date	10.5 percent initial, 3.5 percent ultimate in 2030
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB liability (asset)	(\$115,433)	(\$464,226)	(\$750,963)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates and the expected net OPEB liability (asset) if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	(\$475,540)	(\$464,226)	(\$451,568)

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	2.96 percent	3.56 percent
Cost of Living Adjustments	2.2 percent simple	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016. The prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

* levered 2x

Note: Assumptions are geometric

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.96 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
City's proportionate share of the net OPEB liability	\$972,265	\$779,716	\$620,891

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

NOTE 14 - COMPENSATED ABSENCES

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

At December 31, 2021, the City's accumulated, unpaid compensated absences amounted to \$1,083,421, of which \$702,313 is recorded as a liability of the Governmental Activities and \$381,108 is recorded as a liability of the Business-Type Activities. The amounts are recorded in "Due within One Year" and "Due in More Than One Year" on the Entity Wide Statement of Net position based upon estimated usage.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 15 - NOTES PAYABLE

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

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

The City had the following bond anticipation note activity during 2021:

	Maturity Date	Balance December 31, 2020	Issued	(Retired)	Balance December 31, 2021
Enterprise Notes Payable:					
0.75% Electric Notes	2/7/2023	\$500,000	\$905,000	(\$500,000)	\$905,000
0.75% Water Notes	2/7/2023	272,500	240,000	(272,500)	240,000
0.75% Sewer Notes	2/7/2023	152,500	350,000	(152,500)	350,000
Total Notes Payable		<u>\$925,000</u>	<u>\$1,495,000</u>	<u>(\$925,000)</u>	<u>\$1,495,000</u>

Multiple note issues were rolled over in February 2022 thereby extending their due dates beyond twelve months from the end of 2021. The balances above are expected to be paid for with “current financial resources” within twelve months of fiscal year end. The amounts refinanced in February of 2022 are recorded as long-term debt obligations in Note 16.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 16 - LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2021 were as follows:

	Original Issue Amount	Maturity Year	Balance December 31, 2020	Issued	(Retired)	Balance December 31, 2021	Amount Due Within One Year
Business Type-Activities:							
General Obligation Notes:							
0.75% Electric Notes	6,595,000	2022	\$2,500,000	\$6,595,000	(\$2,500,000)	\$6,595,000	\$0
0.75% Water Notes	635,000	2022	875,000	635,000	(875,000)	635,000	0
0.75% Sewer Notes	325,000	2022	675,000	325,000	(675,000)	325,000	0
Total General Obligation Notes			<u>4,050,000</u>	<u>7,555,000</u>	<u>(4,050,000)</u>	<u>7,555,000</u>	<u>0</u>
Ohio Public Works Commission Loans:							
0.00% OPWC Loan - AMR/AMI Project	600,000	2032	345,000	0	(30,000)	315,000	30,000
0.00% OPWC Loan - Water Tower Project	425,000	2033	286,875	0	(21,250)	265,625	21,250
0.00% OPWC Loan - Downtown Utilities Project	401,915	2034	272,027	0	(21,648)	250,379	21,648
0.00% OPWC Loan - Low System Water Tower	1,700,000	2040	1,700,000	0	(85,000)	1,615,000	85,000
Total Ohio Public Works Commission Loans			<u>2,603,902</u>	<u>0</u>	<u>(157,898)</u>	<u>2,446,004</u>	<u>157,898</u>
Compensated Absences			<u>343,474</u>	<u>381,108</u>	<u>(343,474)</u>	<u>381,108</u>	<u>137,548</u>
Total Business-Type Activity Long-Term Liabilities			<u>\$6,997,376</u>	<u>\$7,936,108</u>	<u>(\$4,551,372)</u>	<u>\$10,382,112</u>	<u>\$295,446</u>
Governmental Activities:							
Special Assessment Bonds (with governmental commitment):							
2.0-4.5% Donn Davis Construction Bond	930,000	2024	\$250,000	\$0	(\$60,000)	\$190,000	\$60,000
Ohio Public Works Commission Loan:							
0.00% OPWC Loan - Main Street Streetscape	970,586	2034	705,585	0	(48,182)	657,403	48,182
Compensated Absences			<u>757,470</u>	<u>702,313</u>	<u>(757,470)</u>	<u>702,313</u>	<u>269,458</u>
Total Governmental Activity Long-Term Liabilities			<u>\$1,713,055</u>	<u>\$702,313</u>	<u>(\$865,652)</u>	<u>\$1,549,716</u>	<u>\$377,640</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 16 - LONG-TERM OBLIGATIONS (Continued)

The principal amount of the City’s special assessment bonds outstanding at December 31, 2021, \$190,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners.

A. Future Long-Term Financing Requirements

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2021, follow:

Years	Special Assessment Bonds		Loans Payable	
	Principal	Interest	Principal	Interest
2022	\$60,000	\$8,550	\$206,080	\$0
2023	65,000	5,850	206,080	0
2024	65,000	2,925	206,080	0
2025	0	0	206,080	0
2026	0	0	206,080	0
2027-2031	0	0	1,030,400	0
2032-2036	0	0	702,607	0
2037-2040	0	0	340,000	0
Totals	\$190,000	\$17,325	\$3,103,407	\$0

NOTE 17 – CONSTRUCTION COMMITMENTS

At December 31, 2021 the City had the following contractual commitments outstanding:

Project	Remaining Contractual Commitment	Estimated Date of Completion
Finance Department Software Upgrade	\$93,325	3/31/2022
Off-Channel Wetlands Project	60,578	6/30/2022
Aquatic Center Play Structure Replacement	236,328	12/31/2023
Electric Substation #4 Engineering	517,220	12/31/2023
Hyatt/Park St. Traffic Signal Replacement	7,434	3/1/2022
Total Construction Commitments	\$914,885	

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 18 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 1996 the City entered into a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) with other local cities. As of December 31, 2021, the pool has twenty two members. The pool has been operational since December of 1988 and was formed in accordance with Section 2744 of the Ohio Revised Code. This jointly governed organization provides real and personal property, crime, surety, general liability, boiler and machinery, employment practices liability, police professional and public official liability coverage up to the limits stated below. Membership in MVRMA is intended to provide broad based coverage up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate. MVRMA is a non-profit corporation governed by a twenty two member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote.

Management is provided by an Executive Director, who is assisted by a Claims Manager, a full-time Loss Control Manager and office staff. The board is responsible for its own financial matters and the corporation maintains its own books of account. Budgeting and financing of MVRMA is subject to the approval of the board, and the organization is covered by policies, procedures, and formally adopted bylaws.

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

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

Pollution Liability	\$2,000,000	per occurrence
Public Officials/Personal Injury	12,000,000	per occurrence
Property	1,000,000,000	per occurrence
Boiler and Machinery	100,000,000	per occurrence
Flood	25,000,000	per occurrence and aggregate
Cyber Liability	2,000,000	per occurrence and aggregate
Earthquake (Property)	25,000,000	per occurrence and aggregate

The member deductible per occurrence for all types of claims is \$2,500.

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 3085 Woodman Drive, Suite 200 Kettering, Ohio 45420.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 18 - RISK MANAGEMENT (Continued)

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.

The City is a member of the Ohio Benefits Cooperative (OBC), a consortium of political subdivisions in the greater Miami Valley area. The purpose of the OBC is to pool risk and collectively purchase health insurance. OBC entered into an administrative agreement on September 1, 2016 with the Jefferson Health Plan for stop loss insurance, pooling, administration and other benefit services to provide medical benefits to City employees.

The City offers a High Deductible Health Plan combined with a Health Savings Account (HSA Plan). For the plan year effective 9/1/21-8/31/22, the City pays 85% of the monthly premium for members of the Fraternal Order of Police (FOP) union and also for members of the American Federation of State, County, and Municipal Employees (AFSCME) union. The City pays 88% of the monthly plan premiums for non-bargaining employees. The monthly premiums for the HSA Plan are \$693.18 for single coverage and \$1,868.87 for family coverage. The City also makes an annual contribution to the employee health savings accounts. The annual amount of City contributions to the Health Savings Account is \$1,100 for single coverage and \$3,000 for family coverage. The City also offers a PPO health insurance plan. The monthly premium for the PPO plan is \$819.44 for single coverage and \$2,209.28 for family coverage. The City pays 85% of the monthly premium for members of the Fraternal Order of Police (FOP) union and also for members of the American Federation of State, County, and Municipal Employees (AFSCME) union. The City pays 88% of the monthly plan premiums for non-bargaining employees.

Dental insurance is offered through Superior Dental Care with a deductible of \$25 for single coverage and up to \$75 for family coverage. The City pays 85% of the monthly premium of \$25.73 for single coverage and \$74.35 for family coverage for FOP and AFSCME represented employees. The City pays 88% of the monthly premium for non-bargaining employees.

The City also provides a minimum of \$35,000 life and Accidental Death and Dismemberment insurance at no cost to the employees. Employees have the opportunity to purchase additional group rated health and life insurance benefits, with the full cost of the premiums paid by the employee via payroll deduction.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 19 - JOINT VENTURES

A. Tri-Cities North Regional Wastewater Authority

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

Tri-Cities North Regional Wastewater Authority (Tri-Cities) is a joint venture among the cities of Tipp City, Vandalia and Huber Heights. Tri-Cities is governed by a management board consisting of the city managers of the three participating cities. The Board has complete authority over all the aspects of the Plant's operation. Tri-Cities supplies all participating residents of the member cities with sewer services. Each city owns the sewage lines located in its city and bills its residents for usage. Continued existence of Tri-Cities is dependent on the City's continued participation, and the City does have an equity interest. The percentage of equity interest for each city is based on annual usage and is adjusted each year accordingly. The City's equity interest is \$6,620,439 which represents 22.80% of the total equity in Tri-Cities. This reflects an increase of .65% over the City's equity interest of 22.15% in 2020. 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 2021, the City paid \$830,629 to Tri-Cities for services provided. Complete financial statements can be obtained from Tri-Cities North Regional Wastewater Authority, 3777 Old Needmore Road, Dayton, Ohio 45424.

B. Northern Area Water Authority

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

The Northern Area Water Authority (NAWA) is a joint venture among the cities of Tipp City and Vandalia. NAWA is governed by a five member management board who have complete authority over all aspects of the operation. NAWA supplies all participating residents of the member cities with water services. Each city owns the water lines located in its city and bills its residents for usage. Operations started in 2007. Continued existence of NAWA is dependent on the City's continued participation and the City does have an equity interest. The percentage of equity interest for each city is based on annual usage and is adjusted each year accordingly. The City's equity interest is \$1,804,176 which represents 50% of the total equity of NAWA on December 31, 2021. NAWA is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefits to or burden on the City. During 2021, the City paid \$1,837,401 to NAWA for services provided. NAWA did file a GAAP basis financial statement in accordance with Ohio Revised Code and copies of this report are available from Northern Area Water Authority, 333 J. E. Bohanan Drive, Vandalia, Ohio 45377.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 20 - CONTINGENCIES

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

NOTE 21 – SUBSEQUENT EVENTS

On February 9, 2022, the City issued general obligation bond anticipation notes, in the amount of \$960,000 to retire notes previously issued, for the purposes of: construction of a one million gallon elevated water storage tank, Water/Sewer Line Replacement in the Roselyn Subdivision, and Main Street Sanitary Sewer lift station improvements. The notes have an interest rate of 1.875 percent and mature on February 08, 2023.

On February 9, 2022 the City also issued general obligations bonds in the amount of \$6,760,000 to retire notes previously issued for the construction of Electric Substations #1/1A and #4. The bonds have an interest rate of 4.0 percent and mature between December 1, 2022 and December 1, 2041.

On March 7, 2022, the City authorized an agreement with Premier Health-Upper Valley Medical Center to sponsor certain capital improvements for the City's Tippecanoe Family Aquatic Center in the amount of \$250,000. This is a ten-year agreement and provides for signage and advertising at the Center in exchange of the capital improvement funding.

On March 21, 2022, the City authorized a contract with Fire Safety Services for the purchase of fifteen units of Self-Contained Breathing Apparatus (SCBA) for use by the City's Fire/EMS Department in the amount of \$113,548. This equipment is funded in part by an Assistance for Firefighters Grant received from the US Department of Homeland Security.

