

# City of Vandalia, Ohio



**Comprehensive Annual Financial Report  
For the year ended  
December 31, 2017**



CITY OF VANDALIA  
Montgomery County, Ohio

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Comprehensive Annual Financial Report

Year Ended December 31, 2017

Issued by:  
Director of Finance



City of Vandalia, Ohio  
Comprehensive Annual Financial Report  
Year Ended December 31, 2017

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## INTRODUCTORY SECTION



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Vandalia, Ohio 45377

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June 18, 2018

Citizens of Vandalia  
Mayor  
Members of Council  
City of Vandalia, Ohio

The Comprehensive Annual Financial Report (CAFR) of the City of Vandalia, Ohio for the year ended December 31, 2017 is hereby submitted for your review. I am pleased to report that this is the twenty eighth CAFR the City has prepared.

Ohio law requires that every general-purpose local government prepare their financial statements in accordance with generally accepted accounting principles (GAAP) and to have an annual audit. The preparation of this CAFR represents the commitment of Vandalia to adhere to nationally recognized standards of excellence in financial reporting.

Management, specifically the Finance Director's Office, assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. This evaluation involves estimates and judgment by the City administration and members of the finance office. The administrative and financial management personnel believe that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

The Ohio Auditor of State, have issued an unmodified ("clean") opinion on the City of Vandalia's financial statements for the year ended December 31, 2017. The auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### Profile of the City

The City of Vandalia is located in Southwest Ohio, just north of Dayton. Long recognized as the intersection of our nation's major coast to coast highways and as the site of Dayton International Airport, the City of Vandalia is, literally, the nucleus of a region that has become renowned for its convenient access to the entire world.

In 1848, incorporation papers were filed to establish the Village of Vandalia, with 200 residents. In 1958, Vandalia was incorporated as a City, and adopted its charter in 1960, pursuant to Section 7 of Article XVIII of the Ohio Constitution.

The current charter provides for a Council/Manager form of government. The Mayor and the council are elected by separate ballot from the municipality at large for four-year terms. As a council member, the Mayor has the right to vote on all issues before the council. Council appoints the City Manager. The City Manager appoints all department directors of the City.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading.

The primary government consists of all funds and departments which provide various services including police and fire protection, garbage disposal, sewage collection and treatment, water treatment and distribution, street maintenance and repair, parks and recreation, planning, zoning, and maintenance of a staff to provide support services (i.e., payroll processing and accounts payable). Council and the City Manager have direct responsibility for these activities.

The City is associated with the Tri-Cities North Regional Wastewater Authority (TCA) and the Northern Area Water Authority (NAWA), which are 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 14.

The City also participates in the Miami Valley Risk Management Association, Inc. (MVRMA), a risk sharing insurance pool, which provides liability insurance coverage to the City. The pool consists of twenty municipalities who pool risk for property, crime, liability, boiler and machinery and public official liability.

The City is also a member of the Economic Development/Government Equity Program (ED/GE), a jointly governed organization which promotes developing plans and programs designed to assure that County resources are efficiently used, economic growth is properly balanced, and that county economic development is coordinated with that of the State of Ohio and other local governments. This organization is presented in Note 15.

The Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City of Vandalia's financial planning and control. The budget is prepared at the fund level. The finance director may transfer resources within the function and department levels. The department heads may transfer resources within their department as they see fit. 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. Each department head is furnished a monthly report showing the month's transactions and summarizing the balances available to be spent from the appropriations for goods and services.

## Relevant Financial Policies

It is the mission of the City to develop, maintain and implement financial accounting policies and procedures and protect and optimize the financial resources of the City. The City provides a sound accounting system for safeguarding the City's assets through recording and reporting of financial transactions according to mandated laws and guidelines of the Federal law, Ohio Revised Codes, GAAP, and the City's Codified Ordinances. The department goals are to develop sound fiscal policies, provide solid financial management for the City, maintain reserves and fiscal integrity, and protect the assets of the citizens of Vandalia.

The City's past financial stability is largely due to implementing and managing a series of policy decisions. These policies which promote growth of the City and economy through controlled delivery of services remain in place today.

Recognizing the deterioration of the national and state economies and the unprecedented decline in available City resources, the City implemented a 2% income tax effective January 1, 2006.

The City's investment policy is to invest public funds in a manner which will ensure the preservation of capital while providing the highest investment return with the maximum security, meeting the daily cash flow needs of the City, and conforming to all State and local statutes governing the investment of public funds.

## Local Economy

2017 was another positive year of development in the City of Vandalia. Two new buildings went under construction and a number of other projects contributed to growing employment numbers and a positive economic outlook heading into 2018.

One of our most notable developments in 2017 has been the first two lots of "40 West" an office park at a former site of a middle school. PriMed Vandalia, a medical office, opened in December of 2017 after a seven-month construction period. While this project did not create jobs, it retained about 15 and serves as Class A medical office space on once vacant land. Construction also began late in 2017 for a new dental office. This dentist is relocating from a small office in the City and will offer an expanded space and another 2,000 square feet for lease. 40 West has been a very favorable project for the City thus far and with another 7 acres available for development, we are hopeful for more traction in 2018.

In addition, Sand Lake Property, LLC., an affiliate of Dayton Freight Lines, purchased the property at 6450 Poe Avenue. This purchase secured the corporate headquarters for Dayton Freight Lines and ultimately retained 13 other building tenants, which are comprised of nearly 500 total employees for the building. Dayton Freight Lines is projected to grow by adding another 41 jobs over the next three years. Sand Lake Property, LLC. received both JobsOhio and Vandalia Development Corp. grant funds to assist in the building acquisition and renovation.

Just north on Poe Avenue, LeGrand/C2G began renovations at 6500 Poe Avenue for their planned occupancy in spring of 2018. The company received an economic development grant through Montgomery County and funding from the Vandalia Development Corp. to support the project. LeGrand is leasing approximately 30,000 square feet of office space in the building to house 125 full-time employees. The company made the decision to relocate from Moraine to the City of Vandalia in 2016. We are very pleased to welcome LeGrand to the City.

In Stonequarry Crossings, Superior Abrasives officially opened their doors in 2016 and have been prospering since. The company relocated 85 FTE's from Harrison Township upon the completion of an approximate 84,000 sf light manufacturing and office facility on Fieldstone Way, next door to the Fire Station, and across the street from Manufactured Assemblies Corp (MAC). The building is well designed. The company added another 3 full-time jobs in 2017 and has plans for continued job growth. Superior is a German owned company (Pferd) that focuses on the manufacturing and distribution of specialty abrasive products such as cartridge rolls, square pads, round pads, and flap wheels. The company had basically outgrown its current space, and had searched rigorously to find a location that would suit its needs. We are proud that Superior Abrasives chose to grow in the City of Vandalia.

Also, noteworthy in Stonequarry Crossings along Capstone Way, Independent Can Company (ICC), headquartered in Belcamp, Maryland near Baltimore, was in its 3<sup>rd</sup> full year of operations. ICC is a family owned and operated 4<sup>th</sup> generation business. The company is very well known for the manufacturing of decorative canisters that are utilized all across the U.S. The company also manufactures nostalgic signage and produces 100% of the Zippo Lighter Fluid Canister business in the world. During 2016, the company's ownership executed the purchase of an existing option of a 5.5 acre lot to the south of the existing facility. The company will continue to consider expansion over the next several years. ICC committed to 30 FTE's in a three-year period, and has hired over 36 employees to date. The future expansion opportunities would certainly create additional employment positions.

