



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**CITY OF TIPP CITY
MIAMI COUNTY
REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2024**



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

City Council
City of Tipp City
260 South Garber Drive
Tipp City, OH 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, 2024 through December 31, 2024. 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.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 15, 2025

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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 of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, (the City) as of and for the year ended December 31, 2024, 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 27, 2025.

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 opinion 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 to be reported 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.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C.".

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

June 27, 2025

City of Tipp City, Ohio
Annual Comprehensive Financial Report
Year Ended December 31, 2024





City of Tipp City, Ohio

Miami County



ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2024

Prepared by the Finance Department

John Green, Director



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Tipp City

**Introductory
Section**





Council-Manager
Government

June 27, 2025

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, 2024 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 ACFR 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, 2024. 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, 2024 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, 2024

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. The City Manager 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, 2024

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 fifteen 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 4,587 units in 2024, or a $\pm 9.3\%$ 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 \$1,061,672 in American Rescue Plan Act (ARPA) funds. The City is using the ARPA funding for a sewer infrastructure project to provide increased capacity to the north-west quadrant of the City. 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.

Letter of Transmittal

For the Year Ended December 31, 2024

A review of permits issued in 2024 indicates an investment of \$7,691,000 commercial and industrial projects in Tipp City. These projects included: upgrades at the Meijer Distribution Facility, an upgrade at the Abbott Nutrition Facility, modifications at Master Builders, and modifications/upgrades to the old Unity Bank building as it becomes a pediatric medical urgent care.

The Dayton metropolitan region's unemployment rate averaged 4.41% in 2024, starting the year at 4.3% then increasing slightly to 4.4% at year end (Bureau of Labor Statistics). Miami County's unemployment rate fluctuated monthly and ultimately decreased from 4.1% in January, 2024 to 4.0% by year-end (Bureau of Labor Statistics). Although higher than in prior years, these are good numbers overall that indicate employment in the Dayton region has weathered the pandemic well.

During 2024, Tipp City had 57 new residential unit starts which is up from 43 residential starts in 2023. There are currently six active subdivisions being developed: Hunter's Ridge, Rosewood Creek, Fieldstone Place, Cedar Grove, Summit Landing and The Brooks. The following table outlines the residential growth for the last several years:

Year	Base Units	New Units	Demolished Units	Net% Growth
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%
2022	4482	65	0	1.15%
2023	4547	43	3	.939%
2024	4587	57	4	.991%

Approximately 190 acres of vacant commercial and industrial land remains available for sale/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

The City continues to transition its Fire/EMS Department from an all-volunteer/paid part-time department to a combined department employing sixteen new full-time employees while maintaining its part-time and volunteer staffing. This transition has enabled the Fire/EMS Department to be much more responsive to community needs for their services.

Letter of Transmittal

For the Year Ended December 31, 2024

As reported for the last 5-6 years, Tipp City has continued to work on 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 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 2024, the City spent ~\$540,000 on expansion and remodeling the Government Center (City Hall) This entire project was ~\$2.12M. The City spent ~\$1.19M on street improvements, traffic signalization, and resurfacing projects throughout the community, and ~\$370,000 on parks and recreation improvements.

The City continued to work on capital improvement projects in the enterprise funds as well. In the electric fund work continues on siting and designing an additional electric substation (#4) with construction planned for 2025 and installing new electric lines and services in the city's residential subdivisions. In the water and sewer funds, the City completed construction of a new Water/Sewer Service Center (~\$2.33M) to consolidate equipment storage currently housed in other areas throughout the City. The City also substantially completed the acquisition and installation of a new Automated Meter Reading (AMR) system to provide electric and water consumptions for billing purposes. The City had expended ~2.27M on this project by the end of 2024 and final completion is expected in the first-half of 2025.

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.

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 2025-2026, 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 (~\$1M), Electric Substation #4 construction (~\$5M), and various upgrades to both the water and sewer systems.

***Letter of Transmittal
For the Year Ended December 31, 2024***

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.

Letter of Transmittal

For the Year Ended December 31, 2024

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, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government finance reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized 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-four years (2000-2023). 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, 2024

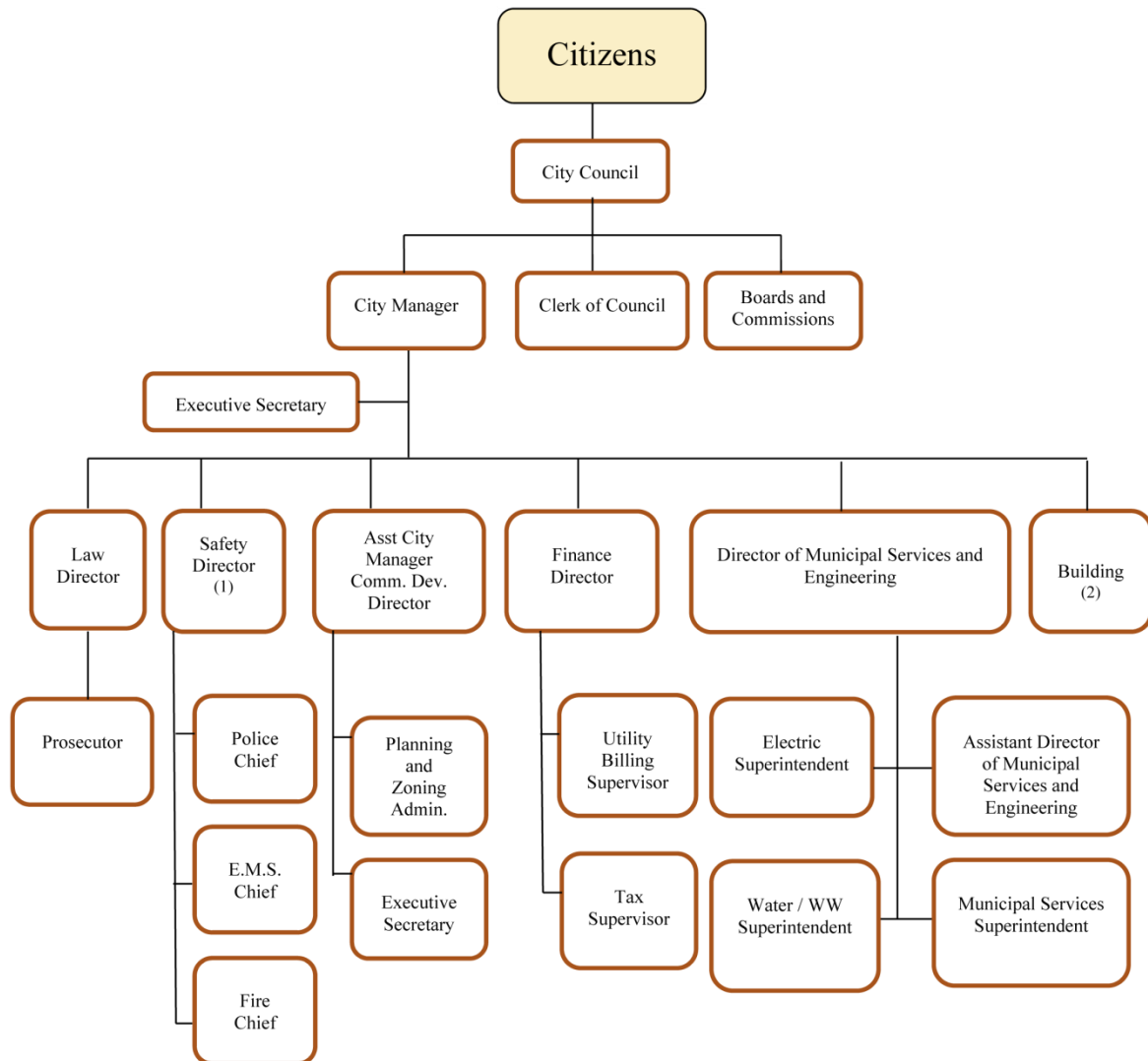
ELECTED OFFICIALS

Mayor	Logan Rogers
President Of Council	Kathryn Huffman
Council Members	Gregory Enslen Ryan Liddy Joanna Pittenger John Kessler Doug Slagle

APPOINTED OFFICIALS

City Manager	Eric Mack
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	Jeremy Bowser
Community Development and Revitalization Director	Matthew Spring

City Organizational Chart
For the Year Ended December 31, 2024



- (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, 2023

Christopher P. Morill

Executive Director/CEO





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 (City), as of and for the year ended December 31, 2024, 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and American Rescue Plan funds 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, these 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 27, 2025, 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 and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 27, 2025



***Management's Discussion and Analysis
For the Year Ended December 31, 2024***

Unaudited

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, 2024. 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 2024 are as follows:

- ❑ In total, net position increased \$2.4 million. Net position of governmental activities increased \$953,817, which represents a 1.6% increase from 2023. Net position of business-type activities increased \$1.4 million or 2.7% from 2023.
- ❑ General revenues accounted for \$12.8 million in revenue or 28.9% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for 71.1% of total revenues of \$44.3 million.
- ❑ Total net position of governmental activities increased by \$953,817. Equity in Pooled Cash and Investments increased by ~\$4.2M due to funds borrowed for property acquisition for uptown redevelopment (\$4.5M) which is offset by the short-term liability for notes payable. The City's investment in capital assets increased by approx. \$1.1M due to the completion of building expansion/renovation projects. Net Pension and Other Post-Employment Benefit (OPEB) assets and liabilities fluctuate significantly each year although the net difference from 2023 to 2024 was minimal. For 2024 the individual categories of Deferred Outflows of Resources, Liabilities Due in More Than One Year, and Deferred Inflows of Resources attributed to pension and OPEB were significantly different but the net difference was \$214,991.
- ❑ The City had \$15.7 million in expenses related to governmental activities; \$3.9 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$12.8 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$11.2 million in revenues and \$13.3 million in expenditures and other financing sources. The general fund's fund balance decreased \$2.1 million to \$6.8 million.
- ❑ Net position for enterprise funds increased by \$1.4 million. The Electric Fund's net position decreased by \$812,813, the Water Fund increased its net position by \$1.4 million, and the Sewer Fund increased its net position by \$707,208.
- ❑ The Electric Fund decrease is largely insignificant to total Electric operations, but reflects the change in cash and investments (decrease of \$2.8M) offset by the increase in net capital assets (increase of \$2.4M) as capital asset acquisitions are completed. Current liabilities increased \$733,756 due to a larger than usual accounts payable related to ongoing capital projects. Noncurrent liabilities decreased \$912,284 led by a small reduction in bonds payable and a small decrease in Net Pension Liability when compared to the prior year.

***Management's Discussion and Analysis
For the Year Ended December 31, 2024***

Unaudited

- ❑ The Water Fund had a drawdown of cash and investments (\$262,761) due to several ongoing capital improvement projects, but this was offset by an increase in total capital assets (\$866,937). As mentioned above, the Water Fund also experiences annual fluctuations in net pension and OPEB reportable. Finally, the City's Investment in Joint Venture increased (\$161,887) due to positive results of operations at the shared water plant.
- ❑ The Sewer Fund also had a drawdown of cash and investments (\$1,448,102) due to ongoing capital improvement projects, again offset in part by an increase in total capital assets (\$2,622,672). As mentioned in the Water Fund, the Sewer Fund also experiences annual fluctuations in net pension and OPEB reportable. The Sewer Fund also benefited from an increase in its Investment in Joint Venture (\$581,615) as the joint venture accumulates resources for future plant improvements.

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.

***Management's Discussion and Analysis
For the Year Ended December 31, 2024***

Unaudited

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, 2024**

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 2024 and 2023.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$24,346,358	\$19,560,789	\$35,622,078	\$38,237,185	\$59,968,436	\$57,797,974
Net OPEB Asset	103,699	0	102,702	0	206,401	0
Capital assets, Net	54,053,231	52,922,531	35,749,559	29,821,375	89,802,790	82,743,906
Total assets	78,503,288	72,483,320	71,474,339	68,058,560	149,977,627	140,541,880
Deferred Outflows of Resources	4,939,436	4,971,476	1,058,658	1,844,347	5,998,094	6,815,823
Net Pension Liability	11,408,868	11,121,214	3,063,411	3,998,673	14,472,279	15,119,887
Net OPEB Liability	628,435	621,061	0	83,867	628,435	704,928
Noncurrent liabilities	1,776,299	1,490,957	11,299,868	9,704,305	13,076,167	11,195,262
Other liabilities	6,310,398	1,774,553	2,726,742	2,285,904	9,037,140	4,060,457
Total liabilities	20,124,000	15,007,785	17,090,021	16,072,749	37,214,021	31,080,534
Deferred Inflows of Resources	1,710,139	1,551,893	312,986	99,248	2,023,125	1,651,141
Net position						
Net investment in capital assets	48,944,948	52,296,492	24,452,584	24,610,229	73,397,532	76,906,721
Restricted	13,804,599	7,354,209	102,702	0	13,907,301	7,354,209
Unrestricted (Deficit)	(1,140,962)	1,244,417	30,574,704	29,120,681	29,433,742	30,365,098
Total net position	\$61,608,585	\$60,895,118	\$55,129,990	\$53,730,910	\$116,738,575	\$114,626,028

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, 2024***

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, 2024**

Unaudited

Changes in Net position – The following table shows the changes in net position for the fiscal year 2024 compared with 2023:

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for Services and Sales	\$2,407,127	\$1,417,118	\$27,644,780	\$26,534,043	\$30,051,907	\$27,951,161
Operating Grants and Contributions	1,167,025	974,089	0	0	1,167,025	974,089
Capital Grants and Contributions	276,450	5,000	10,000	523,116	286,450	528,116
Total Program Revenues	3,850,602	2,396,207	27,654,780	27,057,159	31,505,382	29,453,366
General revenues:						
Income Taxes	8,691,773	8,486,653	0	0	8,691,773	8,486,653
Property Taxes	605,567	587,782	0	0	605,567	587,782
Other Local Taxes	90,750	88,434	0	0	90,750	88,434
Unrestricted Shared Revenues	1,315,750	1,299,220	0	0	1,315,750	1,299,220
Investment Earnings	1,913,293	1,702,241	0	0	1,913,293	1,702,241
Miscellaneous	211,195	256,768	0	0	211,195	256,768
Total General Revenues	12,828,328	12,421,098	0	0	12,828,328	12,421,098
Total Revenues	16,678,930	14,817,305	27,654,780	27,057,159	44,333,710	41,874,464
Program Expenses						
Security of Persons and Property	8,144,584	6,499,238	0	0	8,144,584	6,499,238
Leisure Time Activities	1,337,654	1,437,710	0	0	1,337,654	1,437,710
Community Environment	552,736	896,151	0	0	552,736	896,151
Basic Utility Services	115,179	43,432	0	0	115,179	43,432
Transportation	2,957,504	2,835,914	0	0	2,957,504	2,835,914
General Government	2,593,749	2,190,258	0	0	2,593,749	2,190,258
Interest and Fiscal Charges	23,707	5,606	0	0	23,707	5,606
Electric	0	0	19,054,293	17,491,607	19,054,293	17,491,607
Water	0	0	3,680,069	4,551,882	3,680,069	4,551,882
Sewer	0	0	2,400,202	2,428,809	2,400,202	2,428,809
Refuse Collection	0	0	1,091,624	1,181,964	1,091,624	1,181,964
Total expenses	15,725,113	13,908,309	26,226,188	25,654,262	41,951,301	39,562,571
Total Change in Net Position	953,817	908,996	1,428,592	1,402,897	2,382,409	2,311,893
Beginning Net Position	60,654,768	59,986,122	53,701,398	52,328,013	114,356,166	112,314,135
Ending Net Position	\$61,608,585	\$60,895,118	\$55,129,990	\$53,730,910	\$116,738,575	\$114,626,028

**Management's Discussion and Analysis
For the Year Ended December 31, 2024****Unaudited**

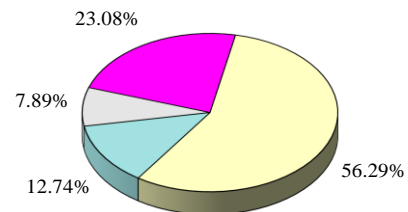
Governmental Activities

Net position of the City's governmental activities increased by \$953,817 or 1.6%. Restricted net position increased by \$6.45 million or 82.3% and unrestricted net position decreased by \$2.4 million or 191.6%.

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. 33.3% of the City's income tax received is designated for capital outlay. Income tax revenue was \$8,691,773 compared to \$8,486,653 in 2023, an increase of 2.4%. The City tracks income taxes received using three categories: employee payroll withholding, business net profit, and individual taxpayer paid local income tax. Payroll withholding and business net profit local income taxes were up when compared to 2023 collections. Individual taxpayer paid receipts were down from the prior period. Payroll withholding collections increased by 7.70%. Corporate net profit collections increased by 6.48%, and individual taxpayer collections decreased by 13.56%. The increase in payroll withholding tax is a positive indicator that employment and wage growth continue to improve in Tipp City.

Property taxes and income taxes made up 3.6% and 52.1% respectively of revenues for governmental activities for the City in fiscal year 2024. The City's reliance upon tax revenues is demonstrated by the following graph indicating 56.29% of total revenues comes from general tax revenues:

Revenue Sources	2024	Percent of Total
Unrestricted Shared Revenues	\$1,315,750	7.89%
Program Revenues	3,850,602	23.08%
General Tax Revenues	9,388,090	56.29%
General Other	2,124,488	12.74%
Total Revenue	<u>\$16,678,930</u>	<u>100.00%</u>

**Business-Type Activities**

Net position of the business-type activities increased \$1.4 million as described at the bottom of page 1 of this MD&A. The City made significant investments in capital assets in 2024 and realized positive growth of investments in joint ventures, both of which were offset in part by an increase in the net pension and OPEB liabilities through the State pension systems.

**Management's Discussion and Analysis
For the Year Ended December 31, 2024****Unaudited**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$15,371,395, which is a decrease from last year's balance of \$15,728,606. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2024 and 2023:

	Fund Balance December 31, 2024	Fund Balance December 31, 2023	Increase (Decrease)
General	\$6,832,295	\$8,963,094	(\$2,130,799)
Capital Improvement Reserve	3,353,585	4,705,388	(1,351,803)
Uptown Redevelopment	2,975,579	0	2,975,579
Other Governmental	2,209,936	2,060,124	149,812
Total	<u>\$15,371,395</u>	<u>\$15,728,606</u>	<u>(\$357,211)</u>

General Fund – The City's General Fund balance had a decrease of \$2.1 million in 2024. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2024 Revenues	2023 Revenues	Increase (Decrease)
Taxes	\$6,230,448	\$6,074,383	\$156,065
Intergovernmental Revenue	1,296,740	1,308,254	(11,514)
Charges for Services	1,281,640	617,493	664,147
Licenses, Permits and Fees	224,573	250,481	(25,908)
Investment Earnings	1,916,520	1,683,302	233,218
Special Assessments	7,825	0	7,825
Fines and Forfeitures	5,656	3,140	2,516
All Other Revenue	216,259	118,585	97,674
Total	<u>\$11,179,661</u>	<u>\$10,055,638</u>	<u>\$1,124,023</u>

The most significant increases are in charges for services and investment earnings. The increase in tax revenues is due to wage growth in the community as well as having a full-year of the voter approved realignment of a portion of the City's income tax from the Capital Improvement Fund to the General Fund. Effective January 1, 2023, the City's allocation of income tax revenues changed from 53% General Fund/47% Capital Improvement Fund to 66.67% General Fund/33.33% Capital Improvement Fund. This change was made as part of the plan to convert the all part-time/volunteer Fire/EMS Department to a combined department with full-time/part-time/volunteer staffing.