On April 4, 2022, the City authorized a contract with Versalift for the purchase of a bucket truck for the City's electric department in the amount of \$158,594.

On April 4, 2022, the City authorized an agreement with Candace Goodall for design/architect services for a new Water/Sewer Service Center in the amount of \$124,850. The new building will centralize equipment storage and operations for the Water/Sewer Department currently operating out of multiple locations in the City.

On April 18, 2022, the City authorized an agreement with John R. Jurgensen for the City's annual street paving program in the amount of \$662,766.

On April 18, 2022, the City authorized an agreement for engineering services with The IBI Group for the design of additional restroom facilities in Kyle Park in the amount of \$73,900.

On May 16, 2022, the City approved an ordinance to place a ballot initiative on the November general election which would reallocate an existing 0.2% local income tax levy from a designation for capital improvements to an allowance for general operational services. This levy was originally adopted by the voters in September, 1981. If approved, the reallocation will provide City Council the flexibility to use these funds (approx. \$1M annually) for any General Fund purpose (Police, Fire/EMS, Parks, or general administrative needs). The funding could also be transferred from the General Fund to the Capital Improvement Fund in future years if needed for a specific project.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 22 – SIGNIFICANT ENCUMBRANCES

At December 31, 2021 the City had the following significant encumbrances outstanding:

Fund	Total Encumbrances	Significant Encumbrances	Explanation
Major Funds:			
Capital Improvement Reserve	\$ 527,739	\$ 261,204 117,576 45,800	Replacement Ambulance Play Structure for Aquatic Center Upfitting 3 Police Cruisers
Electric	1,896,549	456,246 449,647 369,852 249,619 245,395	Substation #4 Engineering Purchase of SCADA System Replacement Line Pulling Trailer Replacement Double Bucket Truck Demolition of old Power Plant
Water	959,389	910,124	Utility Service Center Architecture
Sewer	1,132,955	900,000 148,725	Utility Service Center Architecture Sanitary Sewer Sliplining

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 23 – TAX ABATEMENT DISCLOSURES

As of December 31, 2021, the City of Tipp City provides tax incentives under the Community Reinvestment Area (CRA) program and has three Enterprise Zones (but no active EZ abatements in 2021).

Real Estate Tax Abatements

Pursuant to Ohio Revised Code Chapter 5709, the City established four (CRA #1, CRA #2, CRA #3 and CRA #4) Community Reinvestment Areas prior to 1994 and seven CRAs (#5, #6, #7, #8, #9, #10, and #11) post-1994. Various portions of the community are covered by these eleven CRA's. The City authorizes incentives based upon each businesses investment criteria, and through a contractual application process with each business, including proof that the improvements have been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the CRAs gave the City the ability to maintain and expand businesses located in the City and create new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate.

The City also has an agreement with the Tipp City Exempted Village School District for payments in lieu of taxes when required by Section 5709.82 of the Ohio Revised Code.

The City of Tipp City and the Tipp City Exempted Village School District, in line with section 5709.82 of the Ohio Revised Code, have created a Community Reinvestment Area (CRA) Compensation Agreement. This agreement requires municipal income tax revenue sharing with the School District when a company's new payroll related to the project subject to the CRA agreement exceeds \$1,000,000 dollars. The agreement with Tipp City Exempted Village School District reimburses the school district 50 percent of the municipal income tax revenue derived from the new investment in the community less an amount up to 35% of the capital infrastructure improvement costs paid by the City for the project.

Below are the real property taxes abated in 2021:

<u>Community Reinvestment Area (CRA)</u>	<u>Total Amount of Taxes Abated (Incentives Abated) For the Year 2020 (In Actual Dollars)</u>
Manufacturing	\$921,593
Retail	14,746
Professional Buildings	2,406
 <u>Amount of Income Tax Dollars paid to the Tipp City Exempted Village School District</u>	
Manufacturing	\$228,233



REQUIRED SUPPLEMENTARY INFORMATION

***Schedule of City's Proportionate Share of the Net Pension Liability
Last Eight Years***

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.026523%	0.026523%	0.027280%
City's proportionate share of the net pension liability (asset)	\$3,126,716	\$3,198,970	\$4,725,246
City's covered payroll	\$3,564,392	\$3,273,808	\$3,392,083
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	87.72%	97.71%	139.30%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.062088%	0.062088%	0.063311%
City's proportionate share of the net pension liability (asset)	\$3,023,856	\$3,216,391	\$4,072,856
City's covered payroll	\$1,250,733	\$1,358,242	\$1,533,384
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	241.77%	236.81%	265.61%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

CITY OF TIPP CITY, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
0.026622%	0.027877%	0.026781%	0.025897%	0.026512%
\$6,045,511	\$4,373,353	\$7,334,774	\$5,118,718	\$3,925,850
\$3,508,450	\$3,744,100	\$3,682,529	\$3,690,350	\$3,788,007
172.31%	116.81%	199.18%	138.71%	103.64%
77.25%	84.66%	74.70%	82.17%	86.88%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
0.062183%	0.065907%	0.067455%	0.072024%	0.073592%
\$3,938,623	\$4,045,022	\$5,506,110	\$4,851,934	\$5,016,806
\$1,485,547	\$1,599,574	\$1,685,615	\$1,870,191	\$1,917,263
265.13%	252.88%	326.65%	259.44%	261.67%
68.36%	70.91%	63.07%	69.89%	70.65%

CITY OF TIPP CITY, OHIO

***Schedule of City Pension Contributions
Last Nine Years***

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$463,371	\$392,857	\$407,050
Contributions in relation to the contractually required contribution	<u>463,371</u>	<u>392,857</u>	<u>407,050</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$3,564,392	\$3,273,808	\$3,392,083
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$208,247	\$258,066	\$291,343
Contributions in relation to the contractually required contribution	<u>208,247</u>	<u>258,066</u>	<u>291,343</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$1,250,733	\$1,358,242	\$1,533,384
Contributions as a percentage of covered payroll	16.65%	19.00%	19.00%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

CITY OF TIPP CITY, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$421,014	\$486,733	\$515,554	\$516,649	\$530,321	\$557,648
<u>421,014</u>	<u>486,733</u>	<u>515,554</u>	<u>516,649</u>	<u>530,321</u>	<u>557,648</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,508,450	\$3,744,100	\$3,682,529	\$3,690,350	\$3,788,007	\$3,983,200
12.00%	13.00%	14.00%	14.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$282,254	\$303,919	\$322,393	\$361,053	\$371,519	\$402,298
<u>282,254</u>	<u>303,919</u>	<u>322,393</u>	<u>361,053</u>	<u>371,519</u>	<u>402,298</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,485,547	\$1,599,574	\$1,685,615	\$1,870,191	\$1,917,263	\$2,084,095
19.00%	19.00%	19.13%	19.31%	19.38%	19.30%

***Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability
Last Five Years***

Ohio Public Employees Retirement System

Year	<u>2016</u>	<u>2017</u>	<u>2018</u>
City's proportion of the net OPEB liability (asset)	0.026072%	0.027162%	0.026190%
City's proportionate share of the net OPEB liability (asset)	\$2,633,329	\$2,949,604	\$3,414,558
City's covered payroll	\$3,508,450	\$3,744,100	\$3,682,529
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	75.06%	78.78%	92.72%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	<u>2016</u>	<u>2017</u>	<u>2018</u>
City's proportion of the net OPEB liability (asset)	0.062183%	0.065907%	0.067455%
City's proportionate share of the net OPEB liability (asset)	\$2,951,699	\$3,734,209	\$614,282
City's covered payroll	\$1,485,547	\$1,599,574	\$1,685,615
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	198.69%	233.45%	36.44%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2016 is not available.

CITY OF TIPP CITY, OHIO

<u>2019</u>	<u>2020</u>
0.025310%	0.026057%
\$3,495,968	(\$464,226)
\$3,690,350	\$3,788,007
94.73%	(12.26%)
47.80%	115.57%

<u>2019</u>	<u>2020</u>
0.072024%	0.073592%
\$711,436	\$779,716
\$1,870,191	\$1,917,263
38.04%	40.67%
47.08%	45.42%

CITY OF TIPP CITY, OHIO

***Schedule of City's Other Postemployment Benefit (OPEB) Contributions
Last Nine Years***

Ohio Public Employees Retirement System

Year	2013	2014	2015
Contractually required contribution	\$35,644	\$65,476	\$67,842
Contributions in relation to the contractually required contribution	35,644	65,476	67,842
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$3,564,392	\$3,273,808	\$3,392,083
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2013	2014	2015
Contractually required contribution	\$46,710	\$6,791	\$7,667
Contributions in relation to the contractually required contribution	46,710	6,791	7,667
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$1,250,733	\$1,358,242	\$1,533,384
Contributions as a percentage of covered payroll	3.73%	0.50%	0.50%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2013 is not available.

CITY OF TIPP CITY, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$70,169	\$37,441	\$0	\$0	\$0	\$0
<u>70,169</u>	<u>37,441</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,508,450	\$3,744,100	\$3,682,529	\$3,690,350	\$3,788,007	\$3,983,200
2.00%	1.00%	0.00%	0.00%	0.00%	0.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$7,428	\$7,998	\$8,428	\$9,351	\$9,586	\$10,420
<u>7,428</u>	<u>7,998</u>	<u>8,428</u>	<u>9,351</u>	<u>9,586</u>	<u>10,420</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,485,547	\$1,599,574	\$1,685,615	\$1,870,191	\$1,917,263	\$2,084,095
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2021.

Changes in assumptions:

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality Table.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

2020: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

2021: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 1.4% to 0.5% for post 1/7/13 retirees.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2021.

Changes in assumptions:

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2021.

Changes in assumptions:

For 2018, the single discount rate changed from 4.23% to 3.85%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%
- The Municipal Bond Rate changed from 3.31% to 3.71%

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.16% to 6.00%.
- Change in health care cost trend rate from 10.5% to 8.5%
- The Municipal Bond Rate changed from 2.75% to 2.00%

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

2020 - 2021: There were no changes in benefit terms.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

Changes in assumptions:

2018: The single discount rate changed from 3.79% to 3.24%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.24% to 4.66%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 4.66% to 3.56%.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.56% to 2.96%.

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*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Swimming Pool Fund

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

Street Construction, Maintenance and Repair Fund

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

State Highway Improvement Fund

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

Municipal Road Fund

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

Justice Department Equitable Sharing Fund

To account for monies resulting from federal forfeitures based upon the City's contributions to the law enforcement effort leading to the forfeiture.

Peace Officer Training Fund

To account for monies to be used for continuing professional training programs for law enforcement officers.

Law Enforcement Fund

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

Enforcement and Education Fund

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

Drug Law Enforcement Fund

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

(Continued)

Special Revenue Funds (Continued)

Cares Act Grant Fund

This fund is used to account for Coronavirus Relief funds received through passage of the CARES Act. These funds can be used for necessary expenditures incurred due to the Covid-19 public health emergency.

American Rescue Plan Fund

This fund is used to account for Coronavirus State and Local Fiscal Recovery funds received as part of the American Rescue Plan Act. The funds are to be used to support the response and recovery from the COVID-19 public health emergency. (The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there are no revenues or expenditures to report for the fiscal year)

Fieldstone TIF Project Fund

To account for financial resources used for funding public infrastructure improvements for the Fieldstone Place Senior Living Campus. (The Balance Sheet for this fund is not presented because there were no assets nor liabilities at year end.)

Police Donation Trust Fund

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

Debt Service Funds

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

General Bond Retirement Fund

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

Special Assesment Bond Retirement Fund

To account for special assessments levied and for the payment of special assessment bonded debt with governmental commitment.

(Continued)

Capital Projects Funds

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

Parks Capital Improvement Fund

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

Abbott Drive Construction Fund

To account for improvements to Abbott Drive financed by intergovernmental revenues. (The Balance Sheet for this fund is not presented because there were no assets nor liabilities at year end.)

25-A Construction Fund

To account for improvements to 25A County Road financed by intergovernmental revenues. (The Balance Sheet for this fund is not presented because there were no assets nor liabilities at year end.)

Downtown Streetscape Grant Fund

To account for improvements to the downtown streetscape financed by intergovernmental revenues. (The Balance Sheet for this fund is not presented because there were no assets nor liabilities at year end.)