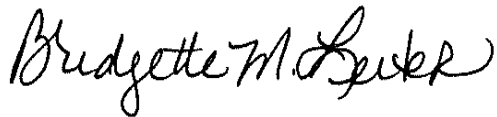
Manufactured Assemblies Corp (MAC) also expanded again along Fieldstone Way in Stonequarry Crossings in 2015. The company has completed the construction of a 15,000 square foot high bay addition to the west side of the facility. This expansion has provided additional space for storage of inventory and finished goods which will continue to support the diversification of product lines and revenue opportunities. MAC purchased roughly 4 acres to the west of the new high bay area in 2017 to secure additional land for a possible future expansion. With over 84 FTE's now, MAC was the first private business to construct in the park, and has been a great supporter of the City for a number of years.

### Awards and Acknowledgements

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 Vandalia, Ohio, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2016. This was the twenty eighth year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report was made possible by the efforts of the Finance Department staff. My sincere appreciation is extended to all members of the City of Vandalia staff, whose efforts have made this report possible. I am especially grateful to Assistant City Manager Greg Shackelford for his economic development input for this report. I would also like to express appreciation to W. Michael Lennon, CPA, and Lorrie Miller for their time spent in preparing this report. This report contains an expanded Statistical Section and a significant amount of work from members of all city departments was necessary to complete the tables. I am extremely grateful for those individuals who gathered the data to complete those statistical tables. Finally, credit must also be given to the City Manager, Mayor and to City Council for their support in maintaining the highest standards of professionalism in the management of the City of Vandalia's finances.

A handwritten signature in black ink, reading "Bridgette M. Leiter". The script is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Bridgette M. Leiter  
Director of Finance



Government Finance Officers Association

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

Presented to

**City of Vandalia  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morill*

Executive Director/CEO

City of Vandalia  
Montgomery County, Ohio  
List of Principal Officials  
December 31, 2017

Elected Officials

***Mayor***

Arlene Setzer

***Vice Mayor***

David Lewis

***Council Members***

Bob Ahlers

Dave Gerhard

Mike Blakesly

Candice Farst

Richard Herbst

Appointed Officials

***City Manager***

Jon Crusey

***Director of Finance***

Bridgette Leiter

***City Attorney***

Gerald McDonald

***Assistant City Manager***

Greg Shackelford

***Chief of Police***

Douglas Knight

***Fire Chief***

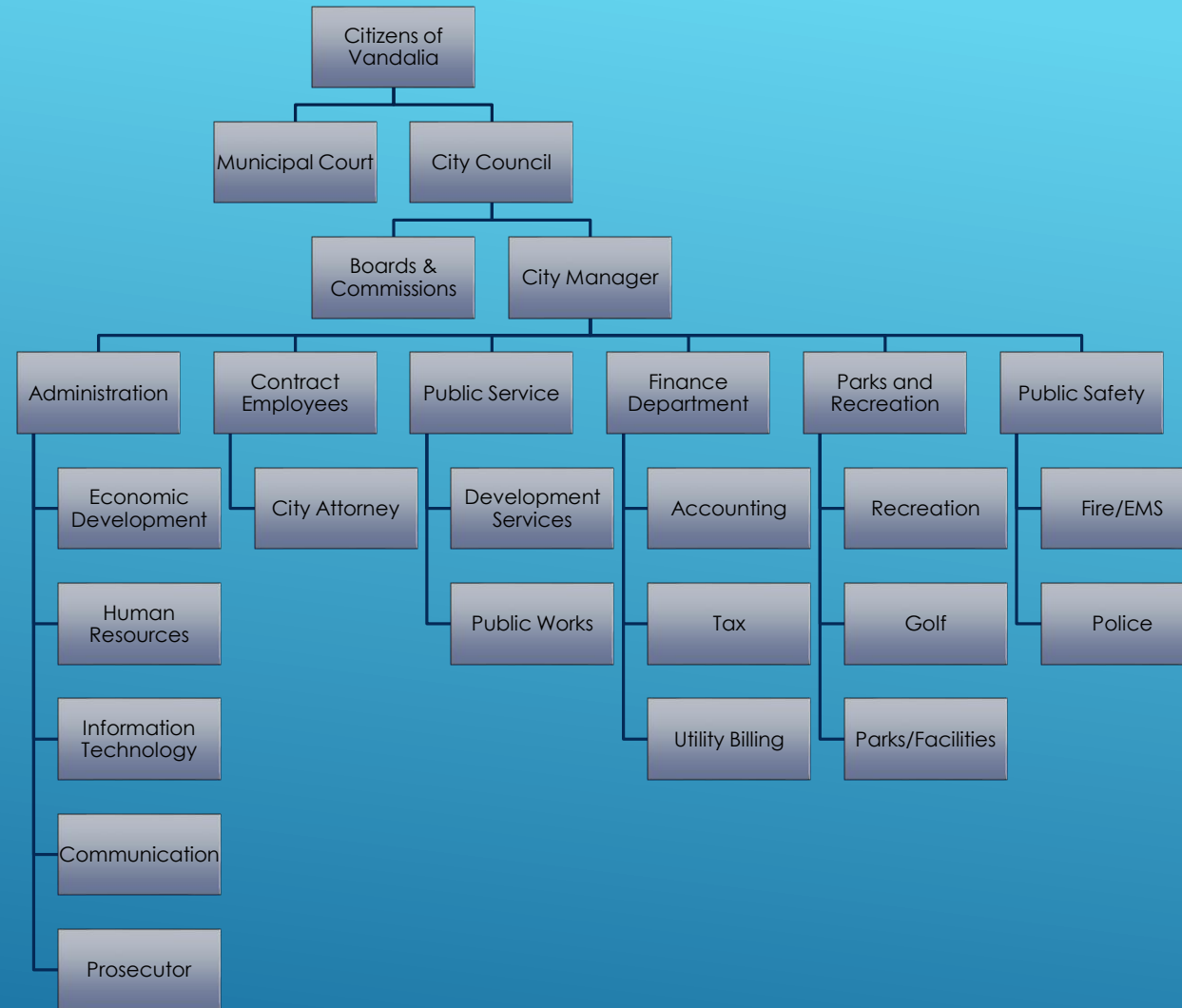
Chad Follick

***Parks and Recreation Director***

Steve Clark

***Director of Public Service***

Rob Cron



# CITY OF VANDALIA ORGANIZATIONAL RESPONSIBILITIES

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## FINANCIAL SECTION





City of Vandalia, Ohio  
Management's Discussion and Analysis  
For The Year Ended December 31, 2017  
(Unaudited)

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The discussion and analysis of the City of Vandalia's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2017. 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, basic financial statements and notes to enhance their understanding of the City's financial performance.

### **Financial Highlights**

- The City's total net position decreased \$627,008 during 2017. The net position of the governmental activities decreased \$1,346,354, while the net position of business-type activities increased by \$719,346.
- General revenues, for governmental activities, accounted for \$16,188,360, or 68% of total governmental activities revenue. Program specific revenues accounted for \$7,490,895 or 32% of total governmental activities revenue.
- Governmental activities net capital assets decreased \$521,965, due to current year depreciation expenses exceeding current year additions.
- The City had \$24,784,949 in expenses related to governmental activities; \$7,490,895 of these expenses was offset by program specific charges for services, grants, contributions, or interest. General revenues (primarily taxes) of \$16,188,360 were not sufficient to offset these program expenses.
- The general fund, the City's largest major governmental fund, had revenues of \$19,888,390 in 2017, or 84.6% of total governmental funds. Expenditures of the general fund were \$17,526,597 or 75.8% of total governmental funds. The general fund balance increased \$651,963 or 4.2% in 2017.
- Business-type operations reflected an operating income of \$153,290 during 2017, and the business-type unrestricted net position was \$13,187,692.