Investment earnings are up significantly due to the interest rate increases enacted by the Federal Reserve over the last 12-18 months. The City's investable balances have not changed significantly in recent years but the interest rate earned has increased from around 0% in 2023 to 4.5% by year-end 2024. This has increased interest earnings from an insignificant revenue category to a very significant source of revenue. The City is mindful though that interest rates may diminish as quickly as they were increased and will ensure we are not dependent on the current level of interest earnings in the future.

**Management's Discussion and Analysis
For the Year Ended December 31, 2024****Unaudited**

	2024 Expenditures	2023 Expenditures	Increase (Decrease)
Security of Persons and Property	\$7,062,017	\$5,298,064	\$1,763,953
Leisure Time Activities	683,446	641,935	41,511
Community Environment	544,402	905,951	(361,549)
Basic Utility Services	107,783	38,204	69,579
General Government	1,860,210	1,504,430	355,780
Capital Outlay	27,602	62,312	(34,710)
Total	<u>\$10,285,460</u>	<u>\$8,450,896</u>	<u>\$1,834,564</u>

Expenditures increased 21.7% led by the increases in security of persons and property. The increases are employment and wage related. The City is continuing a transition from an all-volunteer (paid per run) Fire Department with part-time EMS staffing to a combined full-time/part-time/volunteer Fire/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 2019 and a professional, full-time Assistant Chief in the fall of 2023. In August of 2023, the City hired four full-time Captains and in November of 2023 the City hired eight full-time firefighter/paramedics. Hiring full-time staffing, with the continued use of part-time employees to fill shifts, has essentially doubled coverage at the Fire Station from 2023. In addition to these full-time hires, City employees in the Fraternal Order of Police bargaining unit received a 5% wage increase and employees in the American Federation of State, County, and Municipal Employees union and members of the non-bargaining class received both a wage realignment increase (8%-12%) based on a wage comparison to similar sized neighboring communities as well as a 3% cost of living increase in 2024. The City's health insurance costs also increased approx. 3% 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 0.5% 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 decrease this year is due to completion of several large-dollar capital improvement projects.

Uptown Redevelopment Fund – This fund was created in 2024 for the accumulation of resources to purchase, renovate, and redevelop two dilapidated strip malls located at the entrance to the community. The general disrepair of these properties had long been a subject of concern for the City Council. The Uptown Redevelopment Fund issued \$4.5M in bond anticipation notes and received a \$3M transfer of cash from the General Fund to facilitate the purchase of property and for maintenance and repair while the City holds the property pending redevelopment.

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 2024 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.

**Management's Discussion and Analysis
For the Year Ended December 31, 2024****Unaudited**

Final General Fund budgeted revenues did not change from original budgeted figures. Actual revenues collected were \$240,782, 2% above budget. The City's original budgeted appropriations were increased during the year by \$4.5 million to arrive at a final figure of \$16 million. Total actual expenditures were \$14.9 million, \$1.1 million or 6.9% below the final budget. There were no significant savings from the original budget as in prior years, but the majority of the budgetary increase was due to appropriating funds for the purchase of property (purchase occurred in February, 2025). There was an \$300,000 increase in budgetary expenditures for the hiring of two school resource officers (67% of their salary and benefits is paid by the local School District) and a savings of \$350,000 from the original budget for economic development incentive funds not used in 2024.

CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital Assets**

At the end of fiscal 2024 the City had \$89,802,790 net of accumulated depreciation invested in land, construction in progress, buildings, improvements other than buildings, machinery and equipment and infrastructure. Of this total, \$54,053,231 was related to governmental activities and \$35,749,559 to the business-type activities. The following table shows fiscal year 2024 and 2023 balances:

	Governmental Activities		Increase (Decrease)
	2024	2023	
Land	\$14,275,563	\$14,275,563	\$0
Construction in Progress	619,226	1,676,604	(1,057,378)
Total Non-Depreciable Capital Assets	14,894,789	15,952,167	(1,057,378)
Buildings	11,793,238	9,513,300	2,279,938
Improvements Other Than Buildings	10,804,369	9,906,424	897,945
Machinery and Equipment	11,273,430	10,030,096	1,243,334
Infrastructure	46,027,927	45,637,077	390,850
Less: Accumulated Depreciation	(40,740,522)	(38,116,533)	(2,623,989)
Total Depreciable Capital Assets	39,158,442	36,970,364	2,188,078
Totals	\$54,053,231	\$52,922,531	\$1,130,700

	Business-Type Activities		Increase (Decrease)
	2024	2023	
Land	\$2,205,919	\$2,205,919	\$0
Construction in Progress	6,163,376	3,361,924	2,801,452
Total Non-Depreciable Capital Assets	8,369,295	5,567,843	2,801,452
Buildings	9,119,233	6,789,966	2,329,267
Improvements Other Than Buildings	45,077,069	43,458,928	1,618,141
Machinery and Equipment	4,553,595	3,941,706	611,889
Less: Accumulated Depreciation	(31,369,633)	(29,937,068)	(1,432,565)
Total Depreciable Capital Assets	27,380,264	24,253,532	3,126,732
Totals	\$35,749,559	\$29,821,375	\$5,928,184

**Management's Discussion and Analysis
For the Year Ended December 31, 2024****Unaudited**

Capital assets, net of depreciation, in governmental activities increased \$1.1 million (2.1%) in 2024. The City continued to invest in capital assets as evidenced by the increase in virtually all categories.

Capital assets, net of depreciation, for the business- type activities had an increase of \$5.9 million (19.9%). The City is working on several significant capital improvement projects including construction of a fourth electric substation and an industrial sanitary sewer expansion project. These projects are reflected in the significant increase in construction in progress but the total increase was muted by the significant increase in Accumulated Depreciation (\$1.5M)

As of December 31, 2024, the City has contractual commitments of \$7.4 million for various improvements. Additional information on the City's capital assets can be found in Note 11.

Debt

At December 31, 2024, the City had \$6.8 million in bonds outstanding, \$245,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2024 and 2023:

	2024	2023
Governmental Activities:		
Special Assessment Bonds	\$0	\$65,000
OPWC Loan	512,857	561,039
Compensated Absences	1,263,442	864,918
Total Governmental Activities	1,776,299	1,490,957
Business-Type Activities:		
General Obligation Bonds	\$6,775,138	\$7,063,676
OPWC Loans	1,972,310	2,130,208
OWDA Loans	1,944,857	0
Compensated Absences	607,563	510,421
Total Business-Type Activities	11,299,868	9,704,305
Totals	\$13,076,167	\$11,195,262

During 2024, the City issue \$4.5 million in general obligation notes for the Uptown Redevelopment Fund. Detail on the 2024 general obligation note(s) activity can be found in Note 15.

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, 2024, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 16.

ECONOMIC FACTORS

Tipp City's future remains bright. Income tax receipts, the largest single source of general operating revenues, remained strong again in 2024 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 2011-2024 and renewed for 2024-2031). This has, and will continue to, enable the City to complete much needed infrastructure improvement projects.

The 2025 operating budget reflects the conservatism of the City while continuing the transition from a volunteer fire department to a department with paid staffing 24 hours a day/7 days per week. This transition had been discussed for a number of years, but the plan finally came to fruition in 2023 and 2024 with the hiring of twelve full-time employees. The City plans to add four additional full-time Fire/EMS employees in 2025 which will complete the original staffing plan for the department. The City expects continued increases in income and property tax revenues with other revenue sources remaining consistent with 2024 receipts.

The 2025 appropriation budget for the general fund totals \$13.3 million which is an increase of approximately \$2M from the original 2024 appropriations. The 2025 budget includes: four additional Fire/EMS employees; City staffing at full-strength in all departments including filling a City Inspector position which has been vacant since 2019. It also includes \$100,000 to be used for economic development incentives; and a transfer of \$450,000 to the Uptown Redevelopment fund to facilitate the purchase of property and debt service related to the bond anticipation notes issued in 2024. This budget also includes negotiated wage increases of 5% for both bargaining units as well as non-bargaining employees and a projected 5% increase in health care premiums.

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, 2024**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$ 19,309,070	\$ 20,470,929	\$ 39,779,999
Cash and Cash Equivalents with Fiscal Agent	112,144	93,060	205,204
Receivables:			
Taxes	2,599,863	0	2,599,863
Accounts	335,795	2,594,635	2,930,430
Intergovernmental	1,022,118	1,198,826	2,220,944
Interest	46,240	0	46,240
Special Assessments	0	2,375	2,375
Lease	72,307	0	72,307
Internal Balances	592,766	(592,766)	0
Inventory of Supplies at Cost	175,862	642,428	818,290
Prepaid Items	80,193	64,376	144,569
Net OPEB Asset	103,699	102,702	206,401
Restricted Assets:			
Cash and Cash Equivalents	0	384,762	384,762
Investment in Joint Venture	0	10,763,453	10,763,453
Non-Depreciable Capital Assets	14,894,789	8,369,295	23,264,084
Depreciable Capital Assets, Net	39,158,442	27,380,264	66,538,706
Total Assets	78,503,288	71,474,339	149,977,627
Deferred Outflows of Resources:			
Pension	4,389,470	970,540	5,360,010
OPEB	549,966	88,118	638,084
Total Deferred Outflows of Resources	4,939,436	1,058,658	5,998,094
Liabilities:			
Accounts Payable	459,562	2,053,476	2,513,038
Accrued Wages and Benefits Payable	392,668	128,724	521,392
Intergovernmental Payable	15,244	4,873	20,117
Retainage Payable	0	135,357	135,357
Due to Others	79,136	0	79,136
Refundable Deposits	0	384,762	384,762
Unearned Revenue	839,516	0	839,516
Accrued Interest Payable	24,272	19,550	43,822
General Obligation Notes Payable	4,500,000	0	4,500,000
Noncurrent liabilities:			
Due within one year	605,152	670,601	1,275,753
Due in more than one year:			
Net Pension Liability	11,408,868	3,063,411	14,472,279
Net OPEB Liability	628,435	0	628,435
Other Amounts Due in More Than One Year	1,171,147	10,629,267	11,800,414
Total Liabilities	20,124,000	17,090,021	37,214,021

(Continued)

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Deferred Revenue	0	57,335	57,335
Future Lease Revenues	72,307	0	72,307
Property Tax Levy for Next Fiscal Year	523,734	0	523,734
Pension	530,170	196,888	727,058
OPEB	583,928	58,763	642,691
Total Deferred Inflows of Resources	1,710,139	312,986	2,023,125
Net Position:			
Net Investment in Capital Assets	48,944,948	24,452,584	73,397,532
Restricted For:			
Capital Projects	11,334,605	0	11,334,605
Debt Service	33,966	0	33,966
Transportation	2,163,528	0	2,163,528
Security of Persons	168,801	0	168,801
OPEB Asset	103,699	102,702	206,401
Unrestricted	(1,140,962)	30,574,704	29,433,742
Total Net Position	\$ 61,608,585	\$ 55,129,990	\$ 116,738,575

See accompanying notes to the basic financial statements

CITY OF TIPP CITY, OHIO**Statement of Activities
For the Year Ended December 31, 2024**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 8,144,584	\$ 1,521,980	\$ 0	\$ 66,348
Leisure Time Activities	1,337,654	464,049	0	19,352
Community Environment	552,736	249,218	0	0
Basic Utility Services	115,179	158,301	0	0
Transportation	2,957,504	13,579	948,211	135,460
General Government	2,593,749	0	218,814	55,290
Interest and Fiscal Charges	23,707	0	0	0
Total Governmental Activities	15,725,113	2,407,127	1,167,025	276,450
Business-Type Activities:				
Electric	19,054,293	18,241,480	0	0
Water	3,680,069	5,048,122	0	10,000
Sewer	2,400,202	3,107,410	0	0
Refuse Collection	1,091,624	1,247,768	0	0
Total Business-Type Activities	26,226,188	27,644,780	0	10,000
Totals	\$ 41,951,301	\$ 30,051,907	\$ 1,167,025	\$ 286,450

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 Previously Reported

Change in Accounting Principle (GASB Statement 101)

Net Position Beginning of Year, As Restated

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
\$ (6,556,256)	\$ 0	\$ (6,556,256)
(854,253)	0	(854,253)
(303,518)	0	(303,518)
43,122	0	43,122
(1,860,254)	0	(1,860,254)
(2,319,645)	0	(2,319,645)
(23,707)	0	(23,707)
(11,874,511)	0	(11,874,511)
0	(812,813)	(812,813)
0	1,378,053	1,378,053
0	707,208	707,208
0	156,144	156,144
0	1,428,592	1,428,592
(11,874,511)	1,428,592	(10,445,919)
8,691,773	0	8,691,773
605,567	0	605,567
90,750	0	90,750
1,315,750	0	1,315,750
1,913,293	0	1,913,293
211,195	0	211,195
12,828,328	0	12,828,328
953,817	1,428,592	2,382,409
60,895,118	53,730,910	114,626,028
(240,350)	(29,512)	(269,862)
60,654,768	53,701,398	114,356,166
\$ 61,608,585	\$ 55,129,990	\$ 116,738,575

CITY OF TIPP CITY, OHIO**Balance Sheet
Governmental Funds
December 31, 2024**

	General	American Rescue Plan	Capital Improvement Reserve
Assets:			
Equity in Pooled Cash and Investments	\$ 5,853,669	\$ 839,516	\$ 3,138,836
Cash and Cash Equivalents with Fiscal Agent	98,703	0	0
Receivables:			
Taxes	1,910,617	0	689,246
Accounts	259,381	0	0
Intergovernmental	545,106	0	0
Interest	46,240	0	0
Lease	72,307	0	0
Due from Other Funds	92,766	0	0
Interfund Loans Receivable	500,000	0	0
Inventory of Supplies, at Cost	93,157	0	0
Prepaid Items	71,393	0	7,340
Total Assets	\$ 9,543,339	\$ 839,516	\$ 3,835,422
Liabilities:			
Accounts Payable	\$ 357,011	\$ 0	\$ 95,426
Accrued Wages and Benefits Payable	370,342	0	0
Intergovernmental Payable	14,498	0	0
Due to Others	79,136	0	0
Unearned Revenue	0	839,516	0
Accrued Interest Payable	0	0	0
General Obligation Notes Payable	0	0	0
Total Liabilities	820,987	839,516	95,426
Deferred Inflows of Resources:			
Unavailable Amounts	1,294,016	0	386,411
Future Lease Revenues	72,307	0	0
Property Tax Levy for Next Fiscal Year	523,734	0	0
Total Deferred Inflows of Resources	1,890,057	0	386,411
Fund Balances:			
Nonspendable	164,550	0	7,340
Restricted	0	0	3,346,245
Committed	0	0	0
Assigned	135,169	0	0
Unassigned	6,532,576	0	0
Total Fund Balances	6,832,295	0	3,353,585
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,543,339	\$ 839,516	\$ 3,835,422

See accompanying notes to the basic financial statements

CITY OF TIPP CITY, OHIO

<u>Uptown Redevelopment</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 7,499,851	\$ 1,977,198	\$ 19,309,070
0	13,441	112,144
0	0	2,599,863
0	76,414	335,795
0	477,012	1,022,118
0	0	46,240
0	0	72,307
0	0	92,766
0	0	500,000
0	82,705	175,862
0	1,460	80,193
<u>\$ 7,499,851</u>	<u>\$ 2,628,230</u>	<u>\$ 24,346,358</u>
\$ 0	\$ 7,125	\$ 459,562
0	22,326	392,668
0	746	15,244
0	0	79,136
0	0	839,516
24,272	0	24,272
4,500,000	0	4,500,000
<u>4,524,272</u>	<u>30,197</u>	<u>6,310,398</u>
0	388,097	2,068,524
0	0	72,307
0	0	523,734
<u>0</u>	<u>388,097</u>	<u>2,664,565</u>
0	84,165	256,055
2,975,579	2,101,338	8,423,162
0	24,433	24,433
0	0	135,169
0	0	6,532,576
<u>2,975,579</u>	<u>2,209,936</u>	<u>15,371,395</u>
<u>\$ 7,499,851</u>	<u>\$ 2,628,230</u>	<u>\$ 24,346,358</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2024***

Total Governmental Fund Balances	\$ 15,371,395
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*Amounts reported for governmental activities in the
statement of net position are different because*

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	54,053,231
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Other long-term assets are not available to pay for current- period expenditures and therefore are reported as deferred inflows in the funds.	2,068,524
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The net pension and OPEB asset/liability are not due and payable in the current period; therefore, the liability and related deferred inflows & outflows are not reported in governmental funds.	(8,108,266)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,776,299)</u>
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<i>Net Position of Governmental Funds</i>	<u><u>\$ 61,608,585</u></u>
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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, 2024**

	General	American Rescue Plan	Capital Improvement Reserve
Revenues:			
Taxes	\$ 6,230,448	\$ 0	\$ 2,815,122
Intergovernmental Revenues	1,296,740	218,814	276,450
Charges for Services	1,281,640	0	0
Licenses, Permits and Fees	224,573	0	0
Investment Earnings	1,916,520	0	0
Special Assessments	7,825	0	15,467
Fines and Forfeitures	5,656	0	0
All Other Revenue	216,259	0	414
Total Revenue	11,179,661	218,814	3,107,453
Expenditures:			
Current:			
Security of Persons and Property	7,062,017	0	0
Leisure Time Activities	683,446	0	0
Community Environment	544,402	0	0
Basic Utility Services	107,783	0	0
Transportation	0	0	0
General Government	1,860,210	0	101,308
Capital Outlay	27,602	218,814	4,318,771
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	10,285,460	218,814	4,420,079
Excess (Deficiency) of Revenues Over Expenditures	894,201	0	(1,312,626)
Other Financing Sources (Uses):			
Proceeds from the Sale of Capital Assets	0	0	4,000
Transfers In	0	0	0
Transfers Out	(3,025,000)	0	(43,177)
Total Other Financing Sources (Uses)	(3,025,000)	0	(39,177)
Net Change in Fund Balances	(2,130,799)	0	(1,351,803)
Fund Balances at Beginning of Year	8,963,094	0	4,705,388
Fund Balances End of Year	\$ 6,832,295	\$ 0	\$ 3,353,585