Hyatt Street Paving Grant Fund

To account for improvements to Hyatt Street financed by intergovernmental revenues. (The Balance Sheet for this fund is not presented because there were no assets nor liabilities at year end.)

CITY OF TIPP CITY, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 1,923,283	\$ 35,734	\$ 93,757	\$ 2,052,774
Receivables:				
Intergovernmental	449,444	0	0	449,444
Special Assessments	0	220,960	0	220,960
Inventory of Supplies, at Cost	68,563	0	0	68,563
Prepaid Items	5,427	0	0	5,427
Total Assets	<u>\$ 2,446,717</u>	<u>\$ 256,694</u>	<u>\$ 93,757</u>	<u>\$ 2,797,168</u>
Liabilities:				
Accounts Payable	\$ 18,636	\$ 0	\$ 0	\$ 18,636
Accrued Wages and Benefits Payable	11,607	0	0	11,607
Intergovernmental Payable	541	0	0	541
Unearned Revenue	529,778	0	0	529,778
Total Liabilities	<u>560,562</u>	<u>0</u>	<u>0</u>	<u>560,562</u>
Deferred Inflows of Resources:				
Unavailable Amounts	299,579	220,960	0	520,539
Fund Balances:				
Nonspendable	73,990	0	0	73,990
Restricted	1,507,468	35,734	93,757	1,636,959
Committed	5,118	0	0	5,118
Total Fund Balances	<u>1,586,576</u>	<u>35,734</u>	<u>93,757</u>	<u>1,716,067</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 2,446,717</u>	<u>\$ 256,694</u>	<u>\$ 93,757</u>	<u>\$ 2,797,168</u>

CITY OF TIPP CITY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 104,579	\$ 0	\$ 0	\$ 104,579
Intergovernmental Revenues	927,954	0	2,591,706	3,519,660
Charges for Services	286,779	0	0	286,779
Special Assessments	0	73,653	0	73,653
Fines and Forfeitures	1,353	0	0	1,353
All Other Revenue	40,768	0	299,404	340,172
Total Revenue	1,361,433	73,653	2,891,110	4,326,196
Expenditures:				
Current:				
Security of Persons and Property	8,408	0	0	8,408
Leisure Time Activities	305,049	0	0	305,049
Transportation	863,950	0	0	863,950
General Government	21,699	3,507	0	25,206
Capital Outlay	385,274	0	2,861,678	3,246,952
Debt Service:				
Principal Retirement	0	108,182	0	108,182
Interest and Fiscal Charges	0	11,250	0	11,250
Total Expenditures	1,584,380	122,939	2,861,678	4,568,997
Excess (Deficiency) of Revenues				
Over Expenditures	(222,947)	(49,286)	29,432	(242,801)
Other Financing Sources (Uses):				
Transfers In	39,131	39,682	0	78,813
Transfers Out	(29,131)	0	0	(29,131)
Total Other Financing Sources (Uses)	10,000	39,682	0	49,682
Net Change in Fund Balances	(212,947)	(9,604)	29,432	(193,119)
Fund Balances at Beginning of Year	1,796,605	45,338	64,325	1,906,268
Change in Inventory	2,918	0	0	2,918
Fund Balances End of Year	\$ 1,586,576	\$ 35,734	\$ 93,757	\$ 1,716,067



CITY OF TIPP CITY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021**

	Swimming Pool	Street Construction, Maintenance and Repair	State Highway Improvement	Municipal Road
Assets:				
Equity in Pooled Cash and Investments	\$ 4,943	\$ 734,198	\$ 175,286	\$ 405,811
Receivables:				
Intergovernmental	0	312,692	25,353	111,324
Inventory of Supplies, at Cost	0	68,563	0	0
Prepaid Items	205	550	0	98
Total Assets	<u>\$ 5,148</u>	<u>\$ 1,116,003</u>	<u>\$ 200,639</u>	<u>\$ 517,233</u>
Liabilities:				
Accounts Payable	\$ 170	\$ 2,669	\$ 26	\$ 3,959
Accrued Wages and Benefits Payable	0	11,079	0	528
Intergovernmental Payable	0	369	0	172
Unearned Revenue	0	0	0	0
Total Liabilities	<u>170</u>	<u>14,117</u>	<u>26</u>	<u>4,659</u>
Deferred Inflows of Resources:				
Unavailable Amounts	<u>0</u>	<u>208,461</u>	<u>16,902</u>	<u>74,216</u>
Fund Balances:				
Nonspendable	205	69,113	0	98
Restricted	0	824,312	183,711	438,260
Committed	4,773	0	0	0
Total Fund Balances	<u>4,978</u>	<u>893,425</u>	<u>183,711</u>	<u>438,358</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,148</u>	<u>\$ 1,116,003</u>	<u>\$ 200,639</u>	<u>\$ 517,233</u>

CITY OF TIPP CITY, OHIO

Justice Department Equitable Sharing	Peace Officer Training	Law Enforcement	Enforcement and Education	Drug Law Enforcement	CARES Act Grant
\$ 36,676	\$ 0	\$ 9,049	\$ 11,510	\$ 1,510	\$ 14,177
0	0	0	75	0	0
0	0	0	0	0	0
0	2,752	1,822	0	0	0
<u>\$ 36,676</u>	<u>\$ 2,752</u>	<u>\$ 10,871</u>	<u>\$ 11,585</u>	<u>\$ 1,510</u>	<u>\$ 14,177</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,812
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,812</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	2,752	1,822	0	0	0
36,676	0	9,049	11,585	1,510	2,365
0	0	0	0	0	0
<u>36,676</u>	<u>2,752</u>	<u>10,871</u>	<u>11,585</u>	<u>1,510</u>	<u>2,365</u>
<u>\$ 36,676</u>	<u>\$ 2,752</u>	<u>\$ 10,871</u>	<u>\$ 11,585</u>	<u>\$ 1,510</u>	<u>\$ 14,177</u>

(Continued)

CITY OF TIPP CITY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021**

	American Rescue Plan	Police Donation Trust	Total Nonmajor Special Revenue Funds
Assets:			
Equity in Pooled Cash and Investments	\$ 529,778	\$ 345	\$ 1,923,283
Receivables:			
Intergovernmental	0	0	449,444
Inventory of Supplies, at Cost	0	0	68,563
Prepaid Items	0	0	5,427
Total Assets	<u>\$ 529,778</u>	<u>\$ 345</u>	<u>\$ 2,446,717</u>
Liabilities:			
Accounts Payable	\$ 0	\$ 0	\$ 18,636
Accrued Wages and Benefits Payable	0	0	11,607
Intergovernmental Payable	0	0	541
Unearned Revenue	529,778	0	529,778
Total Liabilities	<u>529,778</u>	<u>0</u>	<u>560,562</u>
Deferred Inflows of Resources:			
Unavailable Amounts	0	0	299,579
Fund Balances:			
Nonspendable	0	0	73,990
Restricted	0	0	1,507,468
Committed	0	345	5,118
Total Fund Balances	<u>0</u>	<u>345</u>	<u>1,586,576</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 529,778</u>	<u>\$ 345</u>	<u>\$ 2,446,717</u>

CITY OF TIPP CITY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

	Swimming Pool	Street Construction, Maintenance and Repair	State Highway Improvement	Municipal Road
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	647,840	52,526	227,588
Charges for Services	286,779	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	2,695	0	121
Total Revenue	<u>286,779</u>	<u>650,535</u>	<u>52,526</u>	<u>227,709</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Leisure Time Activities	305,049	0	0	0
Transportation	0	454,397	16,327	274,592
General Government	0	0	0	0
Capital Outlay	0	173,556	140,325	0
Total Expenditures	<u>305,049</u>	<u>627,953</u>	<u>156,652</u>	<u>274,592</u>
Excess (Deficiency) of Revenues Over Expenditures	(18,270)	22,582	(104,126)	(46,883)
Other Financing Sources (Uses):				
Transfers In	10,000	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(8,270)	22,582	(104,126)	(46,883)
Fund Balances at Beginning of Year	13,248	867,925	287,837	485,241
Change in Inventory	0	2,918	0	0
Fund Balances End of Year	<u>\$ 4,978</u>	<u>\$ 893,425</u>	<u>\$ 183,711</u>	<u>\$ 438,358</u>

(Continued)

CITY OF TIPP CITY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

	Justice Department Equitable Sharing	Peace Officer Training	Law Enforcement	Enforcement and Education
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	1,204
All Other Revenue	36,676	0	1,276	0
Total Revenue	<u>36,676</u>	<u>0</u>	<u>1,276</u>	<u>1,204</u>
Expenditures:				
Current:				
Security of Persons and Property	0	8,408	0	0
Leisure Time Activities	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
Capital Outlay	29,131	0	21,376	0
Total Expenditures	<u>29,131</u>	<u>8,408</u>	<u>21,376</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	7,545	(8,408)	(20,100)	1,204
Other Financing Sources (Uses):				
Transfers In	29,131	0	0	0
Transfers Out	0	0	(29,131)	0
Total Other Financing Sources (Uses)	<u>29,131</u>	<u>0</u>	<u>(29,131)</u>	<u>0</u>
Net Change in Fund Balances	36,676	(8,408)	(49,231)	1,204
Fund Balances at Beginning of Year	0	11,160	60,102	10,381
Change in Inventory	0	0	0	0
Fund Balances End of Year	<u>\$ 36,676</u>	<u>\$ 2,752</u>	<u>\$ 10,871</u>	<u>\$ 11,585</u>

CITY OF TIPP CITY, OHIO

Drug Law Enforcement	CARES Act Grant	Fieldstone TIF Project	Police Donation Trust	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 104,579	\$ 0	\$ 104,579
0	0	0	0	927,954
0	0	0	0	286,779
149	0	0	0	1,353
0	0	0	0	40,768
<u>149</u>	<u>0</u>	<u>104,579</u>	<u>0</u>	<u>1,361,433</u>
0	0	0	0	8,408
0	0	0	0	305,049
0	14,055	104,579	0	863,950
0	21,699	0	0	21,699
0	20,886	0	0	385,274
<u>0</u>	<u>56,640</u>	<u>104,579</u>	<u>0</u>	<u>1,584,380</u>
149	(56,640)	0	0	(222,947)
0	0	0	0	39,131
0	0	0	0	(29,131)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,000</u>
149	(56,640)	0	0	(212,947)
1,361	59,005	0	345	1,796,605
0	0	0	0	2,918
<u>\$ 1,510</u>	<u>\$ 2,365</u>	<u>\$ 0</u>	<u>\$ 345</u>	<u>\$ 1,586,576</u>

CITY OF TIPP CITY, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2021**

	General Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$ 15,117	\$ 20,617	\$ 35,734
Receivables:			
Special Assessments	0	220,960	220,960
Total Assets	<u>\$ 15,117</u>	<u>\$ 241,577</u>	<u>\$ 256,694</u>
Liabilities:			
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Deferred Inflows of Resources:			
Unavailable Amounts	0	220,960	220,960
Fund Balances:			
Restricted	15,117	20,617	35,734
Total Fund Balances	<u>15,117</u>	<u>20,617</u>	<u>35,734</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 15,117</u>	<u>\$ 241,577</u>	<u>\$ 256,694</u>

CITY OF TIPP CITY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended December 31, 2021**

	General Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Special Assessments	\$ 0	\$ 73,653	\$ 73,653
Total Revenue	<u>0</u>	<u>73,653</u>	<u>73,653</u>
Expenditures:			
Current:			
General Government	0	3,507	3,507
Debt Service:			
Principal Retirement	48,182	60,000	108,182
Interest and Fiscal Charges	0	11,250	11,250
Total Expenditures	<u>48,182</u>	<u>74,757</u>	<u>122,939</u>
Excess (Deficiency) of Revenues Over Expenditures	(48,182)	(1,104)	(49,286)
Other Financing Sources (Uses):			
Transfers In	39,682	0	39,682
Total Other Financing Sources (Uses)	<u>39,682</u>	<u>0</u>	<u>39,682</u>
Net Change in Fund Balances	(8,500)	(1,104)	(9,604)
Fund Balances at Beginning of Year	<u>23,617</u>	<u>21,721</u>	<u>45,338</u>
Fund Balances End of Year	<u>\$ 15,117</u>	<u>\$ 20,617</u>	<u>\$ 35,734</u>

