

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, 2008 to December 31, 2008



FILED
10/29/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Tamera Clark	01-01-08 to 12-31-11
Mayor	Daniel Delph	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	Daniel Delph	01-01-08 to 12-31-11
President of the Common Council	Barbara Cardwell Shay Dell	01-01-08 to 12-31-08 01-01-09 to 12-31-09
President of the Utility Service Board	Mark Raver	01-01-08 to 12-31-09
Utility Manager	David Reep	01-01-08 to 12-31-09
Superintendent of Electric Utility	Larry Anderson	01-01-08 to 12-31-09
Superintendent of Water Utility	Thomas Spay Jeff Heard	01-01-08 to 02-15-08 02-16-08 to 12-31-09
Superintendent of Wastewater Utility	Troy Hooker	01-01-08 to 12-31-09



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 (City), for the period of January 1, 2008 to December 31, 2008. 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, 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

September 21, 2009

CITY OF TIPTON
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2008

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 1,787,289	\$ 4,576,566	\$ 4,571,815	\$ 1,792,040
Motor Vehicle Highway	81,378	184,903	211,580	54,701
Local Road and Street	41,069	18,538	26,836	32,771
Law Enforcement Continuing Education	6,615	3,220	161	9,674
Firearms Training	48	-	-	48
Motor Vehicle Inspection	240	-	-	240
Unsafe Building	14,281	5,077	48	19,310
Court Clerk Record Perpetuation	13,263	3,082	-	16,345
Police Safety Grant	478	2,009	2,136	351
Fairview Beautification	5	-	-	5
Street and Sewer Cuts	13,457	6,351	500	19,308
Sidewalk Construction	63,605	18,363	360	81,608
Arson Fire Training	1,093	150	147	1,096
Fire Prevention	935	35	-	970
Fire Specialized Equipment Fund	65	6,525	179	6,411
Police Check Safety	1,820	-	-	1,820
Christmas Project	-	1,020	1,020	-
Woods Memorial	254	-	-	254
Rainy Day	89,352	115,968	10,087	195,233
County Economic Development Income Tax	460,754	345,147	71,058	734,843
Riverboat	119,082	32,940	-	152,022
Building Inspection	21,972	7,550	3,005	26,517
Historic Building	500	4	-	504
Industrial Park	2,744	31	-	2,775
Building Maintenance	15,739	18,245	10,266	23,718
Tipton County Community Center	789	-	-	789
Summer Recreation	2,180	3,615	2,572	3,223
Economic Development Commission	12,776	-	-	12,776
Findling Trust	11,827	-	-	11,827
Cemetery / Mausoleum	2,395	-	-	2,395
Cemetery / Perpetual Care	58,831	4,190	-	63,021
Lebo Endowment	38,624	978	7,899	31,703
Golf Credit Card Reimbursement	24	68,297	66,759	1,562
Interest Clearing	2,214	77,221	78,359	1,076
Utility Clearing	53,775	12,110,340	11,969,808	194,307
City Court	28,692	291,557	291,906	28,343
Public Safety Building	731	-	-	731
Golf Capital Improvement	65,086	40,692	43,559	62,219
Cumulative Capital Improvement	145,405	17,077	45,000	117,482
Cumulative Capital Development	164,634	50,150	-	214,784
Park Beautification	437	75	-	512
Proprietary Funds:				
Electric Utility - Operating	924,674	9,981,614	9,513,247	1,393,041
Electric Utility - Depreciation	1,037,615	992,501	987,900	1,042,216
Electric Utility - Customer Deposit	135,600	570,745	551,390	154,955
Electric Utility - Sick Day	112,818	14,922	-	127,740
Electric Utility - Cash Reserve	5,586	125,038	125,000	5,624
Petty Cash Fund	2,900	2,450	-	5,350
Water Utility - Operating	550,746	3,564,371	3,712,021	403,096
Water Utility - Depreciation	259,980	31,395	26,774	264,601
Water Utility - Customer Deposit	22,152	28,870	27,483	23,539
Water Utility - Sick Day	52,278	2,497	10,930	43,845
Stormwater - Operating	-	128,557	1,860	126,697
Wastewater Utility - Operating	299,706	1,686,975	1,772,383	214,298
Wastewater Utility - Depreciation	348,289	258,881	260,341	346,829
Wastewater Utility - Construction	158,105	121,172	179,171	100,106
Wastewater Utility - Sick Day	52,962	-	4,907	48,055
Wastewater Utility - Sinking	56,776	123,085	122,426	57,435
Fiduciary Funds:				
Police Officers' Pension	124,162	112,192	110,036	126,318
Firefighters' Pension	217,677	165,556	176,853	206,380
Payroll	27,824	4,301,171	4,315,143	13,852
Court Costs Due County	1,643	24,550	24,550	1,643
Law Enforcement Continuing Education User Fee	29,028	5,004	1,116	32,916
Health Insurance Clearing	-	13,445	13,445	-
Totals	\$ 7,744,979	\$ 40,264,907	\$ 39,352,036	\$ 8,657,850

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, and general administrative 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 Plans

A. 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 City 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.

B. 1925 Police Officers' Pension Plan

Plan Description

The City contributes to the 1925 Police Officers' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

CITY OF TIPTON
NOTES TO FINANCIAL INFORMATION
(Continued)

C. 1937 Firefighters' Pension Plan

Plan Description

The City contributes to the 1937 Firefighters' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

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. The outstanding principal at December 31, 2008, was \$1,312,000, \$5,088, and \$480,000, respectively.

CITY OF TIPTON
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2008

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital lease:		
Public Safety Building	\$ 480,000	\$ 87,075
Golf Loan	<u>5,088</u>	<u>5,224</u>
Total governmental activities debt	<u>\$ 485,088</u>	<u>\$ 92,299</u>
Business-type activities:		
Wastewater Utility:		
2001 SRF Loan	<u>\$ 1,312,000</u>	<u>\$ 123,048</u>
Total business-type activities debt	<u>\$ 1,312,000</u>	<u>\$ 123,048</u>

CITY OF TIPTON
EXIT CONFERENCE

The contents of this report were discussed on September 29, 2009, with Tamera Clark, Clerk-Treasurer; Daniel Delph, Mayor; David Reep, Utility Manager; Jo Ellen Downs, Utility Bookkeeper; and Shay Dell, President of the Common Council. Our examination disclosed no material items that warrant comment at this time.