

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
CITY OF TIPTON
TIPTON COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED
08/07/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Tamera Clark	01-01-04 to 12-31-07
Mayor	George Ogden	01-01-04 to 12-31-07
President of the Board of Public Works and Safety	George Ogden	01-01-04 to 12-31-07
President of the Common Council	Mike Dollens	01-01-06 to 12-31-07
President of the Utility Service Board	Mark Raver	01-01-06 to 12-31-07
Utility Manager	David Reep	01-01-06 to 12-31-07
Superintendent of Electric Utility	Larry Anderson	01-01-06 to 12-31-07
Superintendent of Water Utility	Thomas Spay	01-01-06 to 12-31-07
Superintendent of Wastewater Utility	Troy Hooker	01-01-06 to 12-31-07
Utility Office Manager	Deborah K. Ploughe	01-01-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF TIPTON, TIPTON COUNTY, INDIANA

We have examined the financial information presented herein of the City of Tipton, for the period of January 1, 2006 to December 31, 2006. The City's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the City for the year ended December 31, 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 28, 2007

CITY OF TIPTON
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 1,020,259	\$ 6,146,026	\$ 5,665,751	\$ 1,500,534
Motor Vehicle Highway	36,921	232,287	161,873	107,335
Local Road and Street	16,901	19,213	7,012	29,102
Local Law Enforcement Continuing Education	6,543	2,481	2,702	6,322
Fire Arms Training	48	-	-	48
Motor Vehicle Inspection	240	-	-	240
Unsafe Building	12,876	4,681	6,100	11,457
Court Clerk Record Perpetuation	8,086	2,132	-	10,218
Police Safety Grant	467	570	-	1,037
Fairview Beautification	5	-	-	5
Street and Sewer Cuts	9,580	1,618	1,556	9,642
Sidewalk Construction	93,395	32,972	91,950	34,417
Fire Training	1,093	-	-	1,093
Fire Prevention	1,325	830	23	2,132
Fire Specialized Equipment Fund	2,991	4,147	280	6,858
Christmas Project	-	850	850	-
Woods Memorial	254	-	-	254
Rainy Day Fund	51,852	-	-	51,852
County Economic Development Income Tax	152,336	391,511	242,813	301,034
Riverboat Fund	52,927	33,044	-	85,971
Building Inspection	21,440	5,387	7,100	19,727
Historic Building	500	-	-	500
Industrial Park	2,649	48	-	2,697
Building Maintenance	22,700	13,960	8,646	28,014
Tipton County Community Center	789	-	-	789
Summer Recreation	2,359	2,580	3,120	1,819
Economic Development Commission	7,798	5,000	22	12,776
Findling Trust	11,827	-	-	11,827
Cemetery/Mausoleum	11,295	-	-	11,295
Cemetery/Perpetual Care	60,687	2,040	-	62,727
Lebo Endowment	37,721	1,186	-	38,907
Golf Credit Card Reimbursement	218	48,142	47,723	637
Interest Clearing	1,494	82,090	81,409	2,175
Utility Clearing	42,044	10,934,337	10,953,416	22,965
Grants Fed/St	-	15,762	15,762	-
City Court	14,116	191,024	181,484	23,656
Public Safety Building	731	-	-	731
Golf Capital Improvement	52,543	38,148	40,533	50,158
Cumulative Capital Improvement	112,202	18,759	-	130,961
Cumulative Capital Development	106,246	64,982	37,381	133,847
Park Beautification	437	-	-	437
Proprietary Funds:				
Electric Utility	1,569,486	9,188,953	8,711,016	2,047,423
Water Utility	644,220	1,394,879	1,420,051	619,048
Wastewater Utility	970,031	1,775,906	1,885,413	860,524
Fiduciary Funds:				
Police Pension	135,423	93,130	110,187	118,366
Fire Pension	200,284	164,646	152,181	212,749
Payroll	(105)	3,934,185	3,921,748	12,332
Court Cost Due County	1,643	16,588	16,588	1,643
Law Enforcement Continuing Education User Fee	27,906	3,207	2,856	28,257
Health Insurance Clearing	-	107,952	107,952	-
Totals	<u>\$ 5,526,783</u>	<u>\$ 34,975,253</u>	<u>\$ 33,885,498</u>	<u>\$ 6,616,538</u>

The accompanying notes are an integral part of the financial information.

CITY OF TIPTON
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The City was established under the laws of the State of Indiana. The City provides the following services: public safety, health and social services, culture and recreation, general administrative, electric, water, and wastewater services.

Note 2. Fund Accounting

The City uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the City on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

CITY OF TIPTON
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The City contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the District authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt

The City has entered into various debts such as a loan for Wastewater Treatment Facilities Improvements; a loan for Golf Course Improvements; and various capital leases for the construction of a Public Safety Building and various equipment items. The outstanding principal at December 31, 2006, was \$1,474,000, \$52,147, and \$731,038, respectively.

CITY OF TIPTON
EXIT CONFERENCE

The contents of this report were discussed on June 28, 2007, with George Ogden, Mayor; and Tamera Clark, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.