CITY OF TIPP CITY, OHIO

***Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2021***

	Parks Capital Improvement	Total Nonmajor Capital Projects Funds
Assets:		
Equity in Pooled Cash and Investments	\$ 93,757	\$ 93,757
Total Assets	<u>\$ 93,757</u>	<u>\$ 93,757</u>
Liabilities:		
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances:		
Restricted	93,757	93,757
Total Fund Balances	<u>93,757</u>	<u>93,757</u>
Total Liabilities and Fund Balances	<u>\$ 93,757</u>	<u>\$ 93,757</u>

CITY OF TIPP CITY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021**

	Parks Capital Improvement	Abbott Drive Construction	25-A Construction	Downtown Streetscape Grant	Hyatt Street Paving Grant	Total Nonmajor Capital Project Funds
Revenues:						
Intergovernmental Revenues	\$ 0	\$ 355,961	\$ 878,749	\$ 969,952	\$ 387,044	\$ 2,591,706
All Other Revenue	29,432	269,972	0	0	0	299,404
Total Revenue	<u>29,432</u>	<u>625,933</u>	<u>878,749</u>	<u>969,952</u>	<u>387,044</u>	<u>2,891,110</u>
Expenditures:						
Capital Outlay	0	625,933	878,749	969,952	387,044	2,861,678
Total Expenditures	<u>0</u>	<u>625,933</u>	<u>878,749</u>	<u>969,952</u>	<u>387,044</u>	<u>2,861,678</u>
Excess (Deficiency) of Revenues Over Expenditures	29,432	0	0	0	0	29,432
Fund Balances at Beginning of Year	64,325	0	0	0	0	64,325
Fund Balances End of Year	<u>\$ 93,757</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 93,757</u>

CITY OF TIPP CITY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 4,204,184	\$ 4,204,184	\$ 4,643,206	\$ 439,022
Intergovernmental Revenues	1,192,621	1,192,621	1,161,263	(31,358)
Charges for Services	1,404,502	1,404,502	1,428,812	24,310
Licenses and Permits	191,100	191,100	250,315	59,215
Investment Earnings	225,000	225,000	18,655	(206,345)
Fines and Forfeitures	3,600	3,600	3,908	308
All Other Revenues	191,350	191,350	84,535	(106,815)
Total Revenues	<u>7,412,357</u>	<u>7,412,357</u>	<u>7,590,694</u>	<u>178,337</u>
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	2,884,845	2,880,345	2,865,352	14,993
Travel and Training	20,000	21,733	21,733	0
Materials and Supplies	50,569	63,394	61,252	2,142
Contractual Services	145,434	142,376	138,149	4,227
Total Police	<u>3,100,848</u>	<u>3,107,848</u>	<u>3,086,486</u>	<u>21,362</u>
Emergency Medical Services:				
Personal Services	1,166,775	1,116,775	978,430	138,345
Travel and Training	23,993	23,993	17,885	6,108
Materials and Supplies	59,746	62,746	54,835	7,911
Contractual Services	328,601	375,601	331,867	43,734
Total Emergency Medical Services	<u>1,579,115</u>	<u>1,579,115</u>	<u>1,383,017</u>	<u>196,098</u>
Total Security of Persons and Property	<u>4,679,963</u>	<u>4,686,963</u>	<u>4,469,503</u>	<u>217,460</u>
Leisure Time Activities:				
Parks:				
Personal Services	359,327	385,327	378,823	6,504
Travel and Training	2,502	1,502	92	1,410
Materials and Supplies	71,100	78,450	69,639	8,811
Contractual Services	114,668	113,318	103,909	9,409
Total Parks	<u>547,597</u>	<u>578,597</u>	<u>552,463</u>	<u>26,134</u>
Recreation:				
Contractual Services	17,700	17,700	17,700	0
Total Recreation	<u>17,700</u>	<u>17,700</u>	<u>17,700</u>	<u>0</u>
Total Leisure Time Activities	<u>565,297</u>	<u>596,297</u>	<u>570,163</u>	<u>26,134</u>

(Continued)

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:				
Planning:				
Personal Services	257,506	257,506	254,884	2,622
Travel and Training	4,000	3,150	721	2,429
Materials and Supplies	2,187	2,187	755	1,432
Contractual Services	91,952	92,802	65,885	26,917
Total Community Environment	<u>355,645</u>	<u>355,645</u>	<u>322,245</u>	<u>33,400</u>
Basic Utility Services:				
Utility Billing:				
Personal Services	275,301	279,801	281,239	(1,438)
Travel and Training	3,000	3,000	499	2,501
Materials and Supplies	36,835	36,785	32,840	3,945
Contractual Services	39,400	39,400	21,316	18,084
Total Basic Utility Services	<u>354,536</u>	<u>358,986</u>	<u>335,894</u>	<u>23,092</u>
General Government:				
City Council:				
Personal Services	52,218	52,218	52,072	146
Travel and Training	5,000	5,000	3,239	1,761
Materials and Supplies	1,700	1,700	568	1,132
Contractual Services	34,481	32,481	21,177	11,304
Total City Council	<u>93,399</u>	<u>91,399</u>	<u>77,056</u>	<u>14,343</u>
Commissions:				
Travel and Training	500	500	0	500
Materials and Supplies	1,700	1,700	848	852
Contractual Services	34,000	34,000	31,806	2,194
Total Commissions	<u>36,200</u>	<u>36,200</u>	<u>32,654</u>	<u>3,546</u>
Administration:				
Personal Services	335,138	335,138	324,665	10,473
Travel and Training	7,000	6,800	541	6,259
Materials and Supplies	1,500	1,500	770	730
Contractual Services	8,443	8,643	7,683	960
Total Administration	<u>352,081</u>	<u>352,081</u>	<u>333,659</u>	<u>18,422</u>

(Continued)

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Buildings and Grounds:				
Personal Services	157,696	157,696	154,910	2,786
Travel and Training	2,500	2,750	2,699	51
Materials and Supplies	6,372	9,172	9,087	85
Contractual Services	138,463	135,413	114,941	20,472
Total Buildings and Grounds	305,031	305,031	281,637	23,394
Finance - Accounting:				
Personal Services	256,282	256,282	258,237	(1,955)
Travel and Training	1,500	1,490	1,016	474
Materials and Supplies	2,000	2,000	1,913	87
Contractual Services	26,098	26,108	19,580	6,528
Total Finance - Accounting	285,880	285,880	280,746	5,134
Finance - Income Tax:				
Personal Services	200,850	200,850	204,025	(3,175)
Travel and Training	1,700	1,700	130	1,570
Materials and Supplies	6,118	7,768	6,889	879
Contractual Services	25,084	23,434	18,753	4,681
Income Tax Refunds	140,000	140,000	139,771	229
Total Finance - Income Tax	373,752	373,752	369,568	4,184
Legal:				
Personal Services	73,038	73,038	76,099	(3,061)
Travel and Training	1,000	1,000	125	875
Contractual Services	80,871	80,871	67,567	13,304
Total Legal	154,909	154,909	143,791	11,118
Engineering:				
Personal Services	16,384	18,384	17,108	1,276
Travel and Training	500	500	0	500
Materials and Supplies	2,300	2,300	679	1,621
Contractual Services	81,706	131,706	142,642	(10,936)
Total Engineering	100,890	152,890	160,429	(7,539)

(Continued)

CITY OF TIPP CITY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Administrative:				
Materials and Supplies	26,900	23,350	17,201	6,149
Contractual Services	149,971	153,520	136,678	16,842
Other Expenditures	113,677	123,677	122,258	1,419
Total General Administrative	<u>290,548</u>	<u>300,547</u>	<u>276,137</u>	<u>24,410</u>
Total General Government	<u>1,992,690</u>	<u>2,052,689</u>	<u>1,955,677</u>	<u>97,012</u>
Capital Outlay:				
Police	10,371	10,371	10,343	28
Emergency Medical Services	71,300	71,300	70,469	831
Parks	1,125	1,125	1,100	25
Planning	500	500	0	500
Utility Billing	750	800	800	0
City Council	100	2,100	1,925	175
Commissions	300	300	0	300
Administration	300	300	0	300
Buildings and Grounds	521	521	0	521
Finance - Accounting	300	300	0	300
Finance - Income Tax	300	300	0	300
Total Capital Outlay	<u>85,867</u>	<u>87,917</u>	<u>84,637</u>	<u>3,280</u>
Total Expenditures	<u>8,033,998</u>	<u>8,138,497</u>	<u>7,738,119</u>	<u>400,378</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(621,641)	(726,140)	(147,425)	578,715
Other Financing Sources (Uses):				
Transfers Out	0	(25,000)	(10,000)	15,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>(25,000)</u>	<u>(10,000)</u>	<u>15,000</u>
Net Change in Fund Balance	(621,641)	(751,140)	(157,425)	593,715
Fund Balance at Beginning of Year	6,565,574	6,565,574	6,565,574	0
Prior Year Encumbrances	101,239	101,239	101,239	0
Fund Balance at End of Year	<u>\$ 6,045,172</u>	<u>\$ 5,915,673</u>	<u>\$ 6,509,388</u>	<u>\$ 593,715</u>

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund – Capital Improvement Reserve Fund
For the Year Ended December 31, 2021***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 3,460,738	\$ 3,657,433	\$ 196,695
Intergovernmental Revenues	0	6,973	6,973
Charges for Services	91,676	0	(91,676)
Special Assessments	30,000	26,698	(3,302)
All Other Revenues	6,000	250,366	244,366
Total Revenues	<u>3,588,414</u>	<u>3,941,470</u>	<u>353,056</u>
Expenditures:			
General Government:			
Contractual Services	3,000	1,782	1,218
Other Expenditures	232,500	231,217	1,283
Total General Government	<u>235,500</u>	<u>232,999</u>	<u>2,501</u>
Capital Outlay	5,182,555	4,096,009	1,086,546
Total Expenditures	<u>5,418,055</u>	<u>4,329,008</u>	<u>1,089,047</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,829,641)	(387,538)	1,442,103
Other Financing Sources (Uses):			
Sale of Capital Assets	25,000	29,122	4,122
Transfers Out	(48,300)	(39,682)	8,618
Total Other Financing Sources (Uses)	<u>(23,300)</u>	<u>(10,560)</u>	<u>12,740</u>
Net Change in Fund Balance	(1,852,941)	(398,098)	1,454,843
Fund Balance at Beginning of Year	76,510	76,510	0
Prior Year Encumbrances	1,838,155	1,838,155	0
Fund Balance at End of Year	<u>\$ 61,724</u>	<u>\$ 1,516,567</u>	<u>\$ 1,454,843</u>

CITY OF TIPP CITY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2021**

SWIMMING POOL FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 317,250	\$ 286,788	\$ (30,462)
All Other Revenues	16,000	(9)	(16,009)
Total Revenues	<u>333,250</u>	<u>286,779</u>	<u>(46,471)</u>
Expenditures:			
Leisure Time Activities:			
Swimming Pool:			
Materials and Supplies	41,150	41,031	119
Contractual Services	272,470	265,426	7,044
Other Expenditures	500	220	280
Total Expenditures	<u>314,120</u>	<u>306,677</u>	<u>7,443</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,130	(19,898)	(39,028)
Other Financing Sources (Uses):			
Transfers In	0	10,000	10,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>10,000</u>	<u>10,000</u>
Net Change in Fund Balance	19,130	(9,898)	(29,028)
Fund Balance at Beginning of Year	13,401	13,401	0
Prior Year Encumbrances	120	120	0
Fund Balance at End of Year	<u>\$ 32,651</u>	<u>\$ 3,623</u>	<u>\$ (29,028)</u>