See accompanying notes to the basic financial statements

CITY OF TIPP CITY, OHIO

<u>Uptown Redevelopment</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 0	\$ 92,315	\$ 9,137,885
0	948,514	2,740,518
0	401,819	1,683,459
0	0	224,573
0	0	1,916,520
0	73,653	96,945
0	800	6,456
0	121,129	337,802
<u>0</u>	<u>1,638,230</u>	<u>16,144,158</u>
0	1,000	7,063,017
0	423,975	1,107,421
0	0	544,402
0	0	107,783
0	886,036	886,036
3,395	3,507	1,968,420
0	125,970	4,691,157
0	113,182	113,182
21,026	2,925	23,951
<u>24,421</u>	<u>1,556,595</u>	<u>16,505,369</u>
(24,421)	81,635	(361,211)
0	0	4,000
3,000,000	68,177	3,068,177
0	0	(3,068,177)
<u>3,000,000</u>	<u>68,177</u>	<u>4,000</u>
2,975,579	149,812	(357,211)
0	2,060,124	15,728,606
<u>\$ 2,975,579</u>	<u>\$ 2,209,936</u>	<u>\$ 15,371,395</u>

CITY OF TIPP CITY, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Year Ended December 31, 2024***

Net Change in Fund Balances - Total Governmental Funds \$ (357,211)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation. 1,135,576

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals) is to decrease net position. (4,876)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 534,772

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,106,654

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. (1,416,350)

The repayment of principal of long-term debt consumes current financial resources of governmental funds, however, it does not effect net position. 113,182

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 244

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. (158,174)

Change in Net Position of Governmental Activities \$ 953,817

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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 7,119,786	\$ 7,119,786	\$ 6,590,911	\$ (528,875)
Intergovernmental Revenue	1,354,448	1,354,448	1,414,217	59,769
Charges for Services	1,835,859	1,835,859	1,856,398	20,539
Licenses and Permits	204,677	204,677	247,505	42,828
Investment Earnings	1,250,000	1,250,000	1,865,670	615,670
Special Assessments	0	0	7,825	7,825
Fines and Forfeitures	3,725	3,725	5,816	2,091
All Other Revenues	145,600	145,600	166,535	20,935
Total Revenues	11,914,095	11,914,095	12,154,877	240,782
Expenditures:				
Current:				
Security of Persons and Property	6,652,678	7,043,208	7,047,295	(4,087)
Leisure Time Activities	637,055	722,055	686,320	35,735
Community Environment	889,041	889,041	551,655	337,386
Basic Utility Services	471,113	488,113	446,964	41,149
General Government	2,240,258	2,754,558	2,606,066	148,492
Capital Outlay	62,725	62,395	40,483	21,912
Total Expenditures	10,952,870	11,959,370	11,378,783	580,587
Excess (Deficiency) of Revenues Over (Under) Expenditures	961,225	(45,275)	776,094	821,369
Other Financing Sources (Uses):				
Transfers Out	(575,000)	(3,555,000)	(3,025,000)	530,000
Advances In	500,000	500,000	500,000	0
Advances Out	0	(500,000)	(500,000)	0
Total Other Financing Sources (Uses):	(75,000)	(3,555,000)	(3,025,000)	530,000
Net Change in Fund Balance	886,225	(3,600,275)	(2,248,906)	1,351,369
Fund Balance at Beginning of Year	7,429,085	7,429,085	7,429,085	0
Prior Year Encumbrances	149,287	149,287	149,287	0
Fund Balance at End of Year	\$ 8,464,597	\$ 3,978,097	\$ 5,329,466	\$ 1,351,369

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)
Special Revenue Fund - American Rescue Plan Fund
For the Year Ended December 31, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay	0	0	1,058,330	(1,058,330)
Total Expenditures	0	0	1,058,330	(1,058,330)
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(1,058,330)	(1,058,330)
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	1,058,330	1,058,330	1,058,330	0
Fund Balance at End of Year	<u>\$ 1,058,330</u>	<u>\$ 1,058,330</u>	<u>\$ 0</u>	<u>\$ (1,058,330)</u>

See accompanying notes to the basic financial statements



CITY OF TIPP CITY, OHIO**Statement of Fund Net Position
Proprietary Funds
December 31, 2024**

	Business-Type Activities		
	Enterprise Funds		
	Electric	Water	Sewer
Assets:			
Current assets:			
Equity in Pooled Cash and Investments	\$ 18,195,910	\$ 1,877,448	\$ 310,241
Cash and Cash Equivalents with Fiscal Agent	62,033	20,685	10,342
Receivables:			
Accounts	1,927,324	398,815	268,496
Intergovernmental	0	77,673	1,121,153
Special Assessments	0	0	2,375
Inventory of Supplies at Cost	413,569	208,822	20,037
Prepaid Items	7,203	43,992	12,708
Restricted Assets:			
Cash and Cash Equivalents	384,762	0	0
Total current assets	20,990,801	2,627,435	1,745,352
Noncurrent assets:			
Investment in Joint Venture	0	2,394,067	8,369,386
Net OPEB Asset	56,355	32,103	14,244
Capital assets:			
Non-Depreciable Capital Assets	3,039,357	2,495,876	2,834,062
Depreciable Capital Assets, net	7,507,642	11,896,126	7,976,496
Total capital assets	10,546,999	14,392,002	10,810,558
Total noncurrent assets	10,603,354	16,818,172	19,194,188
Total assets	31,594,155	19,445,607	20,939,540
Deferred Outflows of Resources:			
Pension	532,564	303,370	134,606
OPEB	48,352	27,545	12,221
Total Deferred Outflows of Resources	580,916	330,915	146,827

CITY OF TIPP CITY, OHIO

<u>Refuse Collection</u>	<u>Total</u>
\$ 87,330	\$ 20,470,929
0	93,060
0	2,594,635
0	1,198,826
0	2,375
0	642,428
473	64,376
0	384,762
<u>87,803</u>	<u>25,451,391</u>
0	10,763,453
0	102,702
0	8,369,295
<u>0</u>	<u>27,380,264</u>
<u>0</u>	<u>35,749,559</u>
<u>0</u>	<u>46,615,714</u>
<u>87,803</u>	<u>72,067,105</u>
0	970,540
<u>0</u>	<u>88,118</u>
<u>0</u>	<u>1,058,658</u>

(Continued)

CITY OF TIPP CITY, OHIO

**Statement of Fund Net Position
Proprietary Funds
December 31, 2024**

	Business-Type Activities		
	Enterprise Funds		
	Electric	Water	Sewer
Liabilities:			
Current liabilities:			
Accounts Payable	1,722,845	7,798	322,833
Accrued Wages and Benefits Payable	66,306	42,801	19,617
Intergovernmental Payable	2,707	1,506	660
Retainage Payable	0	0	135,357
Refundable Deposits	384,762	0	0
Due to Other Funds	87,560	0	0
Interfund Loans Payable	0	0	500,000
Accrued Interest Payable	19,550	0	0
General Obligation Bonds Payable - Current	245,000	0	0
OPWC Loans Payable - Current	0	148,122	9,776
Compensated Absences Payable - Current	131,708	94,197	41,798
Total Current Liabilities	2,660,438	294,424	1,030,041
Noncurrent Liabilities:			
General Obligation Bonds Payable	6,530,138	0	0
OWDA Loans Payable	0	0	1,944,857
OPWC Loans Payable	0	1,740,474	73,938
Compensated Absences Payable	150,466	129,435	59,959
Net Pension Liability	1,680,986	957,562	424,863
Total noncurrent liabilities	8,361,590	2,827,471	2,503,617
Total Liabilities	11,022,028	3,121,895	3,533,658
Deferred Inflows of Resources:			
Deferred Revenue	0	0	0
Pension	108,039	61,543	27,306
OPEB	32,246	18,368	8,149
Total Deferred Inflows of Resources	140,285	79,911	35,455
Net Position:			
Net Investment in Capital Assets	3,316,618	12,496,371	8,639,595
Restricted for OPEB Asset	56,355	32,103	14,244
Unrestricted	17,639,785	4,046,242	8,863,415
Total Net Position	\$ 21,012,758	\$ 16,574,716	\$ 17,517,254

See accompanying notes to the basic financial statements

CITY OF TIPP CITY, OHIO

<u>Refuse Collection</u>	<u>Total</u>
0	2,053,476
0	128,724
0	4,873
0	135,357
0	384,762
5,206	92,766
0	500,000
0	19,550
0	245,000
0	157,898
0	267,703
<u>5,206</u>	<u>3,990,109</u>
0	6,530,138
0	1,944,857
0	1,814,412
0	339,860
0	3,063,411
<u>0</u>	<u>13,692,678</u>
<u>5,206</u>	<u>17,682,787</u>
57,335	57,335
0	196,888
0	58,763
<u>57,335</u>	<u>312,986</u>
0	24,452,584
0	102,702
25,262	30,574,704
<u>\$ 25,262</u>	<u>\$ 55,129,990</u>

CITY OF TIPP CITY, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2024**

	Business-type activities - Enterprise Funds		
	Electric	Water	Sewer
Operating Revenues:			
Charges for Services	\$ 17,912,381	\$ 4,860,095	\$ 2,512,603
Other Operating Revenues	329,099	26,140	13,192
Total Operating Revenues	18,241,480	4,886,235	2,525,795
Operating Expenses:			
Personal Services	1,731,704	1,028,123	444,638
Contractual Services	15,867,408	1,914,206	1,450,793
Materials and Supplies	668,726	29,114	50,644
Utilities	9,307	26,688	24,107
Depreciation	486,561	677,514	407,417
Other Operating Expenses	7,062	4,424	1,648
Total Operating Expenses	18,770,768	3,680,069	2,379,247
Operating Income (Loss)	(529,288)	1,206,166	146,548
Non-Operating Revenue (Expenses):			
Income (Loss) from Joint Venture	0	161,887	581,615
Loss on Disposal of Capital Assets	(93,846)	0	0
Interest and Fiscal Charges	(189,679)	0	(20,955)
Total Non-Operating Revenues (Expenses)	(283,525)	161,887	560,660
Income (Loss) Before Contributions and Transfers	(812,813)	1,368,053	707,208
Capital Contributions	0	10,000	0
Change in Net Position	(812,813)	1,378,053	707,208
Net Position Previously Reported	21,759,985	15,271,116	16,830,691
Change in Accounting Principle (GASB Statement 101)	65,586	(74,553)	(20,645)
Net Position Beginning of Year, As Restated	21,825,571	15,196,663	16,810,046
Net Position End of Year	\$ 21,012,758	\$ 16,574,716	\$ 17,517,254

See accompanying notes to the basic financial statements

CITY OF TIPP CITY, OHIO

<u>Refuse Collection</u>	<u>Total Enterprise Funds</u>
\$ 1,247,768	\$ 26,532,847
0	368,431
<u>1,247,768</u>	<u>26,901,278</u>
0	3,204,465
1,091,624	20,324,031
0	748,484
0	60,102
0	1,571,492
0	13,134
<u>1,091,624</u>	<u>25,921,708</u>
156,144	979,570
0	743,502
0	(93,846)
0	(210,634)
<u>0</u>	<u>439,022</u>
156,144	1,418,592
<u>0</u>	<u>10,000</u>
156,144	1,428,592
(130,882)	53,730,910
0	(29,612)
(130,882)	53,701,398
<u>\$ 25,262</u>	<u>\$ 55,129,990</u>

CITY OF TIPP CITY, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024**

	Business-type activities - Enterprise Funds		
	Electric	Water	Sewer
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$18,009,887	\$4,976,776	\$2,489,426
Cash Payments for Goods and Services	(16,328,219)	(2,077,573)	(1,211,866)
Cash Payments to Employees	(1,714,030)	(1,042,111)	(443,504)
Other Operating Revenues	271,110	17,670	9,327
Net Cash Provided by Operating Activities	238,748	1,874,762	843,383
<u>Cash Flows from Noncapital Financing Activities:</u>			
Advances In From Other Funds	0	0	500,000
Advances Out to Other Funds	0	0	(500,000)
Net Cash Provided for Noncapital Financing Activities	0	0	0
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(2,564,692)	(1,978,716)	(3,074,116)
New OWDA Loan	0	0	802,749
Principal Paid on General Obligation Bonds	(235,000)	0	0
Principal Paid on OPWC Loan	0	(148,122)	(9,776)
Receipt of Intergovernmental Grant	0	10,000	0
Interest Paid on Capital Debt	(244,000)	0	0
Net Cash (Used) for Capital and Related Financing Activities	(3,043,692)	(2,116,838)	(2,281,143)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,804,944)	(242,076)	(1,437,760)
Cash and Cash Equivalents at Beginning of Year	21,447,649	2,140,209	1,758,343
Cash and Cash Equivalents at End of Year	\$18,642,705	\$1,898,133	\$320,583
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$18,195,910	\$1,877,448	\$310,241
Cash and Cash Equivalents with Fiscal Agent	62,033	20,685	10,342
Restricted Cash and Cash Equivalents	384,762	0	0
Cash and Cash Equivalents at End of Year	\$18,642,705	\$1,898,133	\$320,583

CITY OF TIPP CITY, OHIO

Refuse Collection	Total
\$1,233,512	\$26,709,601
(1,180,956)	(20,798,614)
0	(3,199,645)
0	298,107
52,556	3,009,449

0	500,000
0	(500,000)

0	0
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0	(7,617,524)
0	802,749
0	(235,000)
0	(157,898)
0	10,000
0	(244,000)

0	(7,441,673)
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52,556	(4,432,224)
34,774	25,380,975
\$87,330	\$20,948,751

\$87,330	\$20,470,929
0	93,060
0	384,762
\$87,330	\$20,948,751

(Continued)

CITY OF TIPP CITY, OHIO

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2024

	Business-type activities - Enterprise Funds		
	Electric	Water	Sewer
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income (Loss)	(\$529,288)	\$1,206,166	\$146,548
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided by Operating Activities:			
Depreciation Expense	486,561	677,514	407,417
Adjustments to Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	48,405	23,227	(27,682)
Decrease in Intergovernmental Receivable	0	84,984	0
Decrease in Special Assessments Receivable	2,541	0	640
(Increase) Decrease in Inventory	17,765	(65,033)	289
(Increase) Decrease in Prepaid Items	3,445	(37,627)	652
Decrease in Deferred Outflows - Pension	332,026	205,953	87,352
Decrease in Deferred Outflows - OPEB	86,258	51,749	22,351
(Increase) in Net OPEB Asset	(56,355)	(32,103)	(14,244)
Increase (Decrease) in Accounts Payable	201,178	174	314,648
Increase in Accrued Wages and Benefits	18,821	12,232	6,470
Increase in Due to Other Funds	6,142	0	0
(Decrease) in Deferred Revenue	0	0	0
Increase in Intergovernmental Payable	1,577	849	369
(Decrease) in Customer Deposits Payable	(11,573)	0	0
Increase in Compensated Absences	36,663	20,832	10,135
Increase in Deferred Inflows - Pension	108,039	61,543	27,306
Increase in Deferred Inflows - OPEB	17,262	9,542	4,302
(Decrease) in Net Pension Liability	(485,284)	(318,477)	(131,501)
(Decrease) in Net OPEB Liability	(45,435)	(26,763)	(11,669)
Total Adjustments	768,036	668,596	696,835
Net Cash Provided by Operating Activities	\$238,748	\$1,874,762	\$843,383

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2024 the Electric, Water and Sewer Funds had outstanding liabilities for capital assets of \$455,243, \$7,035 and \$142,392, respectively.

See accompanying notes to the basic financial statements

CITY OF TIPP CITY, OHIO

<u>Refuse Collection</u>	<u>Total</u>
\$156,144	\$979,570
0	1,571,492
0	43,950
0	84,984
0	3,181
0	(46,979)
(23)	(33,553)
0	625,331
0	160,358
0	(102,702)
(89,579)	426,421
0	37,523
270	6,412
(14,256)	(14,256)
0	2,795
0	(11,573)
0	67,630
0	196,888
0	31,106
0	(935,262)
0	(83,867)
<u>(103,588)</u>	<u>2,029,879</u>
<u>\$52,556</u>	<u>\$3,009,449</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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, 2024 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, 2024***

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.

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.

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

Uptown Redevelopment Fund – This fund is used to account for financial resources used for the uptown redevelopment project.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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, 2024***

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, 2024***

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, 2024***

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, 2024 but which are not intended to finance 2024 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 custodial 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 custodial 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, 2024***

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 2024.

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 2024, 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, 2024***

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 and Major Special Revenue Fund:

	<u>Net Change in Fund Balance</u>	
	<u>General Fund</u>	<u>American Rescue Plan Fund</u>
GAAP Basis (as reported)	(\$2,130,799)	\$0
Increase (Decrease):		
Accrued Revenues at December 31, 2024 received during 2025	(2,001,176)	0
Accrued Revenues at December 31, 2023 received during 2024	1,785,084	0
Accrued Expenditures at December 31, 2024 paid during 2025	820,987	839,516
Accrued Expenditures at December 31, 2023 paid during 2024	(615,300)	(1,058,330)
2023 Prepays for 2024	98,077	0
2024 Prepays for 2025	(71,393)	0
Change in Inventory	23,404	0
Outstanding Encumbrances	(157,790)	(839,516)
Budget Basis	<u>(\$2,248,906)</u>	<u>(\$1,058,330)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During fiscal year 2024, 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 2024, 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, 2024***

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, 2024, 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, 2024***

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	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, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Compensated Absences

GASB Statement No. 101, “*Compensated Absences*”, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. GASB Statement No. 101 establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. In addition, certain salary related payments that are directly and incrementally associated with the payments for leave should be included in the measurement of the liability. Accrued vacation and sick leave are accumulated to City employees at varying amounts and are attributable to services already rendered. At the time of the employee’s termination, such accruals are paid to the employee at varying rates from the fund to which the employee’s payroll is charged.

For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. For governmental funds, the portion of unpaid compensated absences expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account “Compensated Absences Payable.” In the government wide statement of net position, “Compensated Absences Payable” is recorded within the “Due within one year” account and the long-term portion of the liability is recorded within the “Due in more than one year” account.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Fund Balance (Continued)

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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 net 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 assets 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.

In addition to liabilities, the statement of net 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 assets 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For 2024 the City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, “Accounting Changes and Error Corrections” and Statement No. 101, “Compensated Absences.”

GASB Statement No. 100 addresses accounting and financial reporting requirements for accounting changes and error corrections.

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences.