### **Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City's financial situation as a whole and also give a detailed view of the City's fiscal condition.

City of Vandalia, Ohio  
Management's Discussion and Analysis  
For The Year Ended December 31, 2017  
(Unaudited)

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The statement of net position and statement of activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

### **Reporting the City as a Whole**

#### ***Statement of Net Position and Statement of Activities***

The analysis of the City as a whole begins with the statement of net position and the statement of activities. These reports provide information that will help the reader to determine if the City is financially better off or worse off as a result of the year's activities. These statements include all assets, deferred inflows of resources, liabilities and deferred outflows of resources using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in this position. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the readers of these financial statements need to take into account non-financial factors that also impact the City's financial well-being. Some of these factors include the City's tax base and the condition of capital assets.

In the statement of net position and the statement of activities, the City is divided into two kinds of activities.

- Governmental Activities – Most of the City's services are reported here including police, fire, public works, recreation, judicial, and legislative and executive.
- Business-Type Activities – These services include water, sewer and golf. Service fees for these operations are charged based upon the amount of usage or a usage fee. The intent is that the fees charged recoup operational costs.

City of Vandalia, Ohio  
Management's Discussion and Analysis  
For The Year Ended December 31, 2017  
(Unaudited)

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## **Reporting the City's Most Significant Funds**

### ***Fund Financial Statements***

The analysis of the City's major funds begins on page 14. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Finance Director, with approval of council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for use of grants. The City's major funds are general, capital improvement, police, fire and street capital improvements, general obligation bond retirement, water, sewer and golf.

### ***Governmental Funds***

Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. 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 to determine whether there are more or less 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***

When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. Internal service funds are used to report activities that provide services to the City's other funds and departments.

### ***Fiduciary Funds***

All of the City's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

City of Vandalia, Ohio  
Management's Discussion and Analysis  
For The Year Ended December 31, 2017  
(Unaudited)

## Government-Wide Financial Analysis

The statement of net position provides the perspective of the City as a whole.

Table 1 below provides a summary of the City's net position for 2017 compared to 2016:

**Table 1**  
**Net Position**

|                                       | <u>Governmental Activities</u> |                      | <u>Business-Type Activities</u> |                      | <u>Total</u>         |                      |
|---------------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
|                                       | <u>2017</u>                    | <u>2016</u>          | <u>2017</u>                     | <u>2016</u>          | <u>2017</u>          | <u>2016</u>          |
| <u>Assets</u>                         |                                |                      |                                 |                      |                      |                      |
| Current and other assets              | \$ 28,562,571                  | \$ 29,057,222        | \$ 5,439,597                    | \$ 5,124,974         | \$ 34,002,168        | \$ 34,182,196        |
| Capital assets                        | 56,460,245                     | 56,982,210           | 18,721,165                      | 18,740,110           | 75,181,410           | 75,722,320           |
| Investment in joint venture           | -                              | -                    | 9,249,089                       | 8,671,740            | 9,249,089            | 8,671,740            |
| Total assets                          | <u>85,022,816</u>              | <u>86,039,432</u>    | <u>33,409,851</u>               | <u>32,536,824</u>    | <u>118,432,667</u>   | <u>118,576,256</u>   |
| <u>Deferred outflows of resources</u> |                                |                      |                                 |                      |                      |                      |
| Pension                               | <u>5,619,089</u>               | <u>5,522,225</u>     | <u>539,735</u>                  | <u>437,849</u>       | <u>6,158,824</u>     | <u>5,960,074</u>     |
| <u>Liabilities</u>                    |                                |                      |                                 |                      |                      |                      |
| Other liabilities                     | 6,823,711                      | 8,029,972            | 279,056                         | 340,677              | 7,102,767            | 8,370,649            |
| Long-term liabilities:                |                                |                      |                                 |                      |                      |                      |
| Due within one year                   | 1,458,246                      | 1,404,658            | 146,462                         | 126,558              | 1,604,708            | 1,531,216            |
| Due in more than one year:            |                                |                      |                                 |                      |                      |                      |
| Net pension liability                 | 19,584,608                     | 17,863,249           | 1,402,850                       | 1,137,526            | 20,987,458           | 19,000,775           |
| Other amounts                         | <u>3,613,678</u>               | <u>4,062,400</u>     | <u>170,110</u>                  | <u>156,671</u>       | <u>3,783,788</u>     | <u>4,219,071</u>     |
| Total liabilities                     | <u>31,480,243</u>              | <u>31,360,279</u>    | <u>1,998,478</u>                | <u>1,761,432</u>     | <u>33,478,721</u>    | <u>33,121,711</u>    |
| <u>Deferred inflows of resources</u>  |                                |                      |                                 |                      |                      |                      |
| Property taxes                        | 1,227,475                      | 1,165,617            | -                               | -                    | 1,227,475            | 1,165,617            |
| Payments in lieu of taxes             | 95,505                         | 73,675               | -                               | -                    | 95,505               | 73,675               |
| Pension                               | <u>567,449</u>                 | <u>344,499</u>       | <u>42,513</u>                   | <u>23,992</u>        | <u>609,962</u>       | <u>368,491</u>       |
| Total deferred inflows of resources   | <u>1,890,429</u>               | <u>1,583,791</u>     | <u>42,513</u>                   | <u>23,992</u>        | <u>1,932,942</u>     | <u>1,607,783</u>     |
| <u>Net position</u>                   |                                |                      |                                 |                      |                      |                      |
| Net investment in capital assets      | 49,337,872                     | 48,804,352           | 18,654,104                      | 18,740,110           | 67,991,976           | 67,544,462           |
| Restricted                            | 3,695,303                      | 3,939,012            | -                               | -                    | 3,695,303            | 3,939,012            |
| Unrestricted                          | <u>4,238,058</u>               | <u>5,874,223</u>     | <u>13,254,491</u>               | <u>12,449,139</u>    | <u>17,492,549</u>    | <u>18,323,362</u>    |
| Total net position                    | <u>\$ 57,271,233</u>           | <u>\$ 58,617,587</u> | <u>\$ 31,908,595</u>            | <u>\$ 31,189,249</u> | <u>\$ 89,179,828</u> | <u>\$ 89,806,836</u> |