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2021***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 613,239	\$ 643,566	\$ 30,327
All Other Revenues	11,000	2,695	(8,305)
Total Revenues	<u>624,239</u>	<u>646,261</u>	<u>22,022</u>
Expenditures:			
Transportation:			
Street:			
Personal Services	370,604	336,586	34,018
Travel and Training	2,302	2,097	205
Materials and Supplies	35,312	33,374	1,938
Contractual Services	111,781	89,916	21,865
Total Transportation	<u>519,999</u>	<u>461,973</u>	<u>58,026</u>
Capital Outlay	211,268	211,063	205
Total Expenditures	<u>731,267</u>	<u>673,036</u>	<u>58,231</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(107,028)	(26,775)	80,253
Fund Balance at Beginning of Year	480,411	480,411	0
Prior Year Encumbrances	231,507	231,507	0
Fund Balance at End of Year	<u>\$ 604,890</u>	<u>\$ 685,143</u>	<u>\$ 80,253</u>

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2021***

STATE HIGHWAY IMPROVEMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 49,620	\$ 52,180	\$ 2,560
Total Revenues	<u>49,620</u>	<u>52,180</u>	<u>2,560</u>
Expenditures:			
Transportation:			
Street:			
Materials and Supplies	22,000	11,109	10,891
Contractual Services	11,500	11,442	58
Total Transportation	<u>33,500</u>	<u>22,551</u>	<u>10,949</u>
Capital Outlay	275,000	140,325	134,675
Total Expenditures	<u>308,500</u>	<u>162,876</u>	<u>145,624</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(258,880)	(110,696)	148,184
Fund Balance at Beginning of Year	279,732	279,732	0
Prior Year Encumbrances	2,000	2,000	0
Fund Balance at End of Year	<u>\$ 22,852</u>	<u>\$ 171,036</u>	<u>\$ 148,184</u>

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2021***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
MUNICIPAL ROAD FUND			
Revenues:			
Intergovernmental Revenues	\$ 217,500	\$ 227,983	\$ 10,483
All Other Revenues	1,250	121	(1,129)
Total Revenues	<u>218,750</u>	<u>228,104</u>	<u>9,354</u>
Expenditures:			
Transportation:			
Street:			
Personal Services	163,830	148,686	15,144
Materials and Supplies	125,389	103,558	21,831
Contractual Services	65,684	60,188	5,496
Total Transportation	<u>354,903</u>	<u>312,432</u>	<u>42,471</u>
Capital Outlay	2,000	0	2,000
Total Expenditures	<u>356,903</u>	<u>312,432</u>	<u>44,471</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(138,153)	(84,328)	53,825
Fund Balance at Beginning of Year	408,852	408,852	0
Prior Year Encumbrances	43,766	43,766	0
Fund Balance at End of Year	<u>\$ 314,465</u>	<u>\$ 368,290</u>	<u>\$ 53,825</u>

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2021***

JUSTICE DEPARTMENT EQUITABLE SHARING FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 0	\$ 36,676	\$ 36,676
Total Revenues	<u>0</u>	<u>36,676</u>	<u>36,676</u>
Expenditures:			
Capital Outlay	0	29,131	(29,131)
Total Expenditures	<u>0</u>	<u>29,131</u>	<u>(29,131)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	7,545	7,545
Other Financing Sources (Uses):			
Transfers In	0	29,131	29,131
Total Other Financing Sources (Uses)	<u>0</u>	<u>29,131</u>	<u>29,131</u>
Net Change in Fund Balance	0	36,676	36,676
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 36,676</u>	<u>\$ 36,676</u>

CITY OF TIPP CITY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Security of Persons and Property:			
State Grant:			
Travel and Training	11,160	11,160	0
Total Expenditures	11,160	11,160	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,160)	(11,160)	0
Fund Balance at Beginning of Year	11,160	11,160	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2021***

LAW ENFORCEMENT FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 10,000	\$ 1,276	\$ (8,724)
Total Revenues	<u>10,000</u>	<u>1,276</u>	<u>(8,724)</u>
Expenditures:			
Capital Outlay	33,000	27,302	5,698
Total Expenditures	<u>33,000</u>	<u>27,302</u>	<u>5,698</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,000)	(26,026)	(3,026)
Other Financing Sources (Uses):			
Transfers Out	(30,000)	(29,131)	869
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(29,131)</u>	<u>869</u>
Net Change in Fund Balance	(53,000)	(55,157)	(2,157)
Fund Balance at Beginning of Year	64,206	64,206	0
Fund Balance at End of Year	<u>\$ 11,206</u>	<u>\$ 9,049</u>	<u>\$ (2,157)</u>

CITY OF TIPP CITY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2021**

ENFORCEMENT AND EDUCATION FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 750	\$ 1,179	\$ 429
Total Revenues	<u>750</u>	<u>1,179</u>	<u>429</u>
Expenditures:			
Security of Persons and Property:			
State Grant:			
Materials and Supplies	1,500	0	1,500
Total Expenditures	<u>1,500</u>	<u>0</u>	<u>1,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(750)	1,179	1,929
Fund Balance at Beginning of Year	10,331	10,331	0
Fund Balance at End of Year	<u>\$ 9,581</u>	<u>\$ 11,510</u>	<u>\$ 1,929</u>

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2021***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 50	\$ 149	\$ 99
Total Revenues	<u>50</u>	<u>149</u>	<u>99</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	50	149	99
Fund Balance at Beginning of Year	<u>1,361</u>	<u>1,361</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,411</u>	<u>\$ 1,510</u>	<u>\$ 99</u>

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2021***

CARES ACT GRANT FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
General Government:			
Federal Grant:			
Personal Services	1,000	0	1,000
Materials and Supplies	14,311	6,850	7,461
Contractual Services	5,540	21,714	(16,174)
Other Expenditures	0	16,420	(16,420)
Total Transportation	<u>20,851</u>	<u>44,984</u>	<u>(24,133)</u>
Capital Outlay	0	20,886	(20,886)
Total Expenditures	<u>20,851</u>	<u>65,870</u>	<u>(45,019)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,851)	(65,870)	(45,019)
Fund Balance at Beginning of Year	45,019	45,019	0
Prior Year Encumbrances	20,851	20,851	0
Fund Balance at End of Year	<u>\$ 45,019</u>	<u>\$ 0</u>	<u>\$ (45,019)</u>

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2021***

AMERICAN RESCUE PLAN FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 0	\$ 529,778	\$ 529,778
Total Revenues	<u>0</u>	<u>529,778</u>	<u>529,778</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	529,778	529,778
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>\$ 529,778</u>	<u>\$ 529,778</u>

CITY OF TIPP CITY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2021**

FIELDSTONE TIF PROJECT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 105,035	\$ 104,579	\$ (456)
Total Revenues	<u>105,035</u>	<u>104,579</u>	<u>(456)</u>
Expenditures:			
Transportation:			
Street:			
Contractual Services	1,500	1,092	408
Other Expenditures	<u>103,535</u>	<u>103,487</u>	<u>48</u>
Total Expenditures	<u>105,035</u>	<u>104,579</u>	<u>456</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
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>\$ 0</u>	<u>\$ 0</u>

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2021***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	345	345	0
Fund Balance at End of Year	<u>\$ 345</u>	<u>\$ 345</u>	<u>\$ 0</u>

CITY OF TIPP CITY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Debt Service:			
Principal Retirement	48,300	48,182	118
Total Expenditures	48,300	48,182	118
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,300)	(48,182)	118
Other Financing Sources (Uses):			
Transfers In	39,682	39,682	0
Total Other Financing Sources (Uses)	39,682	39,682	0
Net Change in Fund Balance	(8,618)	(8,500)	118
Fund Balance at Beginning of Year	23,617	23,617	0
Fund Balance at End of Year	\$ 14,999	\$ 15,117	\$ 118

CITY OF TIPP CITY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 73,653	\$ 73,653	\$ 0
Total Revenues	<u>73,653</u>	<u>73,653</u>	<u>0</u>
Expenditures:			
General Government:			
Contractual Services	3,507	3,507	0
Debt Service:			
Principal Retirement	60,000	60,000	0
Interest and Fiscal Charges	11,250	11,250	0
Total Expenditures	<u>74,757</u>	<u>74,757</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,104)	(1,104)	0
Fund Balance at Beginning of Year	21,721	21,721	0
Fund Balance at End of Year	<u>\$ 20,617</u>	<u>\$ 20,617</u>	<u>\$ 0</u>

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Fund
For the Year Ended December 31, 2021***

PARKS CAPITAL IMPROVEMENT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 5,000	\$ 29,432	\$ 24,432
Total Revenues	<u>5,000</u>	<u>29,432</u>	<u>24,432</u>
Expenditures:			
Capital Outlay	10,000	0	10,000
Total Expenditures	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	29,432	34,432
Fund Balance at Beginning of Year	64,325	64,325	0
Fund Balance at End of Year	<u>\$ 59,325</u>	<u>\$ 93,757</u>	<u>\$ 34,432</u>

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Fund
For the Year Ended December 31, 2021***

ABBOTT DRIVE CONSTRUCTION FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 495,000	\$ 355,961	\$ (139,039)
All Other Revenues	225,000	269,972	44,972
Total Revenues	<u>720,000</u>	<u>625,933</u>	<u>(94,067)</u>
Expenditures:			
Capital Outlay	720,000	625,933	94,067
Total Expenditures	<u>720,000</u>	<u>625,933</u>	<u>94,067</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Fund
For the Year Ended December 31, 2021***

25-A CONSTRUCTION FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 1,335,100	\$ 878,749	\$ (456,351)
Total Revenues	<u>1,335,100</u>	<u>878,749</u>	<u>(456,351)</u>
Expenditures:			
Streets:			
Capital Outlay	<u>1,335,100</u>	<u>878,749</u>	<u>456,351</u>
Total Expenditures	<u>1,335,100</u>	<u>878,749</u>	<u>456,351</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Fund
For the Year Ended December 31, 2021***

DOWNTOWN STREETS CAPE GRANT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 1,549,980	\$ 969,952	\$ (580,028)
Total Revenues	<u>1,549,980</u>	<u>969,952</u>	<u>(580,028)</u>
Expenditures:			
Capital Outlay	1,549,980	969,952	580,028
Total Expenditures	<u>1,549,980</u>	<u>969,952</u>	<u>580,028</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Fund
For the Year Ended December 31, 2021***

HYATT STREET PAVING GRANT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 0	\$ 387,044	\$ 387,044
Total Revenues	<u>0</u>	<u>387,044</u>	<u>387,044</u>
Expenditures:			
Capital Outlay	0	387,044	(387,044)
Total Expenditures	<u>0</u>	<u>387,044</u>	<u>(387,044)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



Tipp City **Statistical
Section**



Tipp City

STATISTICAL TABLES

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

Contents

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

Sources Note:

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Tipp City

*Net Position by Component
Last Ten Years
(accrual basis of accounting)*

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities:			*	
Net Investment in Capital Assets	\$31,966,661	\$36,793,037	\$39,136,408	\$41,068,323
Restricted	1,858,164	3,497,916	3,112,981	3,443,958
Unrestricted	9,638,818	5,487,005	1,356,787	1,737,855
Total Governmental Activities Net Position	<u>\$43,463,643</u>	<u>\$45,777,958</u>	<u>\$43,606,176</u>	<u>\$46,250,136</u>
Business-type Activities:				
Net Investment in Capital Assets	\$19,920,919	\$19,488,875	\$21,107,345	\$26,210,107
Unrestricted	20,056,259	21,158,072	18,739,123	15,742,022
Total Business-type Activities Net Position	<u>\$39,977,178</u>	<u>\$40,646,947</u>	<u>\$39,846,468</u>	<u>\$41,952,129</u>
Primary Government:				
Net Investment in Capital Assets	\$51,887,580	\$56,281,912	\$60,243,753	\$67,278,430
Restricted	1,858,164	3,497,916	3,112,981	3,443,958
Unrestricted	29,695,077	26,645,077	20,095,910	17,479,877
Total Primary Government Net Position	<u>\$83,440,821</u>	<u>\$86,424,905</u>	<u>\$83,452,644</u>	<u>\$88,202,265</u>