The implementation of GASB Statement 101 had the following effect on net position as reported December 31, 2023:

	Governmental Activities	Business-Type Activities	Electric Fund
Net Position at December 31, 2023, as Reported	\$60,895,118	\$53,730,910	\$21,759,985
Adjustments:			
Change in Compensated Absences	(240,350)	(29,512)	65,586
Net Position at December 31, 2023, as Restated	<u>\$60,654,768</u>	<u>\$53,701,398</u>	<u>\$21,825,571</u>
	Water Fund	Sewer Fund	
Net Position at December 31, 2023, as Reported	\$15,271,116	\$16,830,691	
Adjustments:			
Change in Compensated Absences	(74,553)	(20,645)	
Net Position at December 31, 2023, as Restated	<u>\$15,196,563</u>	<u>\$16,810,046</u>	

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

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:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Capital Improvement Reserve Fund</u>	<u>Uptown Redevelopment Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Prepaid Items	\$71,393	\$7,340	\$0	\$1,460	\$80,193
Supplies Inventory	93,157	0	0	82,705	175,862
Total Nonspendable	164,550	7,340	0	84,165	256,055
Restricted:					
Transportation Projects	0	0	0	1,849,647	1,849,647
Police Activities	0	0	0	98,695	98,695
Debt Retirement	0	0	0	33,966	33,966
Capital Improvements	0	3,346,245	2,975,579	119,030	6,440,854
Total Restricted	0	3,346,245	2,975,579	2,101,338	8,423,162
Committed:					
Swimming Pool	0	0	0	24,088	24,088
Police Activities	0	0	0	345	345
Total Committed	0	0	0	24,433	24,433
Assigned:					
Services and Supplies	135,169	0	0	0	135,169
Total Assigned	135,169	0	0	0	135,169
Unassigned:	6,532,576	0	0	0	6,532,576
Total Fund Balances	<u>\$6,832,295</u>	<u>\$3,353,585</u>	<u>\$2,975,579</u>	<u>\$2,209,936</u>	<u>\$15,371,395</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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	\$1,159,351
Delinquent Property Tax Revenue	1,760
Shared Revenues	499,166
Interest Revenue	33,548
All Other Revenue	70,106
Deferred Charges for Services	304,593
	<hr/>
	\$2,068,524

Long-Term liabilities not reported in the funds:

OPWC Loan Payable	\$512,857
Compensated Absences Payable	1,263,442
	<hr/>
	\$1,776,299

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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 capital outlay exceeded depreciation in the current period:

Capital Outlay	\$3,895,478
Depreciation Expense	(2,759,902)
	<u>\$1,135,576</u>

Governmental revenues not reported in the funds:

Increase in Deferred/Delinquent Tax Revenue	\$248,445
Increase in Delinquent Property Tax	1,760
Increase in All Other Revenue	70,106
Increase in Shared Revenue	18,707
Decrease in Special Assessment Revenue	(82,726)
Decrease in Interest Revenue	(3,227)
Increase in Deferred Charges for Services	281,707
	<u>\$534,772</u>

Contractually required contributions reported as deferred outflows:

Pension	\$1,087,722
OPEB	18,932
	<u>\$1,106,654</u>

Pension and OPEB expense:

Pension	(\$1,333,158)
OPEB	(83,192)
	<u>(\$1,416,350)</u>

Amount of principal payments:

Special Assessment Bond Principal Payment	\$65,000
OPWC Loan Principal Payment	48,182
	<u>\$113,182</u>

NOTE 5 – CASH WITH FISCAL AGENT

The City had \$205,204 in Cash with Fiscal Agent on deposit with the Miami Valley Risk Management Association (MVRMA). MVRMA credits back premiums and deductibles for given loss years upon their closure. The balance represents Tipp City's share of these credits. The City can withdrawal the amounts or use them to pay future premiums, at the City's discretion.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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, 2024***

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 \$1,578,893 and the bank balance was \$1,466,848. Federal depository insurance covered \$250,000 of the bank balance and \$1,216,848 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, 2024**

NOTE 6- CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**B. Investments**

The City's investments at December 31, 2024 were as follows:

	Fair Value	Credit Rating	Concentration of Credit Risk	Investment Maturities (in Years)	
				less than 1	1-3
STAR Ohio	\$33,592,840	AAAm	87.06%	\$33,592,840	\$0
FHLB	4,498,116	AA ⁺	11.66%	497,795	4,000,321
US Treasury Notes	494,912	N/A	1.28%	494,912	0
Total Investments	<u>\$38,585,868</u>		<u>100.00%</u>	<u>\$34,585,547</u>	<u>\$4,000,321</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.

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, 2024***

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 2024 were levied after October 1, 2023 on assessed values as of January 1, 2023, 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 2024. 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, 2024 was \$1.40 per \$1,000 of assessed value. The assessed value upon which the 2024 levy was based was \$416,476,680. This amount constitutes \$404,355,510 in real property assessed value and \$12,121,170 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 2024 was \$8,691,773. This represents a 2.4% increase from 2023 income tax revenue of \$8,486,653.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 8 - RECEIVABLES

Receivables at December 31, 2024 consisted of taxes, special assessments, interfund receivables, interest, accounts receivable, lease 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 2024:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$0	\$3,025,000
Capital Improvement Reserve Fund	0	43,177
Uptown Redevelopment Fund	3,000,000	0
Other Governmental Funds	68,177	0
Totals	<u>\$3,068,177</u>	<u>\$3,068,177</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. In 2024, the Capital Improvement Reserve Fund transferred money to the Debt Service fund to assist with debt related expenditures.

NOTE 10 - INTERFUND RECEIVABLES AND PAYABLES

Following is a summary of due from other funds and due to other funds for all funds for 2024:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund	\$92,766	\$0
Total Governmental Funds	<u>92,766</u>	<u>0</u>
Electric Fund	0	87,560
Refuse Collection Fund	0	5,206
Total Proprietary Funds	<u>0</u>	<u>92,766</u>
Totals	<u>\$92,766</u>	<u>\$92,766</u>

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

The General Fund also advanced \$500,000 to the Sewer Fund in 2023 resulting in an interfund loan receivable/payable. The money was provided for future capital improvements.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 11 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2024:

Historical Cost:

Class	December 31, 2023	Additions	Deletions	December 31, 2024
Non-depreciable Capital assets:				
Land	\$14,275,563	\$0	\$0	\$14,275,563
Construction in Progress	1,676,604	533,100	(1,590,478)	619,226
Total Non-depreciable Capital assets	15,952,167	533,100	(1,590,478)	14,894,789
Capital assets being depreciated:				
Buildings	9,513,300	2,279,938	0	11,793,238
Improvements Other Than Buildings	9,906,424	897,945	0	10,804,369
Machinery and Equipment	10,030,096	1,268,745	(25,411)	11,273,430
Infrastructure	45,637,077	506,228	(115,378)	46,027,927
Total Depreciable Capital assets	75,086,897	4,952,856	(140,789)	79,898,964
Total Cost	\$91,039,064	\$5,485,956	(\$1,731,267)	\$94,793,753

Accumulated Depreciation:

Class	December 31, 2023	Additions	Deletions	December 31, 2024
Buildings	(\$4,148,825)	(\$226,529)	\$0	(\$4,375,354)
Improvements Other Than Buildings	(5,889,905)	(500,477)	0	(6,390,382)
Machinery and Equipment	(7,495,698)	(643,223)	21,824	(8,117,097)
Infrastructure	(20,582,105)	(1,389,673)	114,089	(21,857,689)
Total Depreciation	(\$38,116,533)	(\$2,759,902) *	\$135,913	(\$40,740,522)
Net Value:	\$52,922,531			\$54,053,231

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$459,868
Leisure Time Activities	180,721
Transportation	1,854,355
General Government	264,958
Total Depreciation Expense	<u>\$2,759,902</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

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, 2024:

Historical Cost:

Class	December 31, 2023	Additions	Deletions	December 31, 2024
Non-depreciable Capital assets:				
Land	\$2,205,919	\$0	\$0	\$2,205,919
Construction in Progress	3,361,924	5,206,842	(2,405,390)	6,163,376
Total Non-depreciable Capital Assets	5,567,843	5,206,842	(2,405,390)	8,369,295
Capital assets being depreciated:				
Buildings	6,789,966	2,329,267	0	9,119,233
Improvements Other Than Buildings	43,458,928	1,618,141	0	45,077,069
Machinery and Equipment	3,941,706	844,662	(232,773)	4,553,595
Total Depreciable Capital assets	54,190,600	4,792,070	(232,773)	58,749,897
Total Cost	\$59,758,443	\$9,998,912	(\$2,638,163)	\$67,119,192

Accumulated Depreciation:

Class	December 31, 2023	Additions	Deletions	December 31, 2024
Buildings	(\$2,684,863)	(\$297,222)	\$0	(\$2,982,085)
Improvements Other Than Buildings	(24,331,452)	(1,037,602)	0	(25,369,054)
Machinery and Equipment	(2,920,753)	(236,668)	138,927	(3,018,494)
Total Depreciation	(\$29,937,068)	(\$1,571,492)	\$138,927	(\$31,369,633)
Net Value:	\$29,821,375			\$35,749,559

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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 is a cost-sharing, multiple employer public employee retirement system which 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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

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 Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C 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

Traditional plan state and local 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 amount of a member's pension benefit vests at retirement. Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. 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 percent 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 and will continue to be administered by OPERS), 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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

	<u>State and Local</u>
2024 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2024 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 \$607,219 for 2024.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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 OP&F 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, surviving beneficiaries under optional plans, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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>
2024 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
2024 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 \$782,645 for 2024.

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, 2023, 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, 2023, and was determined by rolling forward the total pension liability as of January 1, 2023, to December 31, 2023. 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:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$6,156,585	\$8,315,694	\$14,472,279
Proportion of the Net Pension Liability-2024	0.023516%	0.086072%	
Proportion of the Net Pension Liability-2023	0.026863%	0.075635%	
Percentage Change	<u>(0.003347%)</u>	<u>0.010437%</u>	
Pension Expense	\$442,420	\$1,079,837	\$1,522,257

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$0	\$525,544	\$525,544
Differences between expected and actual experience	100,624	266,957	367,581
Net difference between projected and actual earnings on pension plan investments	1,242,664	942,343	2,185,007
Change in proportionate share	0	892,014	892,014
City contributions subsequent to the measurement date	607,219	782,645	1,389,864
Total Deferred Outflows of Resources	<u>\$1,950,507</u>	<u>\$3,409,503</u>	<u>\$5,360,010</u>
Deferred Inflows of Resources			
Changes in assumptions	\$0	\$126,286	\$126,286
Differences between expected and actual experience	0	93,000	93,000
Change in proportionate share	395,688	112,084	507,772
Total Deferred Inflows of Resources	<u>\$395,688</u>	<u>\$331,370</u>	<u>\$727,058</u>

\$1,389,864 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, 2025. 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:	OPERS	OP&F	Total
2025	\$42,602	\$598,502	\$641,104
2026	288,951	605,967	894,918
2027	792,996	810,371	1,603,367
2028	(176,949)	107,791	(69,158)
2029	0	171,725	171,725
2030	0	1,132	1,132
Total	<u>\$947,600</u>	<u>\$2,295,488</u>	<u>\$3,243,088</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, 2024***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

The total pension liability in the December 31, 2023 and December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2023
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees	2.3 percent, simple through 2024, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2022
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3.0 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2023. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2 percent for 2023.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 long-term expected 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	100.00%	

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent. The discount rate for the prior year was 6.9 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 6.9 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 (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	\$9,692,119	\$6,156,585	\$3,216,048

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2023 is based on the results of an actuarial valuation date of January 1, 2023, 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, 2023, compared with January 1, 2022, are presented below.

	January 1, 2023	January 1, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.25 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	2.2 percent simple

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	18.60 %	4.10 %
Non-US Equity	12.40	4.90
Private Markets	10.00	7.30
Core Fixed Income *	25.00	2.40
High Yield Fixed Income	7.00	4.10
Private Credit	5.00	6.80
U.S. Inflation Linked Bonds*	15.00	2.10
Midstream Energy Infrastructure	5.00	5.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Private Real Estate	12.00	5.40
Commodities	2.00	3.50
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2.0x

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 the 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, 2024

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2023, the total pension liability was calculated using the discount rate of 7.50 percent. The discount rate used for 2022 was 7.50 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 7.50 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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$11,014,757	\$8,315,694	\$6,071,162

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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 (asset). Resulting adjustments to the net OPEB liability (asset) 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 (asset)* 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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. 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. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit; or

Group C 32 years of total service cred with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52; or

Group C 32 years of qualified health care service credit and at least page 55.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements December 1, 2014 or Prior	Age and Service Requirements December 1, 2014 or Prior	Age and Service Requirements December 1, 2014 or Prior
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
January 1, 2015 through December 31, 2021	January 1, 2015 through December 31, 2021	January 1, 2015 through December 31, 2021
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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 allowing 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, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. 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 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2024.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

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.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. 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.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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, 2024***

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2024, 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.

The City's contractually required contribution to OP&F was \$18,932 for 2024.

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, 2022, rolled forward to the measurement date of December 31, 2023, 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, 2023, and was determined by rolling forward the total OPEB liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net OPEB liability (asset) 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:

	OPERS	OP&F	Total
Proportionate Share of the Net OPEB Liability (Asset)	(\$206,401)	\$628,435	\$422,034
Proportion of the Net OPEB Liability (Asset) -2024	0.022869%	0.086072%	
Proportion of the Net OPEB Liability (Asset) -2023	0.026396%	0.075635%	
Percentage Change	(0.00353%)	0.0104370%	
OPEB Expense	\$12,831	\$81,702	\$94,533

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$53,137	\$216,250	\$269,387
Differences between expected and actual experience	0	30,219	30,219
Net difference between projected and actual earnings on OPEB plan investments	123,954	46,410	170,364
Change in proportionate share	0	149,182	149,182
City contributions subsequent to the measurement date	0	18,932	18,932
Total Deferred Outflows of Resources	<u>\$177,091</u>	<u>\$460,993</u>	<u>\$638,084</u>
Deferred Inflows of Resources			
Changes in assumptions	\$88,724	\$404,696	\$493,420
Differences between expected and actual experience	29,377	115,489	144,866
Change in proportionate share	0	4,405	4,405
Total Deferred Inflows of Resources	<u>\$118,101</u>	<u>\$524,590</u>	<u>\$642,691</u>

\$18,932 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 2025. 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:	OPERS	OP&F	Total
2025	(\$5,237)	\$42,429	\$37,192
2026	9,595	(7,596)	1,999
2027	96,487	1,720	98,207
2028	(41,855)	(38,076)	(79,931)
2029	0	(43,083)	(43,083)
2030	0	(51,669)	(51,669)
2031	0	9,610	9,610
2032	0	4,136	4,136
Total	<u>\$58,990</u>	<u>(\$82,529)</u>	<u>(\$23,539)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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, 2022, rolled forward to the measurement date of December 31, 2023. 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	2.75 percent
Projected Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	5.70 percent
Prior measurement date	5.22 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	3.77 percent
Prior measurement date	4.05 percent
Health Care Cost Trend Rate:	
Current measurement date	5.5 percent initial, 3.5 percent ultimate in 2038
Prior measurement date	5.5 percent initial, 3.5 percent ultimate in 2036
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board 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 benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00%	2.82%
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00%	

Discount Rate A single discount rate of 5.70 percent was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. 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) a 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent. (Fidelity Index's "20-Year Municipal GO AA Index")

Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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 the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, 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 5.70 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 (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
City's proportionate share of the net OPEB liability (asset)	\$113,430	(\$206,041)	(\$471,330)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability 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 or asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or 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 with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 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 the health care 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)	(\$214,969)	(\$206,401)	(\$196,673)

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, 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.

	January 1, 2023	January 1, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 percent
Projected Salary Increases	3.50 percent to 10.5 percent	3.25 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	4.07 percent	4.27 percent
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple
Projected Depletion Year of OPEB Assets	2038	2036

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

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 OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a 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 average 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 real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	18.60 %	4.10 %
Non-US Equity	12.40	4.90
Private Markets	10.00	7.30
Core Fixed Income *	25.00	2.40
High Yield Fixed Income	7.00	4.10
Private Credit	5.00	6.80
U.S. Inflation Linked Bonds*	15.00	2.10
Midstream Energy Infrastructure	5.00	5.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Private Real Estate	12.00	5.40
Commodities	2.00	3.50
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2.0x

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 13 - DEFINED BENEFIT OPEB PLANS (Continued)

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 the 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 2023, the total OPEB liability was calculated using the discount rate of 4.07 percent. The projection of cash flows used to determine the discount rate assumed the contributions 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 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.5 percent was applied to periods before December 31, 2037, and the Municipal Bond Index Rate of 3.38 percent was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07 percent.

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 4.07 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 (3.07 percent), or one percentage point higher (5.07 percent) than the current rate.

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
City's proportionate share of the net OPEB liability	\$774,057	\$628,435	\$505,792

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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, 2024, the City's accumulated, unpaid compensated absences amounted to \$1,871,005, of which \$1,263,442 is recorded as a liability of the Governmental Activities and \$607,563 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.

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 2024:

	Maturity Date	Balance December 31, 2023	Issued	(Retired)	Balance December 31, 2024
Capital Projects Notes Payable:					
5.63% Uptown Redevelopment	11/26/25	\$0	\$4,500,000	\$0	\$4,500,000

CITY OF TIPP CITY, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 16 - LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2024 were as follows:

	Original Issue Amount	Maturity Year	Balance December 31, 2023	Issued	(Retired)	Balance December 31, 2024	Amount Due Within One Year
Business Type-Activities:							
General Obligation Bonds:							
4.00% Electric Substation Bonds	\$6,595,000	2041	\$6,100,000	\$0	(\$235,000)	\$5,865,000	\$245,000
Premium on Electric Bonds	1,070,752		963,676	0	(53,538)	910,138	0
Total General Obligation Bonds			7,063,676	0	(288,538)	6,775,138	245,000
Ohio Public Works Commission Loans:							
0.00% OPWC Loan - AMR/AMI Project	600,000	2032	255,000	0	(30,000)	225,000	30,000
0.00% OPWC Loan - Water Tower Project	425,000	2033	223,125	0	(21,250)	201,875	21,250
0.00% OPWC Loan - Downtown Utilities Project	401,915	2034	207,083	0	(21,648)	185,435	21,648
0.00% OPWC Loan - Low System Water Tower	1,700,000	2040	1,445,000	0	(85,000)	1,360,000	85,000
Total Ohio Public Works Commission Loans			2,130,208	0	(157,898)	1,972,310	157,898
Ohio Water Development Authority Loan:							
3.21% Industrial Sanitary Sewer Expansion	TBD	2045	0	1,944,857	0	1,944,857	0
Compensated Absences			539,933	607,563	(539,933)	607,563	267,703
Total Business-Type Activity Long-Term Liabilities			\$9,733,817	\$2,552,420	(\$986,369)	\$11,299,868	\$670,601
Governmental Activities:							
Special Assessment Bonds (with governmental commitment):							
2.0-4.5% Donn Davis Construction Bond	930,000	2024	\$65,000	\$0	(\$65,000)	\$0	\$0
Ohio Public Works Commission Loan:							
0.00% OPWC Loan - Main Street Streetscape	970,586	2034	561,039	0	(48,182)	512,857	48,182
Compensated Absences			1,105,268	1,263,442	(1,105,268)	1,263,442	556,970
Total Governmental Activity Long-Term Liabilities			\$1,731,307	\$1,263,442	(\$1,218,450)	\$1,776,299	\$605,152

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 16 - LONG-TERM OBLIGATIONS (Continued)**A. Future Long-Term Financing Requirements**

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2024, follow:

Years	General Obligation Bonds		Loans Payable	
	Principal	Interest	Principal	Interest
2025	\$245,000	\$234,600	\$206,080	\$0
2026	250,000	224,800	206,080	0
2027	275,000	214,800	206,080	0
2028	275,000	203,800	206,080	0
2029	300,000	192,800	206,080	0
2030-2034	1,630,000	778,600	944,775	0
2035-2039	1,980,000	426,000	424,992	0
2040-2041	910,000	55,000	85,000	0
Totals	<u>\$5,865,000</u>	<u>\$2,330,400</u>	<u>\$2,485,167</u>	<u>\$0</u>

NOTE 17 – CONSTRUCTION COMMITMENTS

At December 31, 2024 the City had the following contractual commitments outstanding:

Project	Remaining Contractual Commitment	Estimated Date of Completion
Automated Metering Infrastructure (AMI) Replacement	\$434,747	12/31/2025
Tipp City Interchange Gateway Project	277,130	12/31/2025
Industrial Sanitary Sewer Expansion Project	3,271,747	12/31/2025
Substation #4 Major Equipment Contract	3,433,980	12/31/2025
Total Construction Commitments	<u>\$7,417,604</u>	

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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 1992 the City entered into a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) with other local cities. As of December 31, 2024, the pool has twenty one members. The pool has been operational since December of 1988 and was formed in accordance with Section 2744 of the Ohio Revised Code. This jointly governed organization provides real and personal property, crime, surety, general liability, boiler and machinery, employment practices liability, police professional and public official liability coverage up to the limits stated below. Membership in MVRMA is intended to provide broad based coverage up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate. MVRMA is a non-profit corporation governed by a twenty 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 third party 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	5,000,000	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, 2024***

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 9/1/23-8/31/24, the City pays 85% of the monthly premium for members of the Fraternal Order of Police (FOP) union, members of the American Federation of State, County, and Municipal Employees (AFSCME) union, as well as all participating non-bargaining employees. The monthly premiums for the HSA Plan are \$779.71 for single coverage and \$2,102.15 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 \$899.76 for single coverage and \$2,425.82 for family coverage. The City pays 85% of the monthly PPO premium for members of the Fraternal Order of Police (FOP) union, members of the American Federation of State, County, and Municipal Employees (AFSCME) union, and all participating 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 \$31.88 for single coverage and \$92.12 for family coverage for FOP and AFSCME represented employees and all participating non-bargaining employees.