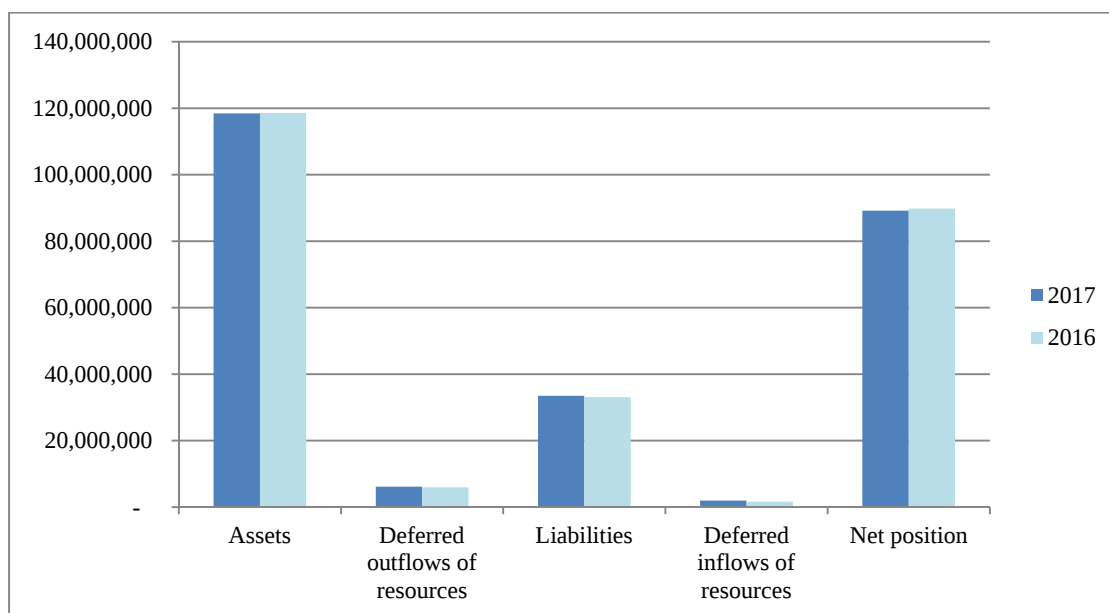
City of Vandalia, Ohio  
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As displayed in Table 1, total net position of the City as a whole, decreased \$627,008 from 2016 to 2017. This was due to a decrease in cash and an increase in the net pension liability from the prior year.

Total net position of the City's governmental activities decreased by \$1,346,354, and the unrestricted net position decreased \$1,636,165 from 2016 to 2017. The decrease in governmental net position as mentioned above is due to a decrease in equity in pooled cash and investments, and an increase in the net pension liability.

The net position of the City's business type activities increased by \$719,346. One of the three enterprise funds reported operating income during 2017. Overall, program expenses decreased \$259,291 from the prior year and had an increase of \$146,809 in charges for services during 2017. The City strives to control operation expenses for business-type activities in order to maintain stability in charges for services rates.



The City's statement of activities prepared on an accrual basis of accounting includes an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows. The City is also reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting in the statement of net position.

Table 2 shows the changes in net position for the year ended December 31, 2017, and revenue and expense comparisons to 2016.

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**Table 2**  
**Changes in Net Position**

|                                                  | Governmental Activities |                      | Business-Type Activities |                      | Total                | Total                |
|--------------------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                                                  | <u>2017</u>             | <u>2016</u>          | <u>2017</u>              | <u>2016</u>          | <u>2017</u>          | <u>2016</u>          |
| <b>Revenues</b>                                  |                         |                      |                          |                      |                      |                      |
| Program revenues:                                |                         |                      |                          |                      |                      |                      |
| Charges for services                             | \$ 6,331,026            | \$ 6,268,161         | \$ 5,121,535             | \$ 4,974,726         | \$ 11,452,561        | \$ 11,242,887        |
| Operating grants, contributions,<br>and interest | 1,028,220               | 1,184,517            | -                        | -                    | 1,028,220            | 1,184,517            |
| Capital grants and contributions                 | 131,649                 | 151,524              | 116,890                  | 121,799              | 248,539              | 273,323              |
| General revenues:                                |                         |                      |                          |                      |                      |                      |
| Property taxes                                   | 1,289,362               | 1,275,653            | -                        | -                    | 1,289,362            | 1,275,653            |
| Income taxes                                     | 13,897,814              | 14,247,899           | -                        | -                    | 13,897,814           | 14,247,899           |
| Grants and entitlements                          | 615,526                 | 345,958              | -                        | -                    | 615,526              | 345,958              |
| Payment in lieu of taxes                         | 104,572                 | 115,268              | -                        | -                    | 104,572              | 115,268              |
| Gain on sale of capital assets                   | -                       | 7,906                | -                        | -                    | -                    | 7,906                |
| Investment earnings                              | 273,681                 | 119,752              | -                        | -                    | 273,681              | 119,752              |
| Other                                            | 7,405                   | 39,115               | -                        | -                    | 7,405                | 39,115               |
| Total revenues                                   | <u>23,679,255</u>       | <u>23,755,753</u>    | <u>5,238,425</u>         | <u>5,096,525</u>     | <u>28,917,680</u>    | <u>28,852,278</u>    |
| <b>Program Expenses</b>                          |                         |                      |                          |                      |                      |                      |
| Governmental Activities:                         |                         |                      |                          |                      |                      |                      |
| General government                               |                         |                      |                          |                      |                      |                      |
| Legislative and executive                        | 3,552,107               | 2,851,137            | -                        | -                    | 3,552,107            | 2,851,137            |
| Judicial system                                  | 2,286,252               | 1,985,784            | -                        | -                    | 2,286,252            | 1,985,784            |
| Public safety                                    |                         |                      |                          |                      |                      |                      |
| Police                                           | 5,916,257               | 5,641,594            | -                        | -                    | 5,916,257            | 5,641,594            |
| Fire                                             | 2,654,948               | 2,200,282            | -                        | -                    | 2,654,948            | 2,200,282            |
| Public works                                     |                         |                      |                          |                      |                      |                      |
| Engineer                                         | 1,266,346               | 1,075,594            | -                        | -                    | 1,266,346            | 1,075,594            |
| Streets                                          | 3,307,653               | 2,993,858            | -                        | -                    | 3,307,653            | 2,993,858            |
| Refuse                                           | 1,042,976               | 820,926              | -                        | -                    | 1,042,976            | 820,926              |
| Recreation                                       | 4,527,113               | 3,793,318            | -                        | -                    | 4,527,113            | 3,793,318            |
| Interest and fiscal charges                      | 231,297                 | 235,861              | -                        | -                    | 231,297              | 235,861              |
| Business-Type Activities:                        |                         |                      |                          |                      |                      |                      |
| Water                                            | -                       | -                    | 1,942,016                | 2,010,094            | 1,942,016            | 2,010,094            |
| Sewer                                            | -                       | -                    | 1,703,795                | 1,944,231            | 1,703,795            | 1,944,231            |
| Golf                                             | -                       | -                    | 1,113,928                | 1,064,705            | 1,113,928            | 1,064,705            |
| Total program expenses                           | <u>24,784,949</u>       | <u>21,598,354</u>    | <u>4,759,739</u>         | <u>5,019,030</u>     | <u>29,544,688</u>    | <u>26,617,384</u>    |
| Increase (decrease) in net position              |                         |                      |                          |                      |                      |                      |
| before transfers                                 | (1,105,694)             | 2,157,399            | 478,686                  | 77,495               | (627,008)            | 2,234,894            |
| Transfers                                        | <u>(240,660)</u>        | <u>(9,855)</u>       | <u>240,660</u>           | <u>9,855</u>         | <u>-</u>             | <u>-</u>             |
| Change in net position                           | (1,346,354)             | 2,147,544            | 719,346                  | 87,350               | (627,008)            | 2,234,894            |
| Net position, beginning of year                  | <u>58,617,587</u>       | <u>56,470,043</u>    | <u>31,189,249</u>        | <u>31,101,899</u>    | <u>89,806,836</u>    | <u>87,571,942</u>    |
| Net position, end of year                        | <u>\$ 57,271,233</u>    | <u>\$ 58,617,587</u> | <u>\$ 31,908,595</u>     | <u>\$ 31,189,249</u> | <u>\$ 89,179,828</u> | <u>\$ 89,806,836</u> |