* Restated

Source: Finance Director's Office

City of Tipp City

2016	2017	2018	2019	2020	2021
	*				
\$44,098,177	\$46,195,036	\$48,741,413	\$49,103,849	\$49,269,962	\$52,868,241
3,606,947	3,963,070	4,293,731	4,751,046	4,629,543	5,223,434
1,907,712	(3,220,198)	(4,100,236)	(1,740,146)	(2,950,309)	(715,589)
<u>\$49,612,836</u>	<u>\$46,937,908</u>	<u>\$48,934,908</u>	<u>\$52,114,749</u>	<u>\$50,949,196</u>	<u>\$57,376,086</u>
\$26,574,005	\$22,795,072	\$24,189,309	\$27,409,490	\$28,740,514	\$23,805,230
17,102,941	21,524,550	23,970,970	21,647,745	20,620,817	26,683,310
<u>\$43,676,946</u>	<u>\$44,319,622</u>	<u>\$48,160,279</u>	<u>\$49,057,235</u>	<u>\$49,361,331</u>	<u>\$50,488,540</u>
\$70,672,182	\$68,990,108	\$72,930,722	\$76,513,339	\$78,010,476	\$76,673,471
3,606,947	3,963,070	4,293,731	4,751,046	4,629,543	5,223,434
19,010,653	18,304,352	19,870,734	19,907,599	17,670,508	25,967,721
<u>\$93,289,782</u>	<u>\$91,257,530</u>	<u>\$97,095,187</u>	<u>\$101,171,984</u>	<u>\$100,310,527</u>	<u>\$107,864,626</u>

City of Tipp City

Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	2012	2013	2014	2015
Expenses				
Governmental Activities:				
Security of Persons and Property	\$3,807,107	\$3,530,729	\$3,717,379	\$3,838,659
Leisure Time Activities	1,258,269	1,184,929	1,171,559	1,202,951
Community Environment	266,399	318,126	301,822	280,344
Basic Utility Services	219,845	224,611	221,338	9,792
Transportation	1,748,615	1,282,473	1,516,512	1,744,237
General Government	1,546,497	1,461,944	1,681,433	846,759
Interest and Fiscal Charges	128,914	131,839	95,626	77,291
<i>Total Governmental Activities Expenses</i>	8,975,646	8,134,651	8,705,669	8,000,033
Business-type Activities:				
Electric	10,947,908	13,022,380	15,434,334	14,104,590
Water	2,450,611	2,750,504	2,635,749	3,082,812
Sewer	1,277,737	1,524,521	1,676,170	1,611,383
Refuse Collection	803,896	830,635	860,620	859,546
<i>Total Business-type Activities Expenses</i>	15,480,152	18,128,040	20,606,873	19,658,331
<i>Total Primary Government Expenses</i>	\$24,455,798	\$26,262,691	\$29,312,542	\$27,658,364
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$677,146	\$467,951	\$807,557	\$679,634
Leisure Time Activities	362,673	285,683	260,789	290,382
Community Environment	65,012	19,545	34,773	19,746
Basic Utility Services	222,600	222,244	231,165	0
Transportation	86,142	66,357	230,958	57,709
General Government	0	0	0	0
Operating Grants and Contributions	688,116	639,270	678,811	686,622
Capital Grants and Contributions	913,862	1,264,689	1,082,009	1,372,145
<i>Total Governmental Activities Program Revenues</i>	3,015,551	2,965,739	3,326,062	3,106,238

City of Tipp City

2016	2017	2018	2019	2020	2021
\$4,253,983	\$4,212,068	\$4,786,776	\$1,860,740	\$5,714,105	\$4,410,398
1,172,199	1,251,064	1,305,551	1,335,245	1,253,806	813,919
357,068	328,263	390,421	324,325	443,457	131,389
42,788	62,431	61,739	78,774	301,498	0
1,597,236	1,703,666	1,708,316	2,171,650	2,814,270	2,443,363
938,638	1,623,266	1,742,173	1,862,561	2,222,475	888,674
74,428	70,554	56,229	41,309	25,095	11,025
8,436,340	9,251,312	10,051,205	7,674,604	12,774,706	8,698,768
16,042,057	17,082,743	18,813,973	17,134,858	16,518,044	17,775,032
3,568,202	3,477,515	3,184,391	4,167,258	3,692,868	3,211,044
1,938,930	1,432,981	1,450,227	2,106,256	2,341,119	2,124,101
899,948	923,687	940,679	957,822	968,032	1,037,851
22,449,137	22,916,926	24,389,270	24,366,194	23,520,063	24,148,028
\$30,885,477	\$32,168,238	\$34,440,475	\$32,040,798	\$36,294,769	\$32,846,796
\$801,163	\$612,673	\$913,386	\$595,073	\$779,956	\$781,627
334,915	315,540	363,886	363,788	29,693	331,450
202,402	178,995	213,695	202,684	196,079	285,446
0	0	0	0	127,903	0
15,921	9,416	10,858	9,911	48,389	272,788
0	0	0	0	0	5,117
723,446	707,663	717,674	899,052	1,394,874	936,404
2,182,014	1,612,294	1,731,182	57,288	10,771	2,598,679
4,259,861	3,436,581	3,950,681	2,127,796	2,587,665	5,211,511

(continued)

City of Tipp City

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2012	2013	2014	2015
Business-type Activities:				
Charges for Services				
Electric	12,114,762	13,473,203	15,250,429	16,148,597
Water	2,523,591	2,354,501	2,789,748	3,099,354
Sewer	1,121,499	1,362,580	1,560,951	1,686,990
Refuse Collection	816,572	839,841	862,774	809,891
Capital Grants and Contributions	0	767,684	404,328	0
<i>Total Business-type Activities Program Revenues</i>	16,576,424	18,797,809	20,868,230	21,744,832
<i>Total Primary Government Program Revenues</i>	19,591,975	21,763,548	24,194,292	24,851,070
Net (Expense)/Revenue				
Governmental Activities	(5,960,095)	(5,168,912)	(5,379,607)	(4,893,795)
Business-type Activities	1,096,272	669,769	261,357	2,086,501
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$4,863,823)	(\$4,499,143)	(\$5,118,250)	(\$2,807,294)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Income Taxes	\$4,958,434	\$5,400,724	\$5,344,919	\$5,834,924
Property Taxes	327,145	330,957	303,129	385,271
Other Local Taxes	73,682	76,559	78,345	81,444
Unrestricted Shared Revenues	1,002,069	381,894	936,945	978,819
Investment Earnings	80,537	44,249	31,794	35,690
Miscellaneous	907,555	1,248,844	950,506	240,767
Transfers	0	0	(28,605)	(19,160)
<i>Total Governmental Activities</i>	7,349,422	7,483,227	7,617,033	7,537,755
Business-type Activities:				
Transfers	0	0	28,605	19,160
<i>Total Business-type Activities</i>	0	0	28,605	19,160
<i>Total Primary Government</i>	\$7,349,422	\$7,483,227	\$7,645,638	\$7,556,915
Change in Net Position				
Governmental Activities	\$1,389,327	\$2,314,315	\$2,237,426	\$2,643,960
Business-type Activities	1,096,272	669,769	289,962	2,105,661
<i>Total Primary Government Change in Net Position</i>	\$2,485,599	\$2,984,084	\$2,527,388	\$4,749,621

Source: Finance Director's Office

City of Tipp City

2016	2017	2018	2019	2020	2021
16,894,764	17,942,294	20,171,837	18,097,130	16,458,732	17,680,900
3,574,386	3,679,697	3,663,801	3,942,178	4,105,636	4,222,173
1,887,109	1,948,942	2,158,793	2,279,445	2,291,277	2,175,074
885,333	907,429	915,750	944,397	968,514	1,007,664
903,697	151,153	1,250,353	0	0	189,426
<u>24,145,289</u>	<u>24,629,515</u>	<u>28,160,534</u>	<u>25,263,150</u>	<u>23,824,159</u>	<u>25,275,237</u>
<u>28,405,150</u>	<u>28,066,096</u>	<u>32,111,215</u>	<u>27,390,946</u>	<u>26,411,824</u>	<u>30,486,748</u>
(4,176,479)	(5,814,731)	(6,100,524)	(5,546,808)	(10,187,041)	(3,487,257)
1,696,152	1,712,589	3,771,264	896,956	304,096	1,127,209
<u>(\$2,480,327)</u>	<u>(\$4,102,142)</u>	<u>(\$2,329,260)</u>	<u>(\$4,649,852)</u>	<u>(\$9,882,945)</u>	<u>(\$2,360,048)</u>
\$5,963,230	\$5,760,914	\$6,041,201	\$6,477,955	\$6,508,608	\$7,774,120
396,384	413,503	417,062	421,103	503,698	510,022
86,281	85,348	72,217	83,209	53,455	57,682
970,419	1,005,568	1,067,066	1,115,258	1,103,967	1,187,777
76,914	144,263	265,148	371,917	133,499	18,784
74,616	199,883	304,223	257,207	718,261	365,762
(28,665)	(28,586)	(69,393)	0	0	0
<u>7,539,179</u>	<u>7,580,893</u>	<u>8,097,524</u>	<u>8,726,649</u>	<u>9,021,488</u>	<u>9,914,147</u>
28,665	28,586	69,393	0	0	0
<u>28,665</u>	<u>28,586</u>	<u>69,393</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$7,567,844</u>	<u>\$7,609,479</u>	<u>\$8,166,917</u>	<u>\$8,726,649</u>	<u>\$9,021,488</u>	<u>\$9,914,147</u>
\$3,362,700	\$1,766,162	\$1,997,000	\$3,179,841	(\$1,165,553)	\$6,426,890
1,724,817	1,741,175	3,840,657	896,956	304,096	1,127,209
<u>\$5,087,517</u>	<u>\$3,507,337</u>	<u>\$5,837,657</u>	<u>\$4,076,797</u>	<u>(\$861,457)</u>	<u>\$7,554,099</u>

City of Tipp City

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund					
Nonspendable	\$101,889	\$87,409	\$83,828	\$81,906	\$84,220
Assigned	127,985	166,514	89,394	541,933	434,861
Unassigned	<u>4,723,463</u>	<u>5,127,418</u>	<u>5,437,072</u>	<u>5,321,011</u>	<u>6,202,164</u>
<i>Total General Fund</i>	<u>4,953,337</u>	<u>5,381,341</u>	<u>5,610,294</u>	<u>5,944,850</u>	<u>6,721,245</u>
All Other Governmental Funds					
Nonspendable	73,713	90,131	63,521	78,666	69,005
Restricted	1,092,849	1,183,624	850,479	975,516	1,027,766
Committed	22,628	8,934	7,726	25,911	46,472
Unassigned	<u>(1,533,887)</u>	<u>(1,800,077)</u>	<u>(1,347,781)</u>	<u>(866,231)</u>	<u>(348,343)</u>
Total All Other Governmental Funds	<u>(344,697)</u>	<u>(517,388)</u>	<u>(426,055)</u>	<u>213,862</u>	<u>794,900</u>
<i>Total Governmental Funds</i>	<u>\$4,608,640</u>	<u>\$4,863,953</u>	<u>\$5,184,239</u>	<u>\$6,158,712</u>	<u>\$7,516,145</u>

Source: Finance Director's Office

City of Tipp City

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$111,343	\$93,838	\$94,114	\$118,359	\$157,727
1,210,796	232,785	194,843	302,096	867,780
<u>5,253,264</u>	<u>6,239,786</u>	<u>6,572,658</u>	<u>6,843,347</u>	<u>6,325,648</u>
<u>6,575,403</u>	<u>6,566,409</u>	<u>6,861,615</u>	<u>7,263,802</u>	<u>7,351,155</u>
68,635	78,187	69,148	74,862	78,220
1,538,297	2,439,068	3,523,995	3,697,509	4,316,857
64,131	75,094	94,053	13,593	5,118
<u>(191,578)</u>	<u>(86,586)</u>	<u>(102,650)</u>	<u>0</u>	<u>0</u>
<u>1,479,485</u>	<u>2,505,763</u>	<u>3,584,546</u>	<u>3,785,964</u>	<u>4,400,195</u>
<u>\$8,054,888</u>	<u>\$9,072,172</u>	<u>\$10,446,161</u>	<u>\$11,049,766</u>	<u>\$11,751,350</u>