The City also provides a minimum of \$40,000 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, 2024***

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 \$8,369,386 which represents 24.49% of the total equity in Tri-Cities. This reflects the same level of equity interest as 2023. 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 2024, the City paid \$1,149,610 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 \$2,394,067 which represents 50% of the total equity of NAWA on December 31, 2024. NAWA is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefits to or burden on the City. During 2024, the City paid \$2,005,288 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, 2024***

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 3, 2025, the City entered into a contract with American Municipal Power (AMP) for the execution of the 2025-2026 fixed volume energy supply schedule.

On February 3, 2025, the City entered into an agreement with the Monroe Township Trustees for the potential acquisition of the Country Estates Water/Sewer District. Purchase price to include assumption of the Ohio Water Development Authority construction loan.

On February 3, 2025, the City entered into an agreement for engineering services for sanitary sewer flow modeling with Strand Engineering in the amount of \$225,000.

On February 18, 2025, the City entered into a contract with Reveille LTD for the development of an updated comprehensive master development plan in an amount not to exceed \$100,000.

On February 24, 2025, the City officially purchased (closing date) two parcels of real property at the entrance to the community for the purpose of economic redevelopment in the amount of \$6,787,762

On March 17, 2025 the City entered into a contract with Grand Lake Building Co. for the construction of three storage buildings (for use by the Electric Dept., Water/Wastewater Dept., and Parks/Streets Dept.) in the amount of \$568,500.

On March 17, 2025, the City entered into an agreement for engineering services for engineering and design services for the reconstruction of Electric Substation #2 with GPD Group in the amount of \$560,300.

On March 17, 2025 the City entered into a contract with Vaughn Industries of Carey, Ohio for the construction of Electric Substation #4 in the amount of \$5,201,570.

On March 17, 2025, the City authorized the purchase of a service truck with utility body to be used in the Water/Wastewater Department from McCluskey Chevrolet in an amount not to exceed \$66,994.

On April 7, 2025 the City entered into a contract with Outdoor Enterprise of Tipp City, Ohio for the construction of pickleball courts in Kyle Park in the amount of \$252,877.

On May 5, 2025 the City entered into a contract with Woodard Development for the assumption of the purchase contract, escrow agreement, and earnest money deposit for purchase of Parcel G15-022634 (the Long Property Trust). This acquisition of +/- 60 acres of vacant property zoned Commercial/Industrial will be used for future economic development. Total cost of the land acquisition not to exceed \$2,209,528.

On May 5, 2025, the City authorized an agreement with John R. Jurgensen for the City's annual street paving program in the amount of \$657,105.

CITY OF TIPP CITY, OHIO**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024****NOTE 22 – SIGNIFICANT ENCUMBRANCES**

At December 31, 2024 the City had the following significant encumbrances outstanding:

<u>Fund</u>	<u>Total Encumbrances</u>	<u>Significant Encumbrances</u>	<u>Explanation</u>
Major Funds:			
American Rescue Plan	\$ 839,516	\$ 839,516	Sanitary Sewer Expansion Project
Capital Improvement Reserve	1,933,892	351,430	Kyle Park Restroom Improvements
		269,110	Purchase of a New Ambulance
		465,629	Exit 68 Interchange Improvements
Electric	5,755,870	649,891	Substation #4 Construction
		291,079	Aerial Bucket Truck
		252,097	Electric Department Storage Building
Water	537,087	150,541	December Water Purchase
		163,652	OEPA Lead-Copper Abatement Project
Sewer	3,709,152	110,320	Water Department Storage Building
		130,000	Sanitary Sewer Expansion Project
		92,664	Various I & I Improvements

NOTE 23 – LEASES**A. Leases Receivable**

The City leases land used for a cell phone tower as a lessor. In 2024, \$15,786 was received in lease payments.

The original lease was signed in 1995 and was originally for a fifteen year period with renewable increments of 5 years. In June 2025, a renewable agreement was made for the next five (5) year lease term. The lease receivable increases in each 5 year agreement upon agreement between the City and the lessee.

Revenue from the lease agreement is being recognized as follows:

<u>Year Ending December 31,</u>	<u>Receivable Governmental</u>
2025	\$18,469
2026	18,469
2027	18,469
2028	18,469
2029	18,469
Minimum Lease Payments	92,345
Less amount representing interest at the City's incremental borrowing rate	(20,038)
Present Value of minimum lease payments	\$72,307

Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 24 – TAX ABATEMENT DISCLOSURES

As of December 31, 2024, 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 2024).

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 business’s 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 2024:

	Total Amount of Taxes Abated (Incentives Abated) For the Year 2024 (In Actual Dollars)
<u>Community Reinvestment Area (CRA)</u>	
Manufacturing	\$1,345,612
 <u>Amount of Income Tax Dollars paid to the Tipp City Exempted Village School District</u>	
Manufacturing	\$328,753

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TIPP CITY, OHIO

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

Ohio Public Employees Retirement System

Year	2014	2015	2016	2017
City's proportion of the net pension liability (asset)	0.026523%	0.027280%	0.026622%	0.027877%
City's proportionate share of the net pension liability (asset)	\$3,198,970	\$4,725,246	\$6,045,511	\$4,373,353
City's covered payroll	\$3,273,808	\$3,392,083	\$3,508,450	\$3,744,100
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	97.71%	139.30%	172.31%	116.81%
Plan fiduciary net position as a percentage of the total pension liability	86.45%	81.08%	77.25%	84.66%

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

Ohio Police and Fire Pension Fund

Year	2014	2015	2016	2017
City's proportion of the net pension liability (asset)	0.062088%	0.063311%	0.062183%	0.065907%
City's proportionate share of the net pension liability (asset)	\$3,216,391	\$4,072,856	\$3,938,623	\$4,045,022
City's covered payroll	\$1,358,242	\$1,533,384	\$1,485,547	\$1,599,574
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	236.81%	265.61%	265.13%	252.88%
Plan fiduciary net position as a percentage of the total pension liability	72.20%	66.77%	68.36%	70.91%

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

Notes: The City implemented GASB Statement 68 in 2015.

CITY OF TIPP CITY, OHIO

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.026781%	0.025897%	0.026512%	0.026914%	0.026863%	0.023516%
\$7,334,774	\$5,118,718	\$3,925,850	\$2,341,626	\$7,935,343	\$6,156,585
\$3,682,529	\$3,690,350	\$3,788,007	\$3,983,200	\$4,081,614	\$3,894,829
199.18%	138.71%	103.64%	58.79%	194.42%	158.07%
74.70%	82.17%	86.88%	92.62%	75.74%	79.01%
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.067455%	0.072024%	0.073592%	0.075050%	0.075635%	0.086072%
\$5,506,110	\$4,851,934	\$5,016,806	\$4,688,665	\$7,184,544	\$8,315,694
\$1,685,615	\$1,870,191	\$1,917,263	\$2,084,095	\$2,125,379	\$2,575,644
326.65%	259.44%	261.67%	224.97%	338.04%	322.86%
63.07%	69.89%	70.65%	75.03%	62.90%	63.63%

CITY OF TIPP CITY, OHIO

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

Ohio Public Employees Retirement System

Year	2015	2016	2017	2018
Contractually required contribution	\$407,050	\$421,014	\$486,733	\$515,554
Contributions in relation to the contractually required contribution	407,050	421,014	486,733	515,554
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$3,392,083	\$3,508,450	\$3,744,100	\$3,682,529
Contributions as a percentage of covered payroll	12.00%	12.00%	13.00%	14.00%

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

Ohio Police and Fire Pension Fund

Year	2015	2016	2017	2018
Contractually required contribution	\$291,343	\$282,254	\$303,919	\$322,393
Contributions in relation to the contractually required contribution	291,343	282,254	303,919	322,393
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$1,533,384	\$1,485,547	\$1,599,574	\$1,685,615
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.13%

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

Notes: The City implemented GASB Statement 68 in 2015.

CITY OF TIPP CITY, OHIO

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$516,649	\$530,321	\$557,648	\$571,426	\$545,276	\$607,219
<u>516,649</u>	<u>530,321</u>	<u>557,648</u>	<u>571,426</u>	<u>545,276</u>	<u>607,219</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,690,350	\$3,788,007	\$3,983,200	\$4,081,614	\$3,894,829	\$4,337,279
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$361,053	\$371,519	\$402,298	\$412,233	\$508,535	\$782,645
<u>361,053</u>	<u>371,519</u>	<u>402,298</u>	<u>412,233</u>	<u>508,535</u>	<u>782,645</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,870,191	\$1,917,263	\$2,084,095	\$2,125,379	\$2,575,644	\$3,786,476
19.31%	19.38%	19.30%	19.40%	19.74%	20.67%

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

Ohio Public Employees Retirement System

Year	2016	2017	2018
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	2016	2017	2018
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>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.025310%	0.026057%	0.026503%	0.026396%	0.022869%
\$3,495,968	(\$464,226)	(\$830,114)	\$166,432	(\$206,401)
\$3,690,350	\$3,788,007	\$3,983,200	\$4,081,614	\$3,894,829
94.73%	(12.26%)	(20.84%)	4.08%	(5.30%)
47.80%	115.57%	128.23%	94.79%	107.76%
<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.072024%	0.073592%	0.075050%	0.075635%	0.086072%
\$711,436	\$779,716	\$822,609	\$538,496	\$628,435
\$1,870,191	\$1,917,263	\$2,084,095	\$2,125,379	\$2,575,644
38.04%	40.67%	39.47%	25.34%	24.40%
47.08%	45.42%	46.86%	52.59%	51.89%

CITY OF TIPP CITY, OHIO

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

Ohio Public Employees Retirement System

Year	2015	2016	2017	2018
Contractually required contribution	\$67,842	\$70,169	\$37,441	\$0
Contributions in relation to the contractually required contribution	67,842	70,169	37,441	0
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$3,392,083	\$3,508,450	\$3,744,100	\$3,682,529
Contributions as a percentage of covered payroll	2.00%	2.00%	1.00%	0.00%

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

Ohio Police and Fire Pension Fund

Year	2015	2016	2017	2018
Contractually required contribution	\$7,667	\$7,428	\$7,998	\$8,428
Contributions in relation to the contractually required contribution	7,667	7,428	7,998	8,428
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$1,533,384	\$1,485,547	\$1,599,574	\$1,685,615
Contributions as a percentage of covered payroll	0.50%	0.50%	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.

CITY OF TIPP CITY, OHIO

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$0	\$0	\$0	\$0	\$0	\$0
<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>	<u>\$0</u>	<u>\$0</u>
\$3,690,350	\$3,788,007	\$3,983,200	\$4,081,614	\$3,894,829	\$4,337,279
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$9,351	\$9,586	\$10,420	\$10,607	\$12,878	\$18,932
<u>9,351</u>	<u>9,586</u>	<u>10,420</u>	<u>10,607</u>	<u>12,878</u>	<u>18,932</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,870,191	\$1,917,263	\$2,084,095	\$2,125,379	\$2,575,644	\$3,786,476
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2024***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2015-2024.

Changes in assumptions:

2015-2016: 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.

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 0.5% to 3.00% for post 1/7/13 retirees.
- Reduction in actuarial assumed rate of return from 7.20% to 6.90%.
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

2023-2024: 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, 2024***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2015-2024.

Changes in assumptions:

2015-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2018: 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 8.25% 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.

2022: 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%

2023: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

2024: 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, 2024***

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, and 2023-2024.

2022: Group plans for non-Medicare retirees and re-employed retirees replaced with individual medical plans. OPERS will provide a subsidy or allowance via an HRA.

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%

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Change in health care cost trend rate from 8.5% to 5.5%
- The Municipal Bond Rate changed from 2.00% to 1.84%
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2024***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The Municipal Bond Rate changed from 1.84% to 4.05%
- The single discount rate changed from 6.00% to 5.22%.

2024: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The Municipal Bond Rate changed from 4.05% to 3.77%
- The single discount rate changed from 5.22% to 5.70%.

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 - 2024: There were no changes in benefit terms.

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%.
- The payroll growth rate changed from 2.75% to 3.25%.

2022: 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 2.96% to 2.84%.
- The investment rate of return changed from 8.0% to 7.5%.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2024***

NET OPEB LIABILITY (ASSET) (Continued)

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

2023: 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 2.84% to 4.27%.
- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

2024: 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 4.27% to 4.07%.

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*C*OMBINING AND *I*NDIVIDUAL *F*UND
*S*TATEMENTS AND *S*CHEDULES

***T**HE 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.

One Ohio Opioid Fund

To account for monies obtained and distributed by the State of Ohio from opioid settlements of drug manufacturers and distributors. It is designated for resources to assist with community drug recovery, prevention and treatment.

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)

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

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 Assessment Bond Retirement Fund

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

Capital Projects Fund

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.

CITY OF TIPP CITY, OHIO**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 1,824,202	\$ 33,966	\$ 119,030	\$ 1,977,198
Cash and Cash Equivalents with Fiscal Agent	13,441	0	0	13,441
Receivables:				
Accounts	76,414	0	0	76,414
Intergovernmental	477,012	0	0	477,012
Inventory of Supplies, at Cost	82,705	0	0	82,705
Prepaid Items	1,460	0	0	1,460
Total Assets	\$ 2,475,234	\$ 33,966	\$ 119,030	\$ 2,628,230
Liabilities:				
Accounts Payable	\$ 7,125	\$ 0	\$ 0	\$ 7,125
Accrued Wages and Benefits Payable	22,326	0	0	22,326
Intergovernmental Payable	746	0	0	746
Total Liabilities	30,197	0	0	30,197
Deferred Inflows of Resources:				
Unavailable Amounts	388,097	0	0	388,097
Fund Balances:				
Nonspendable	84,165	0	0	84,165
Restricted	1,948,342	33,966	119,030	2,101,338
Committed	24,433	0	0	24,433
Total Fund Balances	2,056,940	33,966	119,030	2,209,936
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 2,475,234	\$ 33,966	\$ 119,030	\$ 2,628,230

CITY OF TIPP CITY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2024**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 92,315	\$ 0	\$ 0	\$ 92,315
Intergovernmental Revenues	948,514	0	0	948,514
Charges for Services	401,819	0	0	401,819
Special Assessments	0	73,653	0	73,653
Fines and Forfeitures	800	0	0	800
All Other Revenue	70,134	0	50,995	121,129
Total Revenue	<u>1,513,582</u>	<u>73,653</u>	<u>50,995</u>	<u>1,638,230</u>
Expenditures:				
Current:				
Security of Persons and Property	1,000	0	0	1,000
Leisure Time Activities	423,975	0	0	423,975
Transportation	886,036	0	0	886,036
General Government	0	3,507	0	3,507
Capital Outlay	82,207	0	43,763	125,970
Debt Service:				
Principal Retirement	0	113,182	0	113,182
Interest and Fiscal Charges	0	2,925	0	2,925
Total Expenditures	<u>1,393,218</u>	<u>119,614</u>	<u>43,763</u>	<u>1,556,595</u>
Excess (Deficiency) of Revenues Over Expenditures	120,364	(45,961)	7,232	81,635
Other Financing Sources (Uses):				
Transfers In	25,000	43,177	0	68,177
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>43,177</u>	<u>0</u>	<u>68,177</u>
Net Change in Fund Balances	145,364	(2,784)	7,232	149,812
Fund Balances at Beginning of Year	1,911,576	36,750	111,798	2,060,124
Fund Balances End of Year	<u>\$ 2,056,940</u>	<u>\$ 33,966</u>	<u>\$ 119,030</u>	<u>\$ 2,209,936</u>

CITY OF TIPP CITY, OHIO**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024**

	Swimming Pool	Street Construction, Maintenance and Repair	State Highway Improvement	Municipal Road
Assets:				
Equity in Pooled Cash and Investments	\$ 20,042	\$ 1,134,149	\$ 134,649	\$ 436,347
Cash and Cash Equivalents with Fiscal Agent	3,099	0	0	10,342
Receivables:				
Accounts	1,694	4,614	0	0
Intergovernmental	0	335,210	27,179	114,598
Inventory of Supplies, at Cost	0	82,705	0	0
Prepaid Items	524	436	0	500
Total Assets	<u>\$ 25,359</u>	<u>\$ 1,557,114</u>	<u>\$ 161,828</u>	<u>\$ 561,787</u>
Liabilities:				
Accounts Payable	\$ 747	\$ 1,952	\$ 0	\$ 4,426
Accrued Wages and Benefits Payable	0	16,839	0	5,487
Intergovernmental Payable	0	580	0	166
Total Liabilities	<u>747</u>	<u>19,371</u>	<u>0</u>	<u>10,079</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	223,473	18,119	76,399
Fund Balances:				
Nonspendable	524	83,141	0	500
Restricted	0	1,231,129	143,709	474,809
Committed	24,088	0	0	0
Total Fund Balances	<u>24,612</u>	<u>1,314,270</u>	<u>143,709</u>	<u>475,309</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 25,359</u>	<u>\$ 1,557,114</u>	<u>\$ 161,828</u>	<u>\$ 561,787</u>