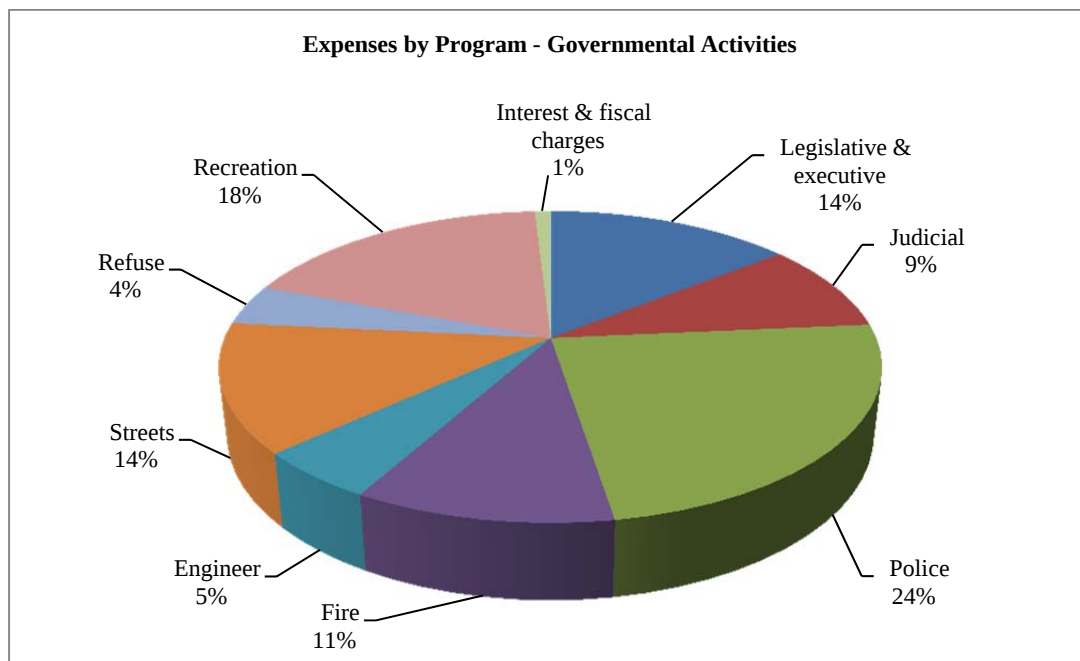
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***Governmental Activities***

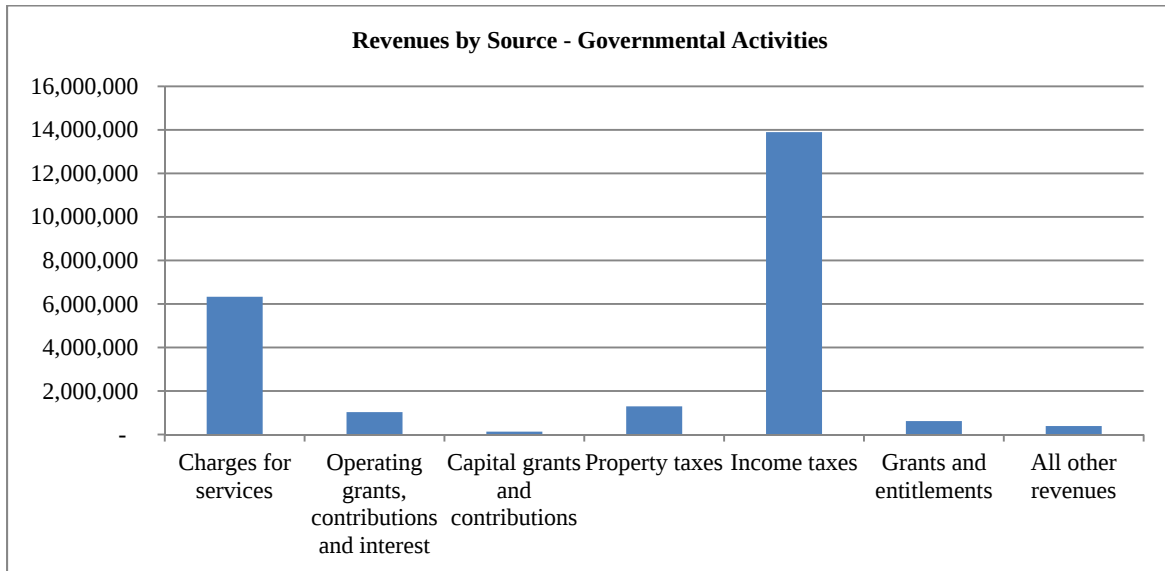
The City 2% income tax effective January 1, 2006, is the largest source of revenue for the City of Vandalia. The above table reflects that income tax receipts decreased slightly from the prior year.

Charges for services increased \$62,865 and income tax revenues decreased \$350,085 during 2017. Governmental activities program expenses increased \$3,186,595 during 2017 with increases and decreases in several areas. Expenses related to income tax collection for the municipality of Brookville also continue to be reflected in the general government program expenses.



As indicated by governmental program expenses, citizen safety and well being is emphasized as well as maintaining the City's streets and other infrastructure. Recreation programs and facilities are considered an integral part of the quality of life factor.

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When looking at the sources of income used to support governmental activities, it should be noted that charges for services of \$6,331,026 represent 26.7% of revenue. Revenues provided by sources other than city residents in the form of operating and capital grants comprise another \$1,159,869, or 4.9%, and unrestricted grants and entitlements accounted for \$615,526, which is another 2.6%. The remaining revenues are primarily generated locally through property taxes, \$1,289,362 or 5.5% and income taxes, \$13,897,814 at 58.7%. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous councils have always been committed.

### ***Business-Type Activities***

The City's business-type activities include water, sewer and golf.

*Water* – The City of Vandalia closed their water treatment plant in 1970 and contracted with the City of Dayton to furnish water to the residents of Vandalia. Vandalia owns, maintains and repairs all lines and pumping stations as needed. In March, 2002, the City entered into a joint venture with the City of Tipp City to build a water treatment plant. The water treatment plant is operated by the Northern Area Water Authority (NAWA) which is located in Tipp City and provides water treatment services to both communities. Per the engineer and design rate study, water rates will be increased as necessary to fund this joint venture. During 2008, the City instituted a sewer rate increase and in order to keep utility bills from increasing, the City Council voted to reduce water rates by 4.5% in 2008 and 2009.

The water treatment plant became fully operational in June of 2007. The City of Dayton implemented water rate increases of 22% in 2005, 34% in January 2006 and 8% in January 2007. The City of Vandalia abandoned the final two years of its rate increases and passed a new ordinance to increase water rates to residents equal to the City of Dayton's rate increases.

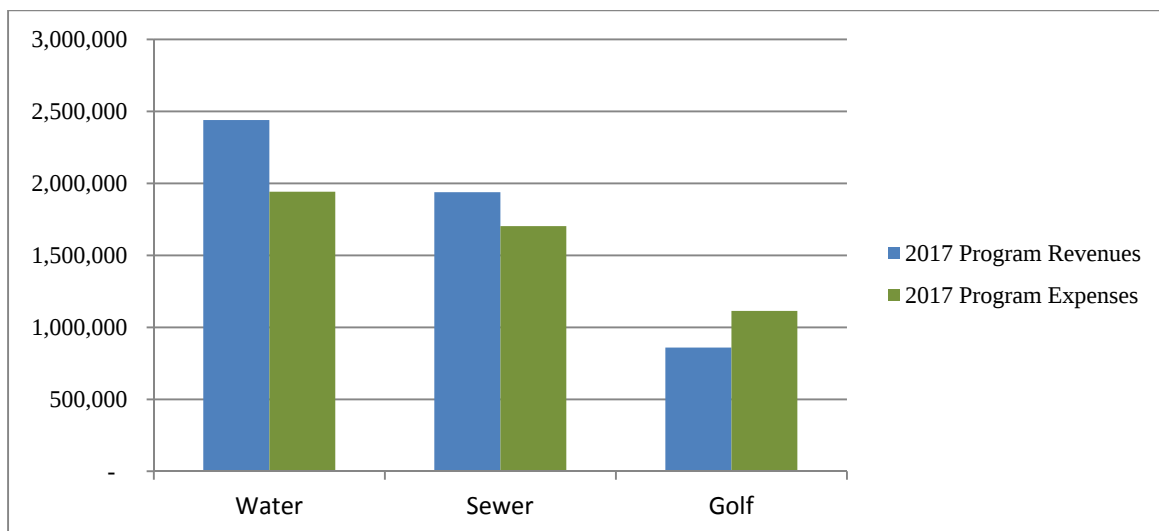
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**Sewer** - The City closed their wastewater treatment facility in 1985. Vandalia then contracted with the Miami Conservancy District for wastewater treatment services. In 1996, the Conservancy District decided they no longer wanted to furnish this service. A joint venture was formed between the Cities of Vandalia, Huber Heights and Tipp City to take over the Conservancy District operation. The joint venture now furnishes waste water treatment services to each city. Each city owns and maintains the infrastructure necessary to furnish service to their citizens. All capital repairs and upkeep of the treatment plant are the responsibility of the joint venture. The joint venture in turn will set costs of service for the cities, based on flow, to maintain the plant. The City of Vandalia will in turn, charge its citizens accordingly. Any capital outlay needed to maintain Vandalia's sewer infrastructure was provided by user fees. Due to the need for current and future capital improvements, maintenance and up keep of enterprise infrastructure, Council decided to implement a 9% sewer rate increase for 2008 and 2009. For 2017, there was no change in the current charge to member cities which is not more than \$1.25 per thousand gallons of usage.

**Golf** - Vandalia's Cassel Hills Golf Course is an 18-hole golf course with a snack bar. In 1997 the course was voted as "best in the valley" by Dayton Daily Newsreaders and in 2003 received a four-star ranking by *Golf Digest*. Vandalia was one of the first smaller cities in the Miami Valley to have a municipal golf course. As a result, public expectation has been that a public course should have lesser fees than a private golf course. Vandalia's council has, for the most part, agreed with the expectation of lower fees and has been willing to subsidize operations of the course with transfers and advances from the general fund when necessary.

Overall, the City's business-type activities generated over \$5 million in program revenues during 2017, program expenses were over \$4.7 million. Operating expenses in the business-type activities had a slight decrease from the prior year due to the close monitoring of expenses. Charges for services showed an increase in two of the three business type activities during 2017.



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In a prior year, the City implemented the accounting standard for pension plans. As a result of implementing the accounting standard, the City is reporting a significant net pension liability, related deferred inflows of resources and an increase in expenses related to pension for the fiscal year which have a negative effect on net position. In addition, the City is reporting deferred outflows of resources, which have a positive consequence on net position. The increase in pension expense is the difference between the contractually required contributions and the pension expense resulting from the change in the net pension liability that is not reported as deferred inflows or outflows. These two amounts can be found in the reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities. To further explain the impact of this new accounting standard on the City's net position, additional information is presented below.

|                                   | 2017                   | 2016                   | 2017                | 2016                |
|-----------------------------------|------------------------|------------------------|---------------------|---------------------|
|                                   | Governmental           | Governmental           | Business-Type       | Business-Type       |
|                                   | <u>Activities</u>      | <u>Activities</u>      | <u>Activities</u>   | <u>Activities</u>   |
| Deferred outflows - pension       | \$ 5,619,089           | \$ 5,522,225           | \$ 539,735          | \$ 437,849          |
| Deferred inflows - pension        | (567,449)              | (344,499)              | (42,513)            | (23,992)            |
| Net pension liability             | <u>(19,584,608)</u>    | <u>(17,863,249)</u>    | <u>(1,402,850)</u>  | <u>(1,137,526)</u>  |
| Impact of GASB 68 on net position | <u>\$ (14,532,968)</u> | <u>\$ (12,685,523)</u> | <u>\$ (905,628)</u> | <u>\$ (723,669)</u> |

### Financial Analysis of the Government's Funds

Information about the City's major governmental funds begins on page 22. These funds are reported using the modified accrual basis of accounting. Governmental funds reported revenues of \$23 million and expenditures of \$23 million. The general fund net change in fund balance from 2016 to 2017 was an increase of \$651,963. Within the general fund, revenues exceeded expenditures by \$2,361,793. The total revenues of the general fund decreased from 2016 by \$163,641 and expenditures increased from 2016 by \$1,410,615. This increase in expenditures is not due to any one single event. Transfers to other funds such as the capital improvement fund, the general obligation debt service fund and the golf fund equaled \$2.36 million. The funds transferred were used for capital assets, improvements, repairs, and debt.

The capital improvement fund balance increased by \$492,287. Fund balance at December 31, 2017, was \$618,110. The police, fire and street capital improvements fund balance decreased \$665,392 from 2016 to an ending fund balance of \$557,903. The general obligation bond retirement fund balance increased \$396,529 from 2016 to an ending deficit fund balance of \$3,619,658. All other governmental funds fund balance decreased by \$255,679 during 2017.

The City has implemented a series of rate increases in the enterprise funds to help alleviate future fund losses. If unrestricted net position is not sufficient to sustain the losses, the City will provide transfers and advances from the general fund as necessary to cover negative balances. Charges for services for water and sewer services have historically been established to ensure that on a cash basis, fees are adequate to cover operations. In the past, Council has not set fees with the intention of funding capital improvements, however, beginning in 2004, capital items are now charged to the enterprise funds. Therefore, during 2004, Council passed ordinances to implement new fee structures for water and sewer rates. Of the water and sewer funds, both funds showed an increase in cash during 2017.

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The golf activity's operating loss of \$211,347 is attributable to continually increasing costs for contractual services related to repair and maintenance of the facility with only small increases in fees charged. The Golf course is intended to be operated as a business-type activity. However, historically; Council has not set fees adequate to cover all operating expenses. Even though this operation periodically receives governmental support, it is reflected as a business-type activity.

### ***General fund budgeting highlights***

The City's budget is adopted on a fund basis. Before the budget is adopted council reviews the detailed work papers of each function within the general fund, and then adopts the budget on a fund basis. During 2017, revisions were made to the general fund budget. These revisions are reflected on the statement of revenues, expenditures and changes in fund balances for the general fund on page 29. Within each departmental function, a department head may make small line item adjustments within their budget, as long as the total operation and maintenance amount does not exceed their original budget allowance.

Original general fund budgeted revenues and other financing sources increased \$150,000, from \$23,706,204 to the final budgeted amount of \$23,856,204 for the fiscal year end December 31, 2017. Municipal income taxes final budget was consistent with actual income tax revenue for the prior year. At the end of the year, actual municipal income revenues were less than the final budget by \$1,278,777.

Original general fund expenditures and other financing uses increased \$588,800, from \$24,392,141 to the final budgeted amount of \$24,980,941. This increase was due to an increase in legislative and executive appropriations. Actual expenditures were \$1,745,161 below final budget expenditures for 2017 due to the close monitoring of expenditures.

## **Capital Assets and Debt Administration**

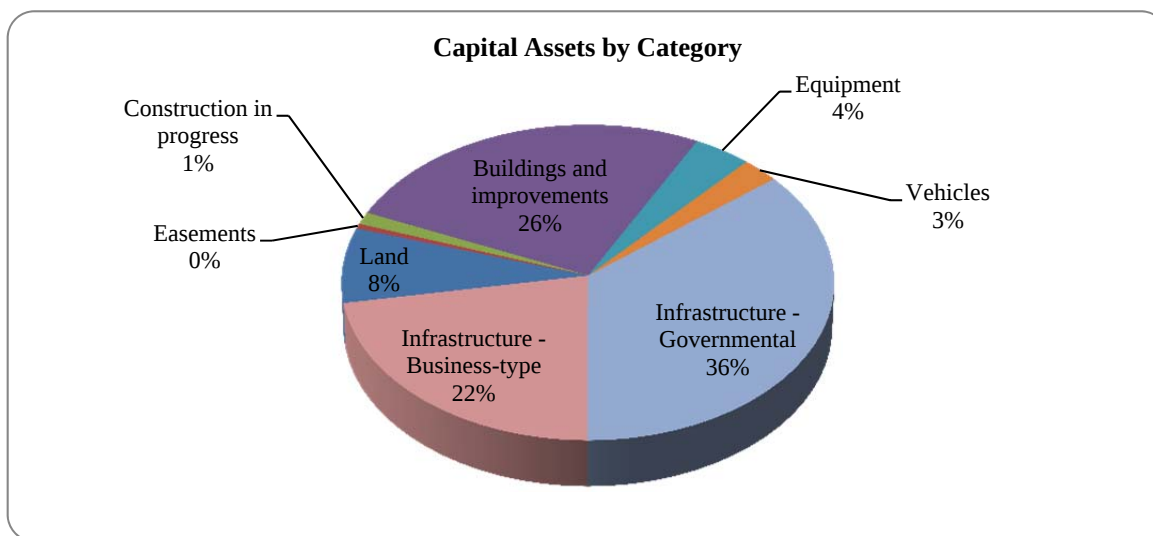
### ***Capital Assets***

(Net of Depreciation)

|                            | Governmental Activities |                      | Business-Type Activities |                      | Total                |                      |
|----------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                            | <u>2017</u>             | <u>2016</u>          | <u>2017</u>              | <u>2016</u>          | <u>2017</u>          | <u>2016</u>          |
| Land                       | \$ 5,609,469            | \$ 6,104,043         | \$ 167,369               | \$ 167,369           | \$ 5,776,838         | \$ 6,271,412         |
| Easements                  | 376,999                 | 376,999              | 500                      | 500                  | 377,499              | 377,499              |
| Construction in progress   | 720,114                 | 359,033              | 220,376                  | 134,183              | 940,490              | 493,216              |
| Buildings and improvements | 18,292,815              | 18,727,645           | 1,222,203                | 1,249,160            | 19,515,018           | 19,976,805           |
| Equipment                  | 2,570,093               | 2,453,416            | 420,816                  | 402,859              | 2,990,909            | 2,856,275            |
| Vehicles                   | 1,920,826               | 1,189,825            | -                        | -                    | 1,920,826            | 1,189,825            |
| Infrastructure             | 26,969,929              | 27,771,249           | 16,689,901               | 16,786,039           | 43,659,830           | 44,557,288           |
| Total                      | <u>\$ 56,460,245</u>    | <u>\$ 56,982,210</u> | <u>\$ 18,721,165</u>     | <u>\$ 18,740,110</u> | <u>\$ 75,181,410</u> | <u>\$ 75,722,320</u> |

Capital assets, net of depreciation, in governmental activities decreased from the prior year. This is due to current year depreciation expense exceeding current year additions. Capital assets, net of depreciation, for the business-type activities also decreased during 2017 for the same reason. See Note 7 of the notes to the basic financial statements for more detailed information on capital assets.

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### Debt

At December 31, 2017, the City of Vandalia had \$8,755,048 in bonds, notes, loans and capital leases.

**Table 4**  
**Outstanding Debt, at Year End**

|                                  | Governmental Activities |                     | Business-Type Activities |                  | Total               |                     |
|----------------------------------|-------------------------|---------------------|--------------------------|------------------|---------------------|---------------------|
|                                  | <u>2017</u>             | <u>2016</u>         | <u>2017</u>              | <u>2016</u>      | <u>2017</u>         | <u>2016</u>         |
| Unvoted general obligation bonds |                         |                     |                          |                  |                     |                     |
| Various purpose limited tax      | \$ 2,144,682            | \$ 2,457,755        | \$ -                     | \$ -             | \$ 2,144,682        | \$ 2,457,755        |
| State infrastructure bank loan   | 1,130,750               | 1,196,910           | -                        | -                | 1,130,750           | 1,196,910           |
| OPWC loan                        | 35,508                  | -                   | 67,061                   | -                | 102,569             | -                   |
| Capital leases                   | 120,433                 | 214,193             | 51,614                   | 91,797           | 172,047             | 305,990             |
|                                  | <u>\$ 3,431,373</u>     | <u>\$ 3,868,858</u> | <u>\$ 118,675</u>        | <u>\$ 91,797</u> | <u>\$ 3,550,048</u> | <u>\$ 3,960,655</u> |

The Various Purpose Limited Tax bonds will be paid with property tax revenues via transfers from the general fund.

The City has short term note obligations being reported in the capital improvement capital projects fund, and the general obligation bond retirement debt service fund in the amounts of \$1,514,000, and \$3,691,000, respectively. Revenues for payment of interest and principal on the bond anticipation notes will result from proceeds from new notes to be issued in 2017. The general obligation debt service fund will retire the debt.

The City's overall legal debt margin was \$32,954,461 at December 31, 2017. See Note 9, 10 and 11 of the notes to the basic financial statements for more detailed information on debt of the City.

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(Unaudited)

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**Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayer, creditors and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Bridgette Leiter, Finance Director, City of Vandalia, 333 James E. Bohanan Drive, Vandalia, Ohio 45377.