City of Tipp City

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

	2012	2013	2014	2015
Revenues:				
Taxes	\$5,250,226	\$5,741,284	\$5,741,874	\$6,140,765
Intergovernmental Revenues	2,093,184	2,551,048	2,483,754	2,952,132
Charges for Services	1,842,891	1,728,149	1,873,129	954,867
Licenses, Permits and Fees	63,444	19,080	33,575	18,498
Investment Earnings	110,478	47,076	29,358	35,721
Special Assessments	113,237	118,397	240,613	138,987
Fines and Forfeitures	15,002	14,979	13,242	16,850
All Other Revenue	328,305	582,051	369,327	272,958
Total Revenue	9,816,767	10,802,064	10,784,872	10,530,778
Expenditures:				
Current:				
Security of Persons and Property	3,142,368	3,214,265	3,364,152	3,432,396
Leisure Time Activities	800,267	795,797	800,510	807,835
Community Environment	263,439	315,751	302,715	289,769
Basic Utility Services	217,147	226,353	226,658	0
Transportation	576,373	568,730	590,590	669,395
General Government	1,447,729	1,344,666	1,381,047	693,607
Capital Outlay	3,179,877	5,968,429	3,083,086	3,039,076
Debt Service:				
Principal Retirement	930,000	655,000	2,037,991	1,633,482
Interest and Fiscal Charges	131,753	114,388	104,065	80,410
Total Expenditures	10,688,953	13,203,379	11,890,814	10,645,970
Excess (Deficiency) of Revenues Over Expenditures	(872,186)	(2,401,315)	(1,105,942)	(115,192)

City of Tipp City

2016	2017	2018	2019	2020	2021
\$6,306,461	\$6,310,421	\$6,493,963	\$6,990,064	\$7,216,980	\$8,277,454
3,937,776	3,098,833	2,546,844	1,975,493	2,521,998	4,699,356
1,116,035	970,309	1,243,157	984,509	881,627	1,078,066
177,551	176,053	237,114	175,935	196,993	274,396
74,840	145,283	264,299	370,438	139,080	18,181
125,638	109,389	104,272	97,228	134,938	101,272
14,965	11,480	13,306	6,706	4,079	5,402
78,103	220,353	354,194	248,947	754,698	713,272
<u>11,831,369</u>	<u>11,042,121</u>	<u>11,257,149</u>	<u>10,849,320</u>	<u>11,850,393</u>	<u>15,167,399</u>
3,381,426	3,616,840	3,817,703	3,865,261	4,100,423	4,467,629
768,549	816,543	838,582	837,630	584,901	864,105
323,062	313,949	368,399	274,454	374,868	313,803
26,281	27,240	29,352	33,072	235,387	33,472
615,747	671,574	693,429	742,064	741,809	863,950
703,182	1,350,127	1,417,714	1,441,168	1,586,116	1,583,544
4,025,287	3,012,089	2,596,721	1,830,938	3,587,878	6,262,485
1,299,082	989,982	595,382	423,182	79,091	108,182
76,364	73,235	58,799	46,003	25,301	11,250
<u>11,218,980</u>	<u>10,871,579</u>	<u>10,416,081</u>	<u>9,493,772</u>	<u>11,315,774</u>	<u>14,508,420</u>
612,389	170,542	841,068	1,355,548	534,619	658,979

(Continued)

City of Tipp City

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
General Obligation Notes Issued	0	1,753,900	1,390,300	1,095,900
OPWC Loan Issued	0	894,586	100,091	0
Transfers In	1,040,152	1,114,647	447,784	616,715
Transfers Out	(1,040,152)	(1,114,647)	(476,389)	(635,875)
Total Other Financing Sources (Uses)	<u>0</u>	<u>2,648,486</u>	<u>1,461,786</u>	<u>1,076,740</u>
Net Change in Fund Balance	<u>(\$872,186)</u>	<u>\$247,171</u>	<u>\$355,844</u>	<u>\$961,548</u>
 Debt Service as a Percentage of Noncapital Expenditures	 12.61%	 11.16%	 24.90%	 22.06%

Source: Finance Director's Office

City of Tipp City

2016	2017	2018	2019	2020	2021
0	0	16,559	29,823	55,138	0
781,800	397,200	220,000	0	0	0
0	0	0	0	0	0
332,808	352,731	506,891	251,194	326,293	78,813
(361,473)	(381,317)	(576,284)	(251,194)	(326,293)	(78,813)
<u>753,135</u>	<u>368,614</u>	<u>167,166</u>	<u>29,823</u>	<u>55,138</u>	<u>0</u>
<u>\$1,365,524</u>	<u>\$539,156</u>	<u>\$1,008,234</u>	<u>\$1,385,371</u>	<u>\$589,757</u>	<u>\$658,979</u>
19.22%	13.92%	9.67%	6.13%	1.16%	1.40%

City of Tipp City

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

Tax year	2012	2013	2014	2015
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income (in thousands)	\$379,625	\$391,407	\$390,476	\$406,376
Total Tax Collected	\$4,960,000	\$5,440,357	\$5,476,399	\$5,823,985
Income Tax Receipts				
Withholding	3,594,951	3,834,176	3,897,251	4,009,922
Percentage	72.48%	70.48%	71.17%	68.86%
Corporate	764,934	901,630	758,560	997,288
Percentage	15.42%	16.57%	13.85%	17.12%
Individuals	600,115	704,551	820,588	816,775
Percentage	12.10%	12.95%	14.98%	14.02%

Source: City Income Tax Department

Note:

The City levies a 1.50% income tax on substantially all income earned within the City. Additional increases in the income tax require voter approval. City residents pay City income tax on income earned outside the City, however; a credit is allowed for income paid to other municipalities. Employers within the City withhold income tax on employee compensation and remit at least quarterly.

City of Tipp City

2016	2017	2018	2019	2020	2021
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$422,925	\$442,196	\$462,553	\$474,751	\$508,372	\$539,067
\$6,043,210	\$5,990,628	\$6,206,490	\$6,594,652	\$6,754,862	\$7,835,721
4,222,119	4,372,643	4,712,997	4,851,822	4,971,293	5,386,429
69.86%	72.99%	75.94%	73.57%	73.60%	68.75%
927,597	701,458	653,690	778,237	921,716	1,463,306
15.35%	11.71%	10.53%	11.80%	13.65%	18.67%
893,494	916,527	839,803	964,593	861,853	985,986
14.79%	15.30%	13.53%	14.63%	12.75%	12.58%



City of Tipp City

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

Name of Taxpayer	Nature of Business	2021 Rank
Meijer, Inc.	Warehouse Distribution	1
Abbott Laboratories	Manufacturing	2
Tipp City Exempted Village School District	Education	3
DFAS Cleveland	Government	4
Arbogast	Automotive Retail	5
Regal Beloit (formerly AO Smith Corporation)	Manufacturing	6
US Express	Warehouse Distribution	7
Creative Extruded Products	Manufacturing	8
Trophy Nut Co	Food Retail	9
City of Tipp City	Government	10

Name of Taxpayer	Nature of Business	2012 Rank
Meijer, Inc.	Warehouse Distribution	1
Regal Beloit America (formerly A.O. Smith Corp.)	Manufacturing	2
Tipp City Exempted Village School District	Education	3
Federal Government	Government	4
Creative Extruded Products	Manufacturing	5
Arbogast Buick Pontiac GMC	Automotive Retail	6
Rostam Direct (formerly Gardens Alive- Springhill)	Agricultural-Nursery	7
Precision Strip Inc.	Metal Processing	8
City of Tipp City	Government	9
Captor Corporation	Manufacturing	10

Source: City Income Tax Department

Note:

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

City of Tipp City

Ratios of Outstanding Debt By Type Last Ten Years

	2012	2013	2014	2015
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$1,400,000	\$785,000	\$570,000	\$420,000
General Obligation Notes Payable	0	1,753,900	1,390,300	1,095,900
Special Assessment Bonds Payable	635,000	595,000	550,000	505,000
OPWC Loan Payable	0	894,586	970,586	922,404
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	\$320,000	\$220,000	\$145,000	\$25,000
General Obligation Notes Payable	0	5,094,100	4,678,700	4,239,100
Long-Term Loans Payable	1,385,905	1,764,595	1,304,841	1,231,943
Total Primary Government	<u>\$3,740,905</u>	<u>\$11,107,181</u>	<u>\$9,609,427</u>	<u>\$8,439,347</u>
Population ⁽²⁾				
City of Tipp City	9,689	9,689	9,689	9,689
Outstanding Debt Per Capita	\$386	\$1,146	\$992	\$871
Income ⁽³⁾				
Personal (in thousands)	379,625	391,407	390,476	406,376
Percentage of Personal Income	0.99%	2.84%	2.46%	2.08%

Sources:

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

City of Tipp City

2016	2017	2018	2019	2020	2021
\$310,000	\$200,000	\$100,000	\$0	\$0	\$0
781,800	397,200	220,000	0	0	0
460,000	410,000	360,000	305,000	250,000	190,000
874,222	826,040	777,858	729,676	705,585	657,403
\$0	\$0	\$0	\$0	\$0	\$0
4,450,200	8,245,800	7,315,000	4,975,000	4,050,000	9,050,000
1,159,045	1,086,147	1,013,249	2,413,117	2,603,902	2,446,004
<u>\$8,035,267</u>	<u>\$11,165,187</u>	<u>\$9,786,107</u>	<u>\$8,422,793</u>	<u>\$7,609,487</u>	<u>\$12,343,407</u>

9,689	9,689	9,689	9,689	9,689	10,274
\$829	\$1,152	\$1,010	\$869	\$785	\$1,201

422,925	442,196	462,553	474,751	508,372	539,067
1.90%	2.52%	2.12%	1.77%	1.50%	2.29%

City of Tipp City

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2012	2013	2014	2015
Population (1)	9,689	9,689	9,689	9,689
Assessed Value (2)	\$262,558,910	\$248,551,810	\$252,767,420	\$254,574,200
General Bonded Debt (3)				
General Obligation Bonds	\$1,720,000	\$1,005,000	\$715,000	\$445,000
Resources Available to Pay Principal (4)	\$40,552	\$355,431	\$56,748	\$39,462
Net General Bonded Debt	\$1,679,448	\$649,569	\$658,252	\$405,538
Ratio of Net Bonded Debt to Estimated Assessed Value	0.64%	0.26%	0.26%	0.16%
Net Bonded Debt per Capita	\$173.34	\$67.04	\$67.94	\$41.86

Source:

- (1) U.S. Bureau of Census of Population
- (2) Miami County Auditor
- (3) Includes all general obligation bonded debt.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

City of Tipp City

2016	2017	2018	2019	2020	2021
9,689	9,689	9,689	9,689	9,689	10,274
\$271,234,280	\$271,853,340	\$276,688,510	\$315,580,380	\$320,995,370	\$329,387,080
\$310,000	\$200,000	\$100,000	\$0	\$0	\$0
\$5,993	\$765	\$732	\$10,232	\$23,617	\$15,117
\$304,007	\$199,235	\$99,268	(\$10,232)	(\$23,617)	(\$15,117)
0.11%	0.07%	0.04%	0.00%	-0.01%	0.00%
\$31.38	\$20.56	\$10.25	(\$1.06)	(\$2.44)	(\$1.47)



City of Tipp City

*Computation of Direct and Overlapping
General Obligation Debt
December 31, 2021*

Jurisdiction	Net Debt Outstanding	Percentage Applicable to the City of Tipp City	Amount Applicable to the City of Tipp City
Direct:			
City of Tipp City	\$847,403	100.00%	\$847,403
Overlapping:			
Tipp City Exempted Village School District	12,754,426	67.92%	8,662,806
Miami County	9,375,978	12.19%	1,142,932
Miami Valley Career Center JVSD	134,813,471	3.79%	<u>5,109,431</u>
		Subtotal	<u>14,915,169</u>
		Total	<u><u>\$15,762,572</u></u>

Source: Miami County Auditor and Fiscal Officers of Subdivisions.

Note:

Direct debt includes all long-term debt instruments payable by Governmental Activities, including notes payable.

Percentages determined by dividing each overlapping jurisdictions' assessed valuation within the City by the jurisdictions' total assessed valuation.