CITY OF TIPP CITY, OHIO

Justice Department Equitable Sharing	One Ohio Opioid	Law Enforcement	Enforcement and Education	Drug Law Enforcement	Police Donation Trust	Total Nonmajor Special Revenue Funds
\$ 38,736	\$ 44,531	\$ 562	\$ 11,143	\$ 3,698	\$ 345	\$ 1,824,202
0	0	0	0	0	0	13,441
0	70,106	0	0	0	0	76,414
0	0	0	25	0	0	477,012
0	0	0	0	0	0	82,705
0	0	0	0	0	0	1,460
<u>\$ 38,736</u>	<u>\$ 114,637</u>	<u>\$ 562</u>	<u>\$ 11,168</u>	<u>\$ 3,698</u>	<u>\$ 345</u>	<u>\$ 2,475,234</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,125
0	0	0	0	0	0	22,326
0	0	0	0	0	0	746
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,197</u>
0	70,106	0	0	0	0	388,097
0	0	0	0	0	0	84,165
38,736	44,531	562	11,168	3,698	0	1,948,342
0	0	0	0	0	345	24,433
<u>38,736</u>	<u>44,531</u>	<u>562</u>	<u>11,168</u>	<u>3,698</u>	<u>345</u>	<u>2,056,940</u>
<u>\$ 38,736</u>	<u>\$ 114,637</u>	<u>\$ 562</u>	<u>\$ 11,168</u>	<u>\$ 3,698</u>	<u>\$ 345</u>	<u>\$ 2,475,234</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, 2024**

	Swimming Pool	Street Construction, Maintenance and Repair	State Highway Improvement	Municipal Road
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	672,081	54,492	221,941
Charges for Services	401,819	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	5,778	4,634	5	8,940
Total Revenue	<u>407,597</u>	<u>676,715</u>	<u>54,497</u>	<u>230,881</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Leisure Time Activities	423,975	0	0	0
Transportation	0	563,305	5,634	224,782
Capital Outlay	0	185	0	2,000
Total Expenditures	<u>423,975</u>	<u>563,490</u>	<u>5,634</u>	<u>226,782</u>
Excess (Deficiency) of Revenues Over Expenditures	(16,378)	113,225	48,863	4,099
Other Financing Sources (Uses):				
Transfers In	25,000	0	0	0
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	8,622	113,225	48,863	4,099
Fund Balances at Beginning of Year	15,990	1,201,045	94,846	471,210
Fund Balances End of Year	<u>\$ 24,612</u>	<u>\$ 1,314,270</u>	<u>\$ 143,709</u>	<u>\$ 475,309</u>

CITY OF TIPP CITY, OHIO

Justice Department Equitable Sharing	One Ohio Opioid	Law Enforcement	Enforcement and Education	Drug Law Enforcement	Fieldstone TIF Project
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 92,315
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	800	0	0
24,645	26,132	0	0	0	0
24,645	26,132	0	800	0	92,315
0	0	0	1,000	0	0
0	0	0	0	0	0
0	0	0	0	0	92,315
80,022	0	0	0	0	0
80,022	0	0	1,000	0	92,315
(55,377)	26,132	0	(200)	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(55,377)	26,132	0	(200)	0	0
94,113	18,399	562	11,368	3,698	0
\$ 38,736	\$ 44,531	\$ 562	\$ 11,168	\$ 3,698	\$ 0

(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, 2024**

	Police Donation Trust	Total Nonmajor Special Revenue Funds
Revenues:		
Taxes	\$ 0	\$ 92,315
Intergovernmental Revenues	0	948,514
Charges for Services	0	401,819
Fines and Forfeitures	0	800
All Other Revenue	0	70,134
Total Revenue	<u>0</u>	<u>1,513,582</u>
Expenditures:		
Current:		
Security of Persons and Property	0	1,000
Leisure Time Activities	0	423,975
Transportation	0	886,036
Capital Outlay	0	82,207
Total Expenditures	<u>0</u>	<u>1,393,218</u>
Excess (Deficiency) of Revenues Over Expenditures	0	120,364
Other Financing Sources (Uses):		
Transfers In	0	25,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>25,000</u>
Net Change in Fund Balances	0	145,364
Fund Balances at Beginning of Year	345	1,911,576
Fund Balances End of Year	<u>\$ 345</u>	<u>\$ 2,056,940</u>



CITY OF TIPP CITY, OHIO

***Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2024***

	General Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$ 10,236	\$ 23,730	\$ 33,966
Total Assets	<u>\$ 10,236</u>	<u>\$ 23,730</u>	<u>\$ 33,966</u>
Liabilities:			
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances:			
Restricted	10,236	23,730	33,966
Total Fund Balances	<u>\$ 10,236</u>	<u>\$ 23,730</u>	<u>\$ 33,966</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, 2024**

	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	65,000	113,182
Interest and Fiscal Charges	<u>0</u>	<u>2,925</u>	<u>2,925</u>
Total Expenditures	<u>48,182</u>	<u>71,432</u>	<u>119,614</u>
Excess (Deficiency) of Revenues Over Expenditures	(48,182)	2,221	(45,961)
Other Financing Sources (Uses):			
Transfers In	<u>43,177</u>	<u>0</u>	<u>43,177</u>
Total Other Financing Sources (Uses)	<u>43,177</u>	<u>0</u>	<u>43,177</u>
Net Change in Fund Balances	(5,005)	2,221	(2,784)
Fund Balances at Beginning of Year	<u>15,241</u>	<u>21,509</u>	<u>36,750</u>
Fund Balances End of Year	<u>\$ 10,236</u>	<u>\$ 23,730</u>	<u>\$ 33,966</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, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 7,119,786	\$ 7,119,786	\$ 6,590,911	\$ (528,875)
Intergovernmental Revenues	1,354,448	1,354,448	1,414,217	59,769
Charges for Services	1,835,859	1,835,859	1,856,398	20,539
Licenses and Permits	204,677	204,677	247,505	42,828
Investment Earnings	1,250,000	1,250,000	1,865,670	615,670
Special Assessments	0	0	7,825	7,825
Fines and Forfeitures	3,725	3,725	5,816	2,091
All Other Revenues	145,600	145,600	166,535	20,935
Total Revenues	11,914,095	11,914,095	12,154,877	240,782
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	3,257,924	3,502,924	3,542,512	(39,588)
Travel and Training	49,000	49,140	49,138	2
Materials and Supplies	88,605	103,705	108,741	(5,036)
Contractual Services	187,073	230,333	228,515	1,818
Total Police	3,582,602	3,886,102	3,928,906	(42,804)
Emergency Medical Services:				
Personal Services	2,697,047	2,747,047	2,716,358	30,689
Travel and Training	26,457	18,357	24,843	(6,486)
Materials and Supplies	67,500	68,700	70,095	(1,395)
Contractual Services	279,072	323,002	307,093	15,909
Total Emergency Medical Services	3,070,076	3,157,106	3,118,389	38,717
Total Security of Persons and Property	6,652,678	7,043,208	7,047,295	(4,087)
Leisure Time Activities:				
Parks:				
Personal Services	440,442	525,442	515,118	10,324
Travel and Training	2,000	2,000	1,290	710
Materials and Supplies	60,250	60,250	47,027	13,223
Contractual Services	116,663	116,663	105,185	11,478
Total Parks	619,355	704,355	668,620	35,735
Recreation:				
Contractual Services	17,700	17,700	17,700	0
Total Recreation	17,700	17,700	17,700	0
Total Leisure Time Activities	637,055	722,055	686,320	35,735

(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, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:				
Planning:				
Personal Services	284,311	284,311	268,232	16,079
Travel and Training	4,000	3,800	1,496	2,304
Materials and Supplies	1,900	2,100	1,672	428
Contractual Services	598,830	598,830	280,255	318,575
Total Community Environment	889,041	889,041	551,655	337,386
Basic Utility Services:				
Utility Billing:				
Personal Services	390,613	402,613	373,571	29,042
Travel and Training	6,000	6,000	5,259	741
Materials and Supplies	43,300	48,300	43,171	5,129
Contractual Services	31,200	31,200	24,963	6,237
Total Basic Utility Services	471,113	488,113	446,964	41,149
General Government:				
City Council:				
Personal Services	56,285	58,285	55,782	2,503
Travel and Training	5,000	5,000	4,421	579
Materials and Supplies	3,300	3,100	1,320	1,780
Contractual Services	48,310	48,310	30,992	17,318
Total City Council	112,895	114,695	92,515	22,180
Commissions:				
Travel and Training	500	500	459	41
Materials and Supplies	1,500	1,500	997	503
Contractual Services	41,000	41,000	36,092	4,908
Total Commissions	43,000	43,000	37,548	5,452
Administration:				
Personal Services	433,196	468,196	422,216	45,980
Travel and Training	7,500	12,500	7,440	5,060
Materials and Supplies	1,500	1,750	1,480	270
Contractual Services	8,200	7,950	45,533	(37,583)
Total Administration	450,396	490,396	476,669	13,727

(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, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Buildings and Grounds:				
Personal Services	160,716	175,716	166,669	9,047
Travel and Training	2,500	3,250	3,244	6
Materials and Supplies	9,050	2,550	1,258	1,292
Contractual Services	128,617	134,367	134,914	(547)
Total Buildings and Grounds	300,883	315,883	306,085	9,798
Finance - Accounting:				
Personal Services	281,991	281,991	274,461	7,530
Travel and Training	2,000	1,750	292	1,458
Materials and Supplies	2,000	2,150	2,602	(452)
Contractual Services	19,520	24,620	14,371	10,249
Total Finance - Accounting	305,511	310,511	291,726	18,785
Finance - Income Tax:				
Personal Services	220,303	225,303	219,208	6,095
Travel and Training	1,100	50	0	50
Materials and Supplies	7,100	6,600	7,278	(678)
Contractual Services	18,845	25,395	28,746	(3,351)
Income Tax Refunds	100,000	320,000	293,274	26,726
Total Finance - Income Tax	347,348	577,348	548,506	28,842
Legal:				
Personal Services	171,662	174,162	171,214	2,948
Travel and Training	2,500	2,500	438	2,062
Materials and Supplies	5,000	5,000	0	5,000
Contractual Services	17,235	17,235	9,423	7,812
Total Legal	196,397	198,897	181,075	17,822
Engineering:				
Personal Services	21,522	21,522	19,945	1,577
Materials and Supplies	1,300	1,300	927	373
Contractual Services	82,485	232,485	225,411	7,074
Total Engineering	105,307	255,307	246,283	9,024

(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, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Administrative:				
Materials and Supplies	20,000	15,000	9,543	5,457
Contractual Services	212,437	217,437	201,634	15,803
Other Expenditures	146,084	216,084	214,482	1,602
Total General Administrative	378,521	448,521	425,659	22,862
Total General Government	2,240,258	2,754,558	2,606,066	148,492
Capital Outlay:				
Police	10,500	12,000	11,954	46
Emergency Medical Services	36,000	33,970	15,714	18,256
Parks	625	625	625	0
Planning	500	500	0	500
Utility Billing	5,000	5,000	5,987	(987)
City Council	1,500	1,700	1,625	75
Administration	2,500	2,500	0	2,500
Buildings and Grounds	500	500	0	500
Finance - Accounting	2,800	2,800	2,289	511
Finance - Income Tax	2,800	2,800	2,289	511
Total Capital Outlay	62,725	62,395	40,483	21,912
Total Expenditures	10,952,870	11,959,370	11,378,783	580,587
Excess (Deficiency) of Revenues Over (Under) Expenditures	961,225	(45,275)	776,094	821,369
Other Financing Sources (Uses):				
Transfers Out	(575,000)	(3,555,000)	(3,025,000)	530,000
Advances In	500,000	500,000	500,000	0
Advances Out	0	(500,000)	(500,000)	0
Total Other Financing Sources (Uses)	(75,000)	(3,555,000)	(3,025,000)	530,000
Net Change in Fund Balance	886,225	(3,600,275)	(2,248,906)	1,351,369
Fund Balance at Beginning of Year	7,429,085	7,429,085	7,429,085	0
Prior Year Encumbrances	149,287	149,287	149,287	0
Fund Balance at End of Year	<u>\$ 8,464,597</u>	<u>\$ 3,978,097</u>	<u>\$ 5,329,466</u>	<u>\$ 1,351,369</u>

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – American Rescue Plan Fund
For the Year Ended December 31, 2024***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Capital Outlay	0	1,058,330	(1,058,330)
Total Expenditures	0	1,058,330	(1,058,330)
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(1,058,330)	(1,058,330)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	1,058,330	1,058,330	0
Fund Balance at End of Year	<u>\$ 1,058,330</u>	<u>\$ 0</u>	<u>\$ (1,058,330)</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, 2024***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 3,210,331	\$ 2,994,854	\$ (215,477)
Intergovernmental Revenues	352,000	286,588	(65,412)
Special Assessments	25,000	15,467	(9,533)
All Other Revenues	11,100	414	(10,686)
Total Revenues	3,598,431	3,297,323	(301,108)
Expenditures:			
General Government:			
Contractual Services	3,000	777	2,223
Other Expenditures	254,078	252,465	1,613
Total General Government	257,078	253,242	3,836
Capital Outlay	4,770,152	6,229,598	(1,459,446)
Total Expenditures	5,027,230	6,482,840	(1,455,610)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,428,799)	(3,185,517)	(1,756,718)
Other Financing Sources (Uses):			
Sale of Capital Assets	25,000	4,000	(21,000)
Transfers In	500,000	0	(500,000)
Transfers Out	(48,300)	(43,177)	5,123
Total Other Financing Sources (Uses)	476,700	(39,177)	(515,877)
Net Change in Fund Balance	(952,099)	(3,224,694)	(2,272,595)
Fund Balance at Beginning of Year	1,382,285	1,382,285	0
Prior Year Encumbrances	3,047,353	3,047,353	0
Fund Balance at End of Year	\$ 3,477,539	\$ 1,204,944	\$ (2,272,595)

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 – Uptown Redevelopment Fund
For the Year Ended December 31, 2024***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
General Government:			
Contractual Services	500,000	10,000	490,000
Total General Government	500,000	10,000	490,000
Capital Outlay	7,000,000	0	7,000,000
Total Expenditures	7,500,000	10,000	7,490,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,500,000)	(10,000)	7,490,000
Other Financing Sources (Uses):			
Premium on General Obligation Notes Issued	0	3,246	3,246
General Obligation Notes Issued	4,500,000	4,500,000	0
Transfers In	3,000,000	3,000,000	0
Total Other Financing Sources (Uses)	7,500,000	7,503,246	3,246
Net Change in Fund Balance	0	7,493,246	7,493,246
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$ 0	\$ 7,493,246	\$ 7,493,246

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, 2024***

SWIMMING POOL FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 399,000	\$ 401,819	\$ 2,819
All Other Revenues	2,000	4,084	2,084
Total Revenues	401,000	405,903	4,903
Expenditures:			
Leisure Time Activities:			
Swimming Pool:			
Materials and Supplies	57,000	50,914	6,086
Contractual Services	384,650	375,886	8,764
Other Expenditures	500	290	210
Total Expenditures	442,150	427,090	15,060
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,150)	(21,187)	19,963
Other Financing Sources (Uses):			
Transfers In	50,000	25,000	(25,000)
Total Other Financing Sources (Uses)	50,000	25,000	(25,000)
Net Change in Fund Balance	8,850	3,813	(5,037)
Fund Balance at Beginning of Year	13,054	13,054	0
Prior Year Encumbrances	2,602	2,602	0
Fund Balance at End of Year	\$ 24,506	\$ 19,469	\$ (5,037)

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, 2024*****STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 680,050	\$ 672,165	\$ (7,885)
All Other Revenues	7,500	20	(7,480)
Total Revenues	687,550	672,185	(15,365)
Expenditures:			
Transportation:			
Street:			
Personal Services	447,472	423,844	23,628
Travel and Training	2,000	1,996	4
Materials and Supplies	34,350	37,299	(2,949)
Contractual Services	128,755	109,731	19,024
Total Transportation	612,577	572,870	39,707
Capital Outlay	495	495	0
Total Expenditures	613,072	573,365	39,707
Excess (Deficiency) of Revenues Over (Under) Expenditures	74,478	98,820	24,342
Fund Balance at Beginning of Year	1,013,468	1,013,468	0
Prior Year Encumbrances	12,115	12,115	0
Fund Balance at End of Year	\$ 1,100,061	\$ 1,124,403	\$ 24,342

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, 2024***

STATE HIGHWAY IMPROVEMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 52,102	\$ 54,499	\$ 2,397
All Other Revenues	0	5	5
Total Revenues	52,102	54,504	2,402
Expenditures:			
Transportation:			
Street:			
Materials and Supplies	22,000	1,516	20,484
Contractual Services	9,500	4,400	5,100
Total Expenditures	31,500	5,916	25,584
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,602	48,588	27,986
Fund Balance at Beginning of Year	85,359	85,359	0
Prior Year Encumbrances	702	702	0
Fund Balance at End of Year	<u>\$ 106,663</u>	<u>\$ 134,649</u>	<u>\$ 27,986</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, 2024***

MUNICIPAL ROAD FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 237,218	\$ 222,002	\$ (15,216)
All Other Revenues	1,250	8,940	7,690
Total Revenues	238,468	230,942	(7,526)
Expenditures:			
Transportation:			
Street:			
Personal Services	123,004	119,510	3,494
Materials and Supplies	96,250	108,862	(12,612)
Contractual Services	59,750	58,567	1,183
Total Transportation	279,004	286,939	(7,935)
Capital Outlay	2,000	2,000	0
Total Expenditures	281,004	288,939	(7,935)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42,536)	(57,997)	(15,461)
Fund Balance at Beginning of Year	414,007	414,007	0
Prior Year Encumbrances	31,614	31,614	0
Fund Balance at End of Year	\$ 403,085	\$ 387,624	\$ (15,461)

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, 2024***

JUSTICE DEPARTMENT EQUITABLE SHARING FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 30,000	\$ 24,645	\$ (5,355)
Total Revenues	30,000	24,645	(5,355)
Expenditures:			
Capital Outlay	100,000	96,773	3,227
Total Expenditures	100,000	96,773	3,227
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,000)	(72,128)	(2,128)
Fund Balance at Beginning of Year	94,113	94,113	0
Fund Balance at End of Year	\$ 24,113	\$ 21,985	\$ (2,128)

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, 2024***

ONE OHIO OPIOID FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 0	\$ 26,682	\$ 26,682
Total Revenues	<u>0</u>	<u>26,682</u>	<u>26,682</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	26,682	26,682
Fund Balance at Beginning of Year	17,849	17,849	0
Fund Balance at End of Year	<u>\$ 17,849</u>	<u>\$ 44,531</u>	<u>\$ 26,682</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, 2024***

LAW ENFORCEMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 1,250	\$ 0	\$ (1,250)
Total Revenues	<u>1,250</u>	<u>0</u>	<u>(1,250)</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,250	0	(1,250)
Fund Balance at Beginning of Year	<u>562</u>	<u>562</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 1,812</u></u>	<u><u>\$ 562</u></u>	<u><u>\$ (1,250)</u></u>