City of Vandalia, Ohio  
Statement of Net Position  
December 31, 2017

|                                                        | Governmental<br>Activities | Business-Type<br>Activities | Total              |
|--------------------------------------------------------|----------------------------|-----------------------------|--------------------|
| <u>Assets:</u>                                         |                            |                             |                    |
| Equity in pooled cash and investments                  | \$ 20,923,683              | \$ 4,942,523                | \$ 25,866,206      |
| Cash and cash equivalents in segregated accounts       | 231,913                    | -                           | 231,913            |
| Cash and cash equivalents with fiscal agent            | 522,544                    | -                           | 522,544            |
| Receivables:                                           |                            |                             |                    |
| Income tax                                             | 2,525,716                  | -                           | 2,525,716          |
| Property and other taxes                               | 1,322,585                  | -                           | 1,322,585          |
| Accounts                                               | 453,386                    | 323,182                     | 776,568            |
| Revenue in lieu of taxes receivable                    | 108,678                    | -                           | 108,678            |
| Special assessments                                    | 4,862                      | -                           | 4,862              |
| Accrued interest                                       | 78,415                     | -                           | 78,415             |
| Due from other governments                             | 812,872                    | 29,872                      | 842,744            |
| Materials and supplies inventory                       | 105,836                    | 13,811                      | 119,647            |
| Inventory held for resale                              | -                          | 8,633                       | 8,633              |
| Prepaid items                                          | 41,834                     | -                           | 41,834             |
| Restricted: equity in pooled cash and cash equivalents | -                          | 54,777                      | 54,777             |
| Investment in joint venture                            | -                          | 9,249,089                   | 9,249,089          |
| Internal balances                                      | (66,799)                   | 66,799                      | -                  |
| Land held for resale                                   | 1,497,046                  | -                           | 1,497,046          |
| Nondepreciable capital assets                          | 6,706,582                  | 388,245                     | 7,094,827          |
| Depreciable capital assets, net                        | 49,753,663                 | 18,332,920                  | 68,086,583         |
| Total assets                                           | <u>85,022,816</u>          | <u>33,409,851</u>           | <u>118,432,667</u> |
| <u>Deferred outflows of resources:</u>                 |                            |                             |                    |
| Pension                                                | <u>5,619,089</u>           | <u>539,735</u>              | <u>6,158,824</u>   |
| <u>Liabilities:</u>                                    |                            |                             |                    |
| Accounts payable                                       | 317,217                    | 13,716                      | 330,933            |
| Contracts payable                                      | 53,939                     | -                           | 53,939             |
| Accrued wages and benefits                             | 177,870                    | 10,384                      | 188,254            |
| Matured compensated absences payable                   | 50,228                     | 4,184                       | 54,412             |
| Retainage payable                                      | 231,873                    | -                           | 231,873            |
| Due to other governments                               | 144,696                    | 10,602                      | 155,298            |
| Due to related parties                                 | -                          | 183,631                     | 183,631            |
| Unearned revenue                                       | 1,358                      | 1,762                       | 3,120              |
| Income tax refunds payable                             | 398,201                    | -                           | 398,201            |
| Bond anticipation notes payable                        | 5,205,000                  | -                           | 5,205,000          |
| Accrued interest payable                               | 58,494                     | -                           | 58,494             |
| Claims payable                                         | 184,835                    | -                           | 184,835            |
| Refundable deposits                                    | -                          | 54,777                      | 54,777             |
| Long-term liabilities:                                 |                            |                             |                    |
| Due within one year                                    | 1,458,246                  | 146,462                     | 1,604,708          |
| Due in more than one year:                             |                            |                             |                    |
| Net pension liability                                  | 19,584,608                 | 1,402,850                   | 20,987,458         |
| Other amounts due in more than one year                | 3,613,678                  | 170,110                     | 3,783,788          |
| Total liabilities                                      | <u>31,480,243</u>          | <u>1,998,478</u>            | <u>33,478,721</u>  |

(Continued)

City of Vandalia, Ohio  
Statement of Net Position  
December 31, 2017  
(Continued)

|                                       | Governmental<br>Activities | Business-Type<br>Activities | Total                |
|---------------------------------------|----------------------------|-----------------------------|----------------------|
| <u>Deferred inflows of resources:</u> |                            |                             |                      |
| Property taxes                        | 1,227,475                  | -                           | 1,227,475            |
| Payments in lieu of taxes             | 95,505                     | -                           | 95,505               |
| Pension                               | 567,449                    | 42,513                      | 609,962              |
| Total deferred inflows or resources   | <u>1,890,429</u>           | <u>42,513</u>               | <u>1,932,942</u>     |
| <u>Net position:</u>                  |                            |                             |                      |
| Net investment in capital assets      | 49,337,872                 | 18,654,104                  | 67,991,976           |
| Restricted for capital projects       | 1,565,203                  | -                           | 1,565,203            |
| Restricted for streets and highways   | 1,614,213                  | -                           | 1,614,213            |
| Restricted for other purposes         | 515,887                    | -                           | 515,887              |
| Unrestricted                          | 4,238,058                  | 13,254,491                  | 17,492,549           |
| Total net position                    | <u>\$ 57,271,233</u>       | <u>\$ 31,908,595</u>        | <u>\$ 89,179,828</u> |

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio  
Statement of Activities  
For the Year Ended December 31, 2017

|                                  |               | Program Revenues                  |                                                    |                                     |
|----------------------------------|---------------|-----------------------------------|----------------------------------------------------|-------------------------------------|
|                                  | Expenses      | Charges for<br>Services and Sales | Operating Grants,<br>Contributions<br>and Interest | Capital Grants<br>and Contributions |
| <u>Governmental Activities:</u>  |               |                                   |                                                    |                                     |
| General government               |               |                                   |                                                    |                                     |
| Legislative and executive        | \$ 3,552,107  | \$ 1,244,436                      | \$ 1,256                                           | \$ -                                |
| Judicial system                  | 2,286,252     | 1,574,815                         | -                                                  | -                                   |
| Public safety                    |               |                                   |                                                    |                                     |
| Police                           | 5,916,257     | 54,380                            | 12,000                                             | -                                   |
| Fire                             | 2,654,948     | 428,813                           | -                                                  | -                                   |
| Public works                     |               |                                   |                                                    |                                     |
| Engineer                         | 1,266,346     | 471,661                           | -                                                  | 250                                 |
| Streets                          | 3,307,653     | 103,799                           | 999,227                                            | 126,899                             |
| Refuse                           | 1,042,976     | 1,004,809                         | -                                                  | -                                   |
| Recreation                       | 4,527,113     | 1,448,313                         | 15,737                                             | 4,500                               |
| Interest and fiscal charges      | 231,297       | -                                 | -                                                  | -                                   |
| Total governmental activities    | 24,784,949    | 6,331,026                         | 1,028,220                                          | 131,649                             |
| <u>Business-Type Activities:</u> |               |                                   |                                                    |                                     |
| Water                            | 1,942,016     | 2,329,366                         | -                                                  | 110,583                             |
| Sewer                            | 1,703,795     | 1,932,540                         | -                                                  | 6,307                               |
| Golf                             | 1,113,928     | 859,629                           | -                                                  | -                                   |
| Total business-type activities   | 4,759,739     | 5,121,535                         | -                                                  | 116,890                             |
| Total primary government         | \$ 29,544,688 | \$ 11,452,561                     | \$ 1,028,220                                       | \$ 248,539                          |

General revenues:

Property taxes levied for:

    General purposes

Income tax levied for:

    General purposes

Grants and entitlements not restricted to specific programs

Payment in lieu of taxes

Investment earnings

Other

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position

| Governmental<br>Activities | Business-Type<br>Activities | Total           |
|----------------------------|-----------------------------|-----------------|
| \$ (2,306,415)             | \$ -                        | \$ (2,306,415)  |
| (711,437)                  | -                           | (711,437)       |
| (5,849,877)                | -                           | (5,849,877)     |
| (2,226,135)                | -                           | (2,226,135)     |
| (794,435)                  | -                           | (794,435)       |
| (2,077,728)                | -                           | (2,077,728)     |
| (38,167)                   | -                           | (38,167)        |
| (3,058,563)                | -                           | (3,058,563)     |
| (231,297)                  | -                           | (231,297)       |
| (17,294,054)               | -                           | (17,294,054)    |
| -                          | 497,933                     | 497,933         |
| -                          | 235,052                     | 235,052         |
| -                          | (254,299)                   | (254,299)       |
| -                          | 478,686                     | 478,686         |
| \$ (17,294,054)            | \$ 478,686                  | \$ (16,815,368) |
| 1,289,362                  | -                           | 1,289,362       |
| 13,897,814                 | -                           | 13,897,814      |
| 615,526                    | -                           | 615,526         |
| 104,572                    | -                           | 104,572         |
| 273,681                    | -                           | 273,681         |
| 7,405                      | -                           | 7,405           |
| (240,660)                  | 240,660                     | -               |