City of Tipp City

Debt Limitations Last Ten Years

Collection Year	2012	2013	2014	2015
Total Debt				
Net Assessed Valuation	\$262,558,910	\$248,551,810	\$252,767,420	\$254,574,200
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	27,568,686	26,097,940	26,540,579	26,730,291
City Debt Outstanding (2)	0	0	0	0
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	0	0	0	0
Overall Legal Debt Margin	<u>\$27,568,686</u>	<u>\$26,097,940</u>	<u>\$26,540,579</u>	<u>\$26,730,291</u>
Unvoted Debt				
Net Assessed Valuation	\$262,558,910	\$248,551,810	\$252,767,420	\$254,574,200
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	14,440,740	13,670,350	13,902,208	14,001,581
City Debt Outstanding (2)	0	0	0	0
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	0	0	0	0
Overall Legal Debt Margin	<u>\$14,440,740</u>	<u>\$13,670,350</u>	<u>\$13,902,208</u>	<u>\$14,001,581</u>

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

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

Source: Finance Director's Office

City of Tipp City

2016	2017	2018	2019	2020	2021
\$271,234,280	\$271,853,340	\$276,688,510	\$315,580,380	\$320,995,370	\$329,387,080
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
28,479,599	28,544,601	29,052,294	33,135,940	33,704,514	34,585,643
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$28,479,599</u>	<u>\$28,544,601</u>	<u>\$29,052,294</u>	<u>\$33,135,940</u>	<u>\$33,704,514</u>	<u>\$34,585,643</u>
\$271,234,280	\$271,853,340	\$276,688,510	\$315,580,380	\$320,995,370	\$329,387,080
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
14,917,885	14,951,934	15,217,868	17,356,921	17,654,745	18,116,289
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$14,917,885</u>	<u>\$14,951,934</u>	<u>\$15,217,868</u>	<u>\$17,356,921</u>	<u>\$17,654,745</u>	<u>\$18,116,289</u>

City of Tipp City

*Pledged Revenue Coverage
Last Ten Years*

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Special Assessment Bonds (1)				
Special Assessment Collections	\$73,653	\$73,653	\$73,653	\$73,653
Debt Service				
Principal	40,000	40,000	45,000	45,000
Interest	28,065	26,665	25,265	23,623
Coverage	1.08	1.10	1.05	1.07

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

Source: Finance Director's Office

City of Tipp City

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$73,653	\$73,653	\$73,653	\$73,653	\$73,653	\$73,653
45,000	50,000	50,000	55,000	55,000	60,000
21,890	20,158	18,083	16,008	13,725	11,250
1.10	1.05	1.08	1.04	1.07	1.03

City of Tipp City

Demographic and Economic Statistics Last Ten Years

Calendar Year	2012	2013	2014	2015
Population (1)				
City of Tipp City	9,689	9,689	9,689	9,689
Miami County	102,506	102,506	102,506	102,506
Income (2) (a)				
Total Personal (in thousands)	379,625	391,407	390,476	406,376
Per Capita	39,181	40,397	40,301	41,942
Unemployment Rate (3)				
Federal	8.1%	7.4%	6.2%	5.0%
State	7.2%	7.4%	5.7%	4.6%
Miami County	7.0%	7.2%	5.3%	4.2%
Civilian Work Force Estimates (3)				
State	5,747,900	5,765,700	5,719,500	5,694,027
Miami County	52,400	52,100	51,800	52,621
Total Assessed Property Value (4)				
	262,558,910	248,551,810	252,767,420	254,574,200
Estimated Actual Property Value (4)				
	750,168,314	710,148,029	722,192,629	727,354,857

Sources:

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2020 for the presentation of 2021 statistics, the City is using the latest information available.
 - (a) Total Personal Income is a calculation based on the County's Per Capita Income, which is the only information available.
- (3) State Department of Labor Statistics
- (4) Miami County Auditor

City of Tipp City

2016	2017	2018	2019	2020	2021
9,689	9,689	9,689	9,689	9,689	10,274
102,506	102,506	102,506	102,506	102,506	109,264
422,925	442,196	462,553	474,751	508,372	539,067
43,650	45,639	47,740	48,999	52,469	52,469
4.9%	4.4%	3.9%	3.7%	8.1%	5.3%
4.9%	5.0%	4.6%	4.1%	8.1%	5.1%
4.3%	4.2%	3.9%	3.7%	7.0%	4.3%
5,713,100	5,780,000	5,754,900	5,802,300	5,754,300	5,736,900
52,600	53,700	53,200	54,100	54,200	53,500
271,234,280	271,853,340	276,688,510	315,580,380	320,995,370	329,387,080
774,955,086	776,723,829	790,538,600	901,658,229	917,129,629	941,105,943



City of Tipp City

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2021	
		Number of Employees	Rank
Meijer, Inc.	Warehouse Distribution	2,243	1
Tipp City Exempted Village School District	Education	490	2
Abbott Laboratories	Manufacturing	364	3
FHI LLC	Warehouse Distribution/Logistics	337	4
Menards	Home Improvement Retail	307	5
Creative Extruded Products	Manufacturing	277	6
Arbogast	Automotive Retail	270	7
US Express	Warehouse Distribution	255	8
Adcare Health Systems (formerly Springmeade)	Health Care	245	9
Rostam Direct (formerly Gardens Alive-Springhill)	Agricultural-Nursery	175	10
Total		<u>4,963</u>	

Employer	Nature of Business	2012	
		Number of Employees	Rank
Meijer, Inc.	Warehouse Distribution	1,366	1
CBS Personnel Services	Temporary Employment Services	518	2
Rostam Direct (formerly Gardens Alive-Springhill)	Agricultural-Nursery	489	3
Tipp City Exempted Village School District	Education	465	4
Regal Beloit (formerly AO Smith Corporation)	Manufacturing	299	5
Menards	Retail	297	6
Adcare Health Systems (formerly Springmeade)	Health Care	268	7
Creative Extruded Products	Manufacturing	218	8
FHI LLC	Warehouse Distribution	212	9
Arbogast	Automotive Retail	193	10
Total		<u>4,325</u>	

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

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

City of Tipp City

Full Time Equivalent Employees by Function Last Ten Years

	2012	2013	2014	2015
Governmental Activities				
General Government				
Legislative	3.50	3.50	3.50	3.50
City Manager	2.00	2.00	2.00	2.00
Building and Facility Services	1.50	2.00	2.00	2.00
Finance	7.00	7.00	7.00	7.00
Legal	0.50	0.50	0.50	0.50
Engineering	3.00	3.00	3.00	3.00
Security of Persons and Property				
Police	22.50	22.50	22.50	21.50
Fire and EMS	15.50	15.50	15.50	15.50
Transportation				
Street	5.00	5.00	5.50	5.50
Leisure Time Activities				
Parks	4.75	4.75	5.25	5.25
Community Environment				
Community and Economic Development	2.50	2.50	2.50	2.50
Business-Type Activities				
Utilities				
Electric	14.00	14.00	14.00	15.00
Water	8.30	5.75	5.75	5.75
Sewer	3.20	5.75	5.75	5.75
Total Employees	<u>93.25</u>	<u>93.75</u>	<u>94.75</u>	<u>94.75</u>

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

Source: Finance Director's Office

City of Tipp City

2016	2017	2018	2019	2020	2021
3.50	3.50	3.50	3.50	3.50	3.50
2.00	3.00	3.00	3.00	3.00	2.00
2.00	2.00	2.00	2.00	2.00	1.50
7.00	7.00	7.00	7.00	7.50	7.50
0.50	0.50	0.50	0.50	0.50	0.50
3.00	3.00	2.00	2.00	2.00	2.00
22.50	22.50	22.50	22.50	22.50	22.50
15.50	16.50	16.50	16.50	18.50	18.50
5.50	5.50	5.50	5.50	5.50	5.50
5.25	5.25	5.25	5.25	5.25	5.25
2.50	2.50	2.50	2.50	2.50	2.50
15.00	15.00	15.00	15.00	15.00	15.00
5.75	5.75	5.75	6.75	6.75	6.75
5.75	5.75	5.75	5.75	5.75	5.75
<u>95.75</u>	<u>97.75</u>	<u>96.75</u>	<u>97.75</u>	<u>100.25</u>	<u>98.75</u>

City of Tipp City

Operating Indicators by Function Last Ten Years

	2012	2013	2014	2015
Governmental Activities				
General Government				
Accounts Payable Checks processed	3,549	2,911	2,869	2,828
Purchase Orders issued	2,429	2,018	2,124	2,013
Court				
Number of Criminal Cases	373	280	333	328
Number of Traffic Cases	887	825	797	941
Licenses and Permits				
Number of Residential Building Permits	21	14	17	17
Number of Commercial Building Permits	11	5	7	4
Security of Persons and Property				
Police				
Criminal Arrests	480	532	446	488
Calls for Service	10,010	14,909	15,388	15,455
Number of Accidents	207	208	254	251
Fire and EMS				
Number of Fire Calls	327	304	343	304
Number of EMS Runs	1,390	1,421	1,557	1,673
Transportation				
Street				
Tons of Salt Used	637	861	457	275
Leisure Time Activities				
Swimming Pool Receipts	254,257	285,683	248,739	290,383
Business-Type Activities				
Electric				
Number of Service Connections	4,946	4,954	4,942	4,933
Peak Demand (megawatts)	31.2	33.4	31.7	33.3
Energy Purchased (MWh)	142,617	150,263	156,551	164,144
Water				
Number of Service Connections	4,272	4,153	4,135	4,159
Daily Average Consumption (mgd)	1.2	1.2	1.2	1.4
Peak Daily Consumption (mgd)	2.5	2.3	2.0	2.3
Sewer				
Sewer Treatment Charges	653,840	642,679	665,486	684,258
Daily Average Sewage Treatment (mgd)	1.4	1.6	1.7	1.8
Refuse Collection				
Number of Customers Billed	3,964	4,037	4,033	4,071

Source: Finance Director's Office

City of Tipp City

2016	2017	2018	2019	2020	2021
3,061	2,738	2,782	2,799	2,734	2,860
1,468	1,608	1,878	1,875	1,497	1,662
338	301	321	303	260	334
782	506	657	422	788	438
15	18	51	41	36	48
4	10	10	8	7	7
651	429	511	397	406	334
16,235	15,151	16,272	14,326	18,138	22,353
236	199	223	201	152	163
317	303	296	387	324	320
1,757	1,948	1,866	2,086	1,693	1,927
300	550	560	350	760	360
331,504	312,062	337,403	345,544	0	296,778
5,006	5,006	5,056	5,086	5,148	5,160
36.1	31.5	35.7	45.2	35.2	36.0
177,330	171,421	180,664	180,469	169,845	181,175
4,179	4,204	4,263	4,294	4,330	4,365
1.7	1.7	1.6	1.6	1.7	1.6
2.6	2.7	2.3	2.7	2.8	2.2
704,203	697,866	771,073	772,603	709,557	830,629
1.8	2.0	2.6	2.5	1.9	2.3
4,081	4,106	4,163	4,191	4,249	4,265

City of Tipp City

Capital Asset Statistics by Function Last Ten Years

	2012	2013	2014	2015
Governmental Activities				
General Government				
Area (square miles)	7.5	7.5	7.5	7.5
Security of Persons and Property				
Police				
Stations	1	1	1	1
Fire				
Stations	2	2	2	2
Transportation				
Street				
Miles of Street	61	61	61	61
Street Lights	1,419	1,419	1,419	1,419
Miles of Storm Sewers	60	60	60	60
Leisure Time Activities				
Park Area (acres)	436	436	436	436
Number of Parks	17	17	17	17
Number of Tennis Courts	2	2	2	2
Number of Ball Fields	17	17	17	17
Business-Type Activities				
Utilities				
Electric				
Substations	3	3	3	3
Water				
Waterlines (Miles)	57	57	57	57
Number of Fire hydrants	675	675	675	675
Sewer				
Sewerlines (Miles)	57	57	57	57

Source: Finance Director's Office

City of Tipp City

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
7.5	7.5	7.5	7.5	7.5	7.5
1	1	1	1	1	1
2	2	2	2	2	2
61	63	64	64	66	67
1,419	1,462	1,462	1,740	1,750	1,750
60	61	62	62	63	64
436	436	436	436	436	436
17	17	17	17	17	17
2	2	2	2	2	2
17	17	17	17	17	17
3	3	3	3	3	3
57	75	76	76	76	76
675	718	776	776	776	776
57	62	63	63	63	63



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

OHIO AUDITOR OF STATE KEITH FABER



CITY OF TIPP CITY

MIAMI COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 8/2/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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