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2024***

ENFORCEMENT AND EDUCATION FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 1,000	\$ 800	\$ (200)
Total Revenues	<u>1,000</u>	<u>800</u>	<u>(200)</u>
Expenditures:			
Security of Persons and Property:			
State Grant:			
Materials and Supplies	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(200)	(200)
Fund Balance at Beginning of Year	<u>11,343</u>	<u>11,343</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,343</u>	<u>\$ 11,143</u>	<u>\$ (200)</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, 2024***

DRUG LAW ENFORCEMENT FUND			
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Total Expenditures	<u> 0</u>	<u> 0</u>	<u> 0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u> 0</u>	<u> 0</u>	<u> 0</u>
Fund Balance at Beginning of Year	<u> 3,698</u>	<u> 3,698</u>	<u> 0</u>
Fund Balance at End of Year	<u><u> \$ 3,698</u></u>	<u><u> \$ 3,698</u></u>	<u><u> \$ 0</u></u>

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2024***

FIELDSTONE TIF PROJECT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 100,000	\$ 92,315	\$ (7,685)
Total Revenues	<u>100,000</u>	<u>92,315</u>	<u>(7,685)</u>
Expenditures:			
Transportation:			
Street:			
Contractual Services	1,458	1,259	199
Other Expenditures	<u>98,542</u>	<u>91,056</u>	<u>7,486</u>
Total Expenditures	<u>100,000</u>	<u>92,315</u>	<u>7,685</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><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

CITY OF TIPP CITY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2024***

POLICE DONATION TRUST FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Security of Persons and Property:			
Police:			
Materials and Supplies	0	345	(345)
Total Expenditures	0	345	(345)
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(345)	(345)
Fund Balance at Beginning of Year	345	345	0
Fund Balance at End of Year	\$ 345	\$ 0	\$ (345)

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, 2024***

GENERAL BOND RETIREMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Debt Service:			
Principal Retirement	48,182	48,182	0
Total Expenditures	48,182	48,182	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,182)	(48,182)	0
Other Financing Sources (Uses):			
Transfers In	43,177	43,177	0
Total Other Financing Sources (Uses)	43,177	43,177	0
Net Change in Fund Balance	(5,005)	(5,005)	0
Fund Balance at Beginning of Year	15,241	15,241	0
Fund Balance at End of Year	\$ 10,236	\$ 10,236	\$ 0

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, 2024***

SPECIAL ASSESSMENT BOND RETIREMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 49,923	\$ 73,653	\$ 23,730
Total Revenues	<u>49,923</u>	<u>73,653</u>	<u>23,730</u>
Expenditures:			
General Government:			
Contractual Services	3,507	3,507	0
Debt Service:			
Principal Retirement	65,000	65,000	0
Interest and Fiscal Charges	<u>2,925</u>	<u>2,925</u>	<u>0</u>
Total Expenditures	<u>71,432</u>	<u>71,432</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,509)	2,221	23,730
Fund Balance at Beginning of Year	<u>21,509</u>	<u>21,509</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 23,730</u>	<u>\$ 23,730</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, 2024***

PARKS CAPITAL IMPROVEMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 5,000	\$ 50,995	\$ 45,995
Total Revenues	<u>5,000</u>	<u>50,995</u>	<u>45,995</u>
Expenditures:			
Capital Outlay	<u>100,000</u>	<u>43,763</u>	<u>56,237</u>
Total Expenditures	<u>100,000</u>	<u>43,763</u>	<u>56,237</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(95,000)	7,232	102,232
Fund Balance at Beginning of Year	<u>111,798</u>	<u>111,798</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 16,798</u>	<u>\$ 119,030</u>	<u>\$ 102,232</u>





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)

	2015	2016	2017	2018
Governmental Activities:				
Net Investment in Capital Assets	\$41,068,323	\$44,098,177	\$46,195,036	\$48,741,413
Restricted	3,443,958	3,606,947	3,963,070	4,293,731
Unrestricted	1,737,855	1,907,712	1,220,892	(4,100,236)
Total Governmental Activities Net Position	<u>\$46,250,136</u>	<u>\$49,612,836</u>	<u>\$51,378,998</u>	<u>\$48,934,908</u>
Business-type Activities:				
Net Investment in Capital Assets	\$26,210,107	\$26,574,005	\$22,795,072	\$24,189,309
Restricted	0	0	0	0
Unrestricted	15,742,022	17,102,941	22,623,049	23,970,970
Total Business-type Activities Net Position	<u>\$41,952,129</u>	<u>\$43,676,946</u>	<u>\$45,418,121</u>	<u>\$48,160,279</u>
Primary Government:				
Net Investment in Capital Assets	\$67,278,430	\$70,672,182	\$68,990,108	\$72,930,722
Restricted	3,443,958	3,606,947	3,963,070	4,293,731
Unrestricted	17,479,877	19,010,653	23,843,941	19,870,734
Total Primary Government Net Position	<u>\$88,202,265</u>	<u>\$93,289,782</u>	<u>\$96,797,119</u>	<u>\$97,095,187</u>

Source: Finance Director's Office

City of Tipp City

2019	2020	2021	2022	2023	2024
\$49,103,849	\$49,269,962	\$52,868,241	\$52,102,839	\$52,296,492	\$48,944,948
4,751,046	4,629,543	5,223,434	7,205,911	7,354,209	13,804,599
(1,740,146)	(2,950,309)	(715,589)	677,372	1,244,417	(1,140,962)
<u>\$52,114,749</u>	<u>\$50,949,196</u>	<u>\$57,376,086</u>	<u>\$59,986,122</u>	<u>\$60,895,118</u>	<u>\$61,608,585</u>
\$27,409,490	\$28,740,514	\$23,805,230	\$22,589,398	\$24,610,229	\$24,452,584
0	0	0	0	0	102,702
21,647,745	20,620,817	26,683,310	29,738,615	29,120,681	30,574,704
<u>\$49,057,235</u>	<u>\$49,361,331</u>	<u>\$50,488,540</u>	<u>\$52,328,013</u>	<u>\$53,730,910</u>	<u>\$55,129,990</u>
\$76,513,339	\$78,010,476	\$76,673,471	\$74,692,237	\$76,906,721	\$73,397,532
4,751,046	4,629,543	5,223,434	7,205,911	7,354,209	13,907,301
19,907,599	17,670,508	25,967,721	30,415,987	30,365,098	29,433,742
<u>\$101,171,984</u>	<u>\$100,310,527</u>	<u>\$107,864,626</u>	<u>\$112,314,135</u>	<u>\$114,626,028</u>	<u>\$116,738,575</u>

City of Tipp City

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

	2015	2016	2017
Expenses			
Governmental Activities:			
Security of Persons and Property	\$3,838,659	\$4,253,983	\$4,212,068
Leisure Time Activities	1,202,951	1,172,199	1,251,064
Community Environment	280,344	357,068	328,263
Basic Utility Services	9,792	42,788	62,431
Transportation	1,744,237	1,597,236	1,703,666
General Government	846,759	938,638	1,623,266
Interest and Fiscal Charges	77,291	74,428	70,554
<i>Total Governmental Activities Expenses</i>	<u>8,000,033</u>	<u>8,436,340</u>	<u>9,251,312</u>
Business-type Activities:			
Electric	14,104,590	16,042,057	17,082,743
Water	3,082,812	3,568,202	3,477,515
Sewer	1,611,383	1,938,930	1,432,981
Refuse Collection	859,546	899,948	923,687
<i>Total Business-type Activities Expenses</i>	<u>19,658,331</u>	<u>22,449,137</u>	<u>22,916,926</u>
<i>Total Primary Government Expenses</i>	<u><u>\$27,658,364</u></u>	<u><u>\$30,885,477</u></u>	<u><u>\$32,168,238</u></u>
Program Revenues			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$679,634	\$801,163	\$612,673
Leisure Time Activities	290,382	334,915	315,540
Community Environment	19,746	202,402	178,995
Basic Utility Services	0	0	0
Transportation	57,709	15,921	9,416
General Government	0	0	0
Operating Grants and Contributions	686,622	723,446	707,663
Capital Grants and Contributions	1,372,145	2,182,014	1,612,294
<i>Total Governmental Activities Program Revenues</i>	<u>3,106,238</u>	<u>4,259,861</u>	<u>3,436,581</u>

City of Tipp City

2018	2019	2020	2021	2022	2023	2024
\$4,786,776	\$1,860,740	\$5,714,105	\$4,410,398	\$5,063,998	\$6,499,238	\$8,144,584
1,305,551	1,335,245	1,253,806	813,919	1,289,378	1,437,710	1,337,654
390,421	324,325	443,457	131,389	287,084	896,151	552,736
61,739	78,774	301,498	0	64,135	43,432	115,179
1,708,316	2,171,650	2,814,270	2,443,363	3,237,241	2,835,914	2,957,504
1,742,173	1,862,561	2,222,475	888,674	1,398,233	2,190,258	2,593,749
56,229	41,309	25,095	11,025	8,437	5,606	23,707
10,051,205	7,674,604	12,774,706	8,698,768	11,348,506	13,908,309	15,725,113
18,813,973	17,134,858	16,518,044	17,775,032	19,897,409	17,491,607	19,054,293
3,487,741	4,167,258	3,692,868	3,211,044	3,549,330	4,551,882	3,680,069
1,146,877	2,106,256	2,341,119	2,124,101	2,010,470	2,428,809	2,400,202
940,679	957,822	968,032	1,037,851	1,085,294	1,181,964	1,091,624
24,389,270	24,366,194	23,520,063	24,148,028	26,542,503	25,654,262	26,226,188
\$34,440,475	\$32,040,798	\$36,294,769	\$32,846,796	\$37,891,009	\$39,562,571	\$41,951,301
\$913,386	\$595,073	\$779,956	\$781,627	\$881,912	\$735,963	\$1,521,980
363,886	363,788	29,693	331,450	646,287	399,600	464,049
213,695	202,684	196,079	285,446	251,708	259,954	249,218
0	0	127,903	0	0	1,220	158,301
10,858	9,911	48,389	272,788	17,209	20,381	13,579
0	0	0	5,117	0	0	0
717,674	899,052	1,394,874	936,404	930,411	974,089	1,167,025
1,731,182	57,288	10,771	2,598,679	487,522	5,000	276,450
3,950,681	2,127,796	2,587,665	5,211,511	3,215,049	2,396,207	3,850,602

(continued)

City of Tipp City

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

	2015	2016	2017
Business-type Activities:			
Charges for Services			
Electric	16,148,597	16,894,764	17,942,294
Water	3,099,354	3,574,386	3,679,697
Sewer	1,686,990	1,887,109	1,948,942
Refuse Collection	809,891	885,333	907,429
Capital Grants and Contributions	0	903,697	151,153
<i>Total Business-type Activities Program Revenues</i>	<u>21,744,832</u>	<u>24,145,289</u>	<u>24,629,515</u>
<i>Total Primary Government Program Revenues</i>	<u>24,851,070</u>	<u>28,405,150</u>	<u>28,066,096</u>
Net (Expense)/Revenue			
Governmental Activities	(4,893,795)	(4,176,479)	(5,814,731)
Business-type Activities	2,086,501	1,696,152	1,712,589
<i>Total Primary Government Net (Expense)/Revenue</i>	<u><u>(\$2,807,294)</u></u>	<u><u>(\$2,480,327)</u></u>	<u><u>(\$4,102,142)</u></u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Income Taxes	\$5,834,924	\$5,963,230	\$5,760,914
Property Taxes	385,271	396,384	413,503
Other Local Taxes	81,444	86,281	85,348
Unrestricted Shared Revenues	978,819	970,419	1,005,568
Investment Earnings	35,690	76,914	144,263
Miscellaneous	240,767	74,616	199,883
Transfers	(19,160)	(28,665)	(28,586)
<i>Total Governmental Activities</i>	<u>7,537,755</u>	<u>7,539,179</u>	<u>7,580,893</u>
Business-type Activities:			
Transfers	19,160	28,665	28,586
<i>Total Business-type Activities</i>	<u>19,160</u>	<u>28,665</u>	<u>28,586</u>
<i>Total Primary Government</i>	<u><u>\$7,556,915</u></u>	<u><u>\$7,567,844</u></u>	<u><u>\$7,609,479</u></u>
Change in Net Position			
Governmental Activities	\$2,643,960	\$3,362,700	\$1,766,162
Business-type Activities	2,105,661	1,724,817	1,741,175
<i>Total Primary Government Change in Net Position</i>	<u><u>\$4,749,621</u></u>	<u><u>\$5,087,517</u></u>	<u><u>\$3,507,337</u></u>

Source: Finance Director's Office

City of Tipp City

2018	2019	2020	2021	2022	2023	2024
20,171,837	18,097,130	16,458,732	17,680,900	19,752,970	18,052,306	18,241,480
3,663,801	3,942,178	4,105,636	4,222,173	4,648,505	4,832,944	5,048,122
2,158,793	2,279,445	2,291,277	2,175,074	2,378,659	2,479,789	3,107,410
915,750	944,397	968,514	1,007,664	1,048,404	1,169,004	1,247,768
1,250,353	0	0	189,426	553,438	523,116	10,000
28,160,534	25,263,150	23,824,159	25,275,237	28,381,976	27,057,159	27,654,780
32,111,215	27,390,946	26,411,824	30,486,748	31,597,025	29,453,366	31,505,382
(6,100,524)	(5,546,808)	(10,187,041)	(3,487,257)	(8,133,457)	(11,512,102)	(11,874,511)
3,771,264	896,956	304,096	1,127,209	1,839,473	1,402,897	1,428,592
(\$2,329,260)	(\$4,649,852)	(\$9,882,945)	(\$2,360,048)	(\$6,293,984)	(\$10,109,205)	(\$10,445,919)
\$6,041,201	\$6,477,955	\$6,508,608	\$7,774,120	\$8,405,313	\$8,486,653	\$8,691,773
417,062	421,103	503,698	510,022	520,725	587,782	605,567
72,217	83,209	53,455	57,682	83,053	88,434	90,750
1,067,066	1,115,258	1,103,967	1,187,777	1,258,832	1,299,220	1,315,750
265,148	371,917	133,499	18,784	277,186	1,702,241	1,913,293
304,223	257,207	718,261	365,762	198,384	256,768	211,195
(69,393)	0	0	0	0	0	0
8,097,524	8,726,649	9,021,488	9,914,147	10,743,493	12,421,098	12,828,328
69,393	0	0	0	0	0	0
69,393	0	0	0	0	0	0
\$8,166,917	\$8,726,649	\$9,021,488	\$9,914,147	\$10,743,493	\$12,421,098	\$12,828,328
\$1,997,000	\$3,179,841	(\$1,165,553)	\$6,426,890	\$2,610,036	\$908,996	\$953,817
3,840,657	896,956	304,096	1,127,209	1,839,473	1,402,897	1,428,592
\$5,837,657	\$4,076,797	(\$861,457)	\$7,554,099	\$4,449,509	\$2,311,893	\$2,382,409

City of Tipp City

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

	2015	2016	2017	2018	2019
General Fund					
Nonspendable	\$81,906	\$84,220	\$111,343	\$93,838	\$94,114
Assigned	541,933	434,861	1,210,796	232,785	194,843
Unassigned	5,321,011	6,202,164	5,253,264	6,239,786	6,572,658
<i>Total General Fund</i>	<u>5,944,850</u>	<u>6,721,245</u>	<u>6,575,403</u>	<u>6,566,409</u>	<u>6,861,615</u>
All Other Governmental Funds					
Nonspendable	78,666	69,005	68,635	78,187	69,148
Restricted	975,516	1,027,766	1,538,297	2,439,068	3,523,995
Committed	25,911	46,472	64,131	75,094	94,053
Unassigned	(866,231)	(348,343)	(191,578)	(86,586)	(102,650)
Total All Other Governmental Funds	<u>213,862</u>	<u>794,900</u>	<u>1,479,485</u>	<u>2,505,763</u>	<u>3,584,546</u>
<i>Total Governmental Funds</i>	<u>\$6,158,712</u>	<u>\$7,516,145</u>	<u>\$8,054,888</u>	<u>\$9,072,172</u>	<u>\$10,446,161</u>

Source: Finance Director's Office

Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

City of Tipp City

2020	2021	2022	2023	2024
\$118,359	\$157,727	\$152,390	\$214,638	\$164,550
302,096	867,780	1,307,129	115,081	135,169
6,843,347	6,325,648	6,448,833	8,633,375	6,532,576
7,263,802	7,351,155	7,908,352	8,963,094	6,832,295
74,862	78,220	69,656	80,371	91,505
3,697,509	4,316,857	6,184,044	6,669,516	8,423,162
13,593	5,118	7,814	15,625	24,433
0	0	0	0	0
3,785,964	4,400,195	6,261,514	6,765,512	8,539,100
\$11,049,766	\$11,751,350	\$14,169,866	\$15,728,606	\$15,371,395

City of Tipp City

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

	2015	2016	2017	2018
Revenues:				
Taxes	\$6,140,765	\$6,306,461	\$6,310,421	\$6,493,963
Intergovernmental Revenues	2,952,132	3,937,776	3,098,833	2,546,844
Charges for Services	954,867	1,116,035	970,309	1,243,157
Licenses, Permits and Fees	18,498	177,551	176,053	237,114
Investment Earnings	35,721	74,840	145,283	264,299
Special Assessments	138,987	125,638	109,389	104,272
Fines and Forfeitures	16,850	14,965	11,480	13,306
All Other Revenue	272,958	78,103	220,353	354,194
Total Revenue	10,530,778	11,831,369	11,042,121	11,257,149
Expenditures:				
Current:				
Security of Persons and Property	3,432,396	3,381,426	3,616,840	3,817,703
Leisure Time Activities	807,835	768,549	816,543	838,582
Community Environment	289,769	323,062	313,949	368,399
Basic Utility Services	0	26,281	27,240	29,352
Transportation	669,395	615,747	671,574	693,429
General Government	693,607	703,182	1,350,127	1,417,714
Capital Outlay	3,039,076	4,025,287	3,012,089	2,596,721
Debt Service:				
Principal Retirement	1,633,482	1,299,082	989,982	595,382
Interest and Fiscal Charges	80,410	76,364	73,235	58,799
Total Expenditures	10,645,970	11,218,980	10,871,579	10,416,081
Excess (Deficiency) of Revenues Over Expenditures	(115,192)	612,389	170,542	841,068

City of Tipp City

2019	2020	2021	2022	2023	2024
\$6,990,064	\$7,216,980	\$8,277,454	\$8,868,190	\$9,148,738	\$9,137,885
1,975,493	2,521,998	4,699,356	2,506,067	2,429,429	2,740,518
984,509	881,627	1,078,066	1,236,180	1,062,836	1,683,459
175,935	196,993	274,396	171,288	250,481	224,573
370,438	139,080	18,181	260,159	1,683,302	1,916,520
97,228	134,938	101,272	94,268	102,097	96,945
6,706	4,079	5,402	9,291	4,535	6,456
248,947	754,698	713,272	555,937	347,752	337,802
10,849,320	11,850,393	15,167,399	13,701,380	15,029,170	16,144,158
3,865,261	4,100,423	4,467,629	4,586,367	5,300,213	7,063,017
837,630	584,901	864,105	957,084	1,061,977	1,107,421
274,454	374,868	313,803	362,617	905,951	544,402
33,072	235,387	33,472	36,609	38,204	107,783
742,064	741,809	863,950	811,948	865,780	886,036
1,441,168	1,586,116	1,583,544	1,497,040	1,639,356	1,968,420
1,830,938	3,587,878	6,262,485	2,969,417	3,550,317	4,691,157
423,182	79,091	108,182	108,182	113,182	113,182
46,003	25,301	11,250	8,662	5,850	23,951
9,493,772	11,315,774	14,508,420	11,337,926	13,480,830	16,505,369
1,355,548	534,619	658,979	2,363,454	1,548,340	(361,211)

(Continued)

City of Tipp City

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

	2015	2016	2017	2018
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	0	0	0	16,559
General Obligation Notes Issued	1,095,900	781,800	397,200	220,000
Transfers In	616,715	332,808	352,731	506,891
Transfers Out	(635,875)	(361,473)	(381,317)	(576,284)
Total Other Financing Sources (Uses)	<u>1,076,740</u>	<u>753,135</u>	<u>368,614</u>	<u>167,166</u>
Net Change in Fund Balance	<u>\$961,548</u>	<u>\$1,365,524</u>	<u>\$539,156</u>	<u>\$1,008,234</u>
Debt Service as a Percentage of Noncapital Expenditures	22.06%	19.22%	13.92%	9.67%

Source: Finance Director's Office

City of Tipp City

2019	2020	2021	2022	2023	2024
29,823	55,138	0	55,062	10,400	4,000
0	0	0	0	0	0
251,194	326,293	78,813	48,300	598,300	3,068,177
(251,194)	(326,293)	(78,813)	(48,300)	(598,300)	(3,068,177)
29,823	55,138	0	55,062	10,400	4,000
\$1,385,371	\$589,757	\$658,979	\$2,418,516	\$1,558,740	(\$357,211)
6.13%	1.16%	1.40%	1.27%	1.15%	1.09%

City of Tipp City

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

Tax year	2015	2016	2017	2018	2019
Income Tax Rate	1.50%	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income (in thousands)	\$411,618	\$422,925	\$439,299	\$460,731	\$460,731
Total Tax Collected	\$5,823,985	\$6,043,210	\$5,990,628	\$6,206,490	\$6,594,652
Income Tax Receipts					
Withholding	4,009,922	4,222,119	4,372,643	4,712,997	4,851,822
Percentage	68.86%	69.86%	72.98%	75.93%	73.56%
Corporate	997,288	927,597	701,458	653,690	778,237
Percentage	17.12%	15.35%	11.71%	10.53%	11.80%
Individuals	816,775	893,494	916,527	839,803	964,593
Percentage	14.02%	14.79%	15.30%	13.53%	14.63%

Source: City Income Tax Department

Note:

In 2011 the City's income tax rate was increased by voter approval from 1.25% to 1.50%.

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

2020	2021	2022	2023	2024
1.50%	1.50%	1.50%	1.50%	1.50%
\$474,732	\$539,067	\$582,957	\$621,135	\$621,135
\$6,754,962	\$7,835,721	\$8,394,165	\$8,617,813	\$8,983,606
4,971,293	5,386,429	5,771,134	6,047,892	6,513,440
73.58%	68.73%	68.74%	70.17%	72.51%
921,716	1,463,306	1,571,966	1,212,780	1,291,348
13.65%	18.67%	18.73%	14.07%	14.37%
861,953	985,986	1,051,065	1,357,141	1,178,818
12.76%	12.58%	12.52%	15.75%	13.12%



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	2024
		Rank
Meijer, Inc.	Warehouse Distribution	1
Abbott Laboratories	Manufacturing	2
DFAS Cleveland	Government	3
Tipp City Exempted Village School District	Education	4
City of Tipp City	Manufacturing	5
Arbogast	Automotive Retail	6
FHI LLC	Warehouse Distribution	7
US Express	Warehouse Distribution	8
Regal Beloit (formerly AO Smith Corporation)	Manufacturing	9
Precision Strip Inc	Manufacturing	10

Name of Taxpayer	Nature of Business	2015
		Rank
Meijer, Inc.	Warehouse Distribution	1
Regal Beloit America (formerly A.O. Smith Corp.)	Manufacturing	2
Tipp City Exempted Village School District	Education	3
Abbott Laboratories	Manufacturing	4
Federal Government	Government	5
Arbogast Buick Pontiac GMC	Automotive Retail	6
Creative Extruded Products	Manufacturing	7
Precision Strip Inc.	Metal Processing	8
City of Tipp City	Government	9
U.S. Xpress, Inc.	Warehouse Distribution	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

	2015	2016	2017	2018
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$420,000	\$310,000	\$200,000	\$100,000
General Obligation Notes Payable	1,095,900	781,800	492,700	207,600
Special Assessment Bonds Payable	505,000	460,000	410,000	360,000
OPWC Loan Payable	922,404	874,222	826,040	775,977
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	\$25,000	\$0	\$0	\$0
General Obligation Notes Payable	4,239,100	4,450,200	8,245,800	8,205,500
Long-Term Loans Payable	1,231,943	1,159,045	1,086,147	1,013,249
Total Primary Government	<u>\$8,439,347</u>	<u>\$8,035,267</u>	<u>\$11,260,687</u>	<u>\$10,662,326</u>
Population ⁽²⁾				
City of Tipp City	9,689	9,689	9,689	9,689
Outstanding Debt Per Capita	\$871	\$829	\$1,162	\$1,100
Income ⁽³⁾				
Personal (in thousands)	411,618	422,925	439,299	460,731
Percentage of Personal Income	2.05%	1.90%	2.56%	2.31%

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

2019	2020	2021	2022	2023	2024
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	4,500,000
305,000	250,000	190,000	130,000	65,000	0
729,676	705,585	657,403	609,222	561,039	512,857
\$0	\$0	\$0	\$7,347,214	\$7,063,676	\$6,775,138
4,975,000	4,050,000	9,050,000	960,000	0	0
2,413,117	2,603,902	2,446,004	2,288,106	2,130,208	3,917,167
<u>\$8,422,793</u>	<u>\$7,609,487</u>	<u>\$12,343,407</u>	<u>\$11,334,542</u>	<u>\$9,819,923</u>	<u>\$15,705,162</u>
9,689	9,689	10,274	10,274	10,274	10,274
\$869	\$785	\$1,201	\$1,103	\$956	\$1,529
460,731	474,732	539,067	582,957	621,135	621,135
1.83%	1.60%	2.29%	1.94%	1.58%	2.53%

City of Tipp City

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2015	2016	2017	2018
Population ⁽¹⁾	9,689	9,689	9,689	9,689
Assessed Value ⁽²⁾	\$254,574,200	\$271,234,280	\$271,853,340	\$276,688,510
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$445,000	\$310,000	\$200,000	\$100,000
Resources Available to Pay Principal ⁽⁴⁾	\$39,462	\$5,993	\$766	\$733
Net General Bonded Debt	\$405,538	\$304,007	\$199,234	\$99,267
Ratio of Net Bonded Debt to Estimated Assessed Value	0.16%	0.11%	0.07%	0.04%
Net Bonded Debt per Capita	\$41.86	\$31.38	\$20.56	\$10.25

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

2019	2020	2021	2022	2023	2024
9,689	9,689	10,274	10,274	10,274	10,274
\$315,580,380	\$320,121,700	\$329,387,080	\$388,759,090	\$405,350,650	\$416,476,680
\$0	\$0	\$0	\$7,347,214	\$7,063,676	\$6,775,138
\$10,233	\$23,617	\$15,117	\$15,123	\$15,242	\$10,237
(\$10,233)	(\$23,617)	(\$15,117)	\$7,332,091	\$7,048,434	\$6,764,901
0.00%	-0.01%	0.00%	1.89%	1.74%	1.62%
(\$1.06)	(\$2.44)	(\$1.47)	\$713.65	\$686.05	\$658.45



City of Tipp City

Computation of Direct and Overlapping General Obligation Debt December 31, 2024

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to the City of Tipp City</u>	<u>Amount Applicable to the City of Tipp City</u>
Direct:			
City of Tipp City	\$5,012,857	100.00%	\$5,012,857
Overlapping:			
Tipp City Exempted Village School District	6,010,676	67.92%	4,082,451
Miami County	11,885,521	12.19%	1,448,845
Miami Valley Career Center JVSD	124,453,178	3.79%	4,716,775
		Subtotal	10,248,071
		Total	\$15,260,928

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	2015	2016	2017
Total Debt			
Net Assessed Valuation	\$254,574,200	\$271,234,280	\$271,853,340
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	26,730,291	28,479,599	28,544,601
City Debt Outstanding (2)	0	0	0
Less: Applicable Debt Service Fund Amounts	0	0	0
Net Indebtedness Subject to Limitation	0	0	0
Overall Legal Debt Margin	\$26,730,291	\$28,479,599	\$28,544,601
Unvoted Debt			
Net Assessed Valuation	\$254,574,200	\$271,234,280	\$271,853,340
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	14,001,581	14,917,885	14,951,934
City Debt Outstanding (2)	0	0	0
Less: Applicable Debt Service Fund Amounts	0	0	0
Net Indebtedness Subject to Limitation	0	0	0
Overall Legal Debt Margin	\$14,001,581	\$14,917,885	\$14,951,934

(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

2018	2019	2020	2021	2022	2023	2024
\$276,688,510	\$315,580,380	\$320,121,700	\$329,387,080	\$388,759,090	\$405,350,650	\$416,476,680
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
29,052,294	33,135,940	33,612,779	34,585,643	40,819,704	42,561,818	43,730,051
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
\$29,052,294	\$33,135,940	\$33,612,779	\$34,585,643	\$40,819,704	\$42,561,818	\$43,730,051

\$276,688,510	\$315,580,380	\$320,121,700	\$329,387,080	\$388,759,090	\$405,350,650	\$416,476,680
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
15,217,868	17,356,921	17,606,694	18,116,289	21,381,750	22,294,286	22,906,217
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
\$15,217,868	\$17,356,921	\$17,606,694	\$18,116,289	\$21,381,750	\$22,294,286	\$22,906,217

City of Tipp City

*Pledged Revenue Coverage
Last Ten Years*

	2015	2016	2017	2018
Special Assessment Bonds (1)				
Special Assessment Collections	\$73,653	\$73,653	\$73,653	\$73,653
Debt Service				
Principal	45,000	45,000	50,000	50,000
Interest	23,623	21,890	20,158	18,083
Coverage	1.07	1.10	1.05	1.08

(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

2019	2020	2021	2022	2023	2024
\$73,653	\$73,653	\$73,653	\$73,653	\$73,653	\$73,653
55,000	55,000	60,000	60,000	65,000	65,000
16,008	12,487	11,250	8,550	5,850	2,925
1.04	1.09	1.03	1.07	1.04	1.08

City of Tipp City

Demographic and Economic Statistics Last Ten Years

Calendar Year	2015	2016	2017	2018
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)	411,618	422,925	439,299	460,731
Per Capita	42,483	43,650	45,340	47,552
Unemployment Rate ⁽³⁾				
Federal	5.0%	4.9%	4.4%	3.9%
State	4.6%	4.9%	4.9%	4.6%
Miami County	4.2%	4.3%	3.9%	4.3%
Civilian Work Force Estimates ⁽³⁾				
State	5,694,027	5,713,100	5,782,017	5,804,145
Miami County	52,621	52,600	53,298	54,010
Total Assessed Property Value ⁽⁴⁾	254,574,200	271,234,280	271,853,340	276,688,510
Estimated Actual Property Value ⁽⁴⁾	727,354,857	774,955,086	776,723,829	790,538,600

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2023 for the presentation of 2024 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

2019	2020	2021	2022	2023	2024
9,689	9,689	10,274	10,274	10,274	10,274
102,506	102,506	109,264	109,264	109,264	109,264
460,731	474,732	539,067	582,957	621,135	621,135
47,552	48,997	52,469	56,741	60,457	60,457
3.7%	6.7%	3.9%	3.5%	3.7%	4.0%
4.1%	5.6%	4.2%	4.1%	3.6%	4.3%
3.4%	4.2%	2.9%	3.2%	3.8%	3.9%
5,811,750	5,763,300	5,698,000	5,720,200	5,739,200	5,898,600
54,277	53,422	53,970	53,998	53,400	55,700
315,580,380	320,121,700	329,387,080	388,759,090	405,350,650	416,476,680
901,658,229	914,633,429	941,105,943	1,110,740,257	1,158,144,714	1,189,933,371



City of Tipp City

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2024	
		Number of Employees	Rank
Meijer, Inc.	Warehouse Distribution	1,795	1
Tipp City Exempted Village School District	Education	544	2
FHI LLC	Warehouse Distribution/Logistics	523	3
Abbott Laboratories	Manufacturing	446	4
US Express	Warehouse Distribution	243	5
Menards	Home Improvement Retail	233	6
Otterbein Clearcreek (formerly Adcare Health)	Health Care	232	7
DFAS (Defense Finance Accounting System)	Government	201	8
Arbogast	Automotive Retail	198	9
City of Tipp City	Government	159	10
Total		4,574	

Employer	Nature of Business	2015	
		Number of Employees	Rank
Meijer, Inc.	Warehouse Distribution	1,273	1
Tipp City Exempted Village School District	Education	443	2
CBS Personnel Services	Employee Leasing	344	3
Associate Staffing	Employee Leasing	339	4
FHI LLC	Warehouse Distribution	328	5
Menards	Retail	300	6
Rostam Direct (formerly Gardens Alive-Springhill)	Agricultural-Nursery	287	7
Arbogast	Automotive Retail	285	8
Creative Extruded Products	Manufacturing	242	9
Adcare Health Systems (formerly Springmeade)	Health Care	227	10
Total		4,068	

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

	2015	2016	2017	2018
Governmental Activities				
General Government				
Legislative	3.50	3.50	3.50	3.50
City Manager	2.00	2.00	3.00	3.00
Building and Facility Services	2.00	2.00	2.00	2.00
Finance	7.00	7.00	7.50	7.50
Legal	0.50	0.50	0.50	0.50
Engineering	3.00	3.00	3.00	2.00
Security of Persons and Property				
Police	21.50	22.50	22.50	22.50
Fire and EMS	15.50	15.50	16.50	16.50
Transportation				
Street	5.50	5.50	5.50	5.50
Leisure Time Activities				
Parks	5.25	5.25	5.25	5.25
Community Environment				
Community and Economic Development	2.50	2.50	2.50	2.50
Business-Type Activities				
Utilities				
Electric	15.00	15.00	15.00	15.00
Water	5.75	5.75	5.75	5.75
Sewer	5.75	5.75	5.75	5.75
Total Employees	94.75	95.75	98.25	97.25

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

2019	2020	2021	2022	2023	2024
3.50	3.50	3.50	3.50	3.50	3.50
3.00	3.00	2.00	2.00	3.00	3.00
2.00	2.00	1.50	1.50	1.50	1.50
7.50	7.50	7.50	7.50	8.50	8.50
0.50	0.50	0.50	0.50	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
22.50	22.50	22.50	22.50	24.50	26.50
16.50	18.50	18.50	19.50	21.75	26.00
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
6.75	6.75	6.75	7.25	7.25	7.25
5.75	5.75	5.75	6.25	6.25	6.25
98.25	100.25	98.75	100.75	107.50	113.75

City of Tipp City

Operating Indicators by Function Last Ten Years

	2015	2016	2017	2018
Governmental Activities				
General Government				
Accounts Payable Checks processed	2,828	3,061	2,738	2,782
Purchase Orders issued	2,013	1,468	1,608	1,878
Court				
Number of Criminal Cases	328	338	301	321
Number of Traffic Cases	941	782	506	657
Licenses and Permits				
Number of Residential Building Permits	17	15	18	51
Number of Commercial Building Permits	4	4	10	10
Security of Persons and Property				
Police				
Criminal Arrests	488	651	429	511
Calls for Service	15,455	16,235	15,151	16,272
Number of Accidents	251	236	199	223
Fire and EMS				
Number of Fire Calls	304	317	303	296
Number of EMS Runs	1,673	1,757	1,948	1,866
Transportation				
Street				
Tons of Salt Used	275	300	550	560
Leisure Time Activities				
Swimming Pool Receipts	290,383	331,504	312,062	337,403
Business-Type Activities				
Electric				
Number of Service Connections	4,933	5,006	5,006	5,056
Peak Demand (megawatts)	33.3	36.1	31.5	35.7
Energy Purchased (MWh)	164,144	177,330	171,421	180,664
Water				
Number of Service Connections	4,159	4,179	4,204	4,263
Daily Average Consumption (mgd)	1.4	1.7	1.7	1.6
Peak Daily Consumption (mgd)	2.3	2.6	2.7	2.3
Sewer				
Sewer Treatment Charges	684,258	704,203	697,866	771,073
Daily Average Sewage Treatment (mgd)	1.8	1.8	2.0	2.6
Refuse Collection				
Number of Customers Billed	4,071	4,081	4,106	4,163

Source: Finance Director's Office

City of Tipp City

2019	2020	2021	2022	2023	2024
2,799	2,734	2,860	2,901	3,052	2,879
1,875	1,497	1,662	1,970	1,919	1,907
303	260	334	349	465	125
422	788	438	457	399	405
41	36	48	65	43	57
8	7	7	5	4	4
397	406	334	374	465	502
14,326	18,138	22,353	25,975	27,087	23,949
201	152	163	174	239	229
387	324	320	387	373	466
2,086	1,693	1,927	2,060	1,911	1,862
350	760	360	275	360	570
345,544	0	296,778	373,060	428,363	430,903
5,086	5,148	5,160	5,239	5,300	5,374
45.2	35.2	36.0	36.9	35.2	37.7
180,469	175,999	181,175	181,325	179,688	179,916
4,294	4,330	4,365	4,452	4,538	4,611
1.6	1.7	1.6	1.6	1.7	1.8
2.7	2.8	2.2	2.4	2.4	2.7
772,603	709,557	830,629	1,143,786	1,040,485	1,149,610
2.5	1.9	2.3	2.3	2.1	2.2
4,191	4,249	4,265	4,309	4,186	4,252

City of Tipp City

Capital Asset Statistics by Function Last Ten Years

	2015	2016	2017	2018
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	63	64
Street Lights	1,419	1,419	1,462	1,462
Miles of Storm Sewers	60	60	61	62
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	75	76
Number of Fire hydrants	675	675	718	776
Sewer				
Sewerlines (Miles)	57	57	62	63

Source: Finance Director's Office

City of Tipp City

2019	2020	2021	2022	2023	2024
7.5	7.5	7.5	7.8	7.8	7.8
1	1	1	1	1	1
2	2	2	2	2	2
64	66	67	67	67	68
1,740	1,750	1,750	1,750	1,750	1,775
62	63	64	64	64	65
436	436	436	437	437	437
17	17	17	17	17	17
2	2	2	2	2	2
17	17	17	17	17	17
3	3	3	3	3	3
76	76	76	76	76	77
776	776	776	776	776	776
63	63	63	63	63	64



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 12/30/2025

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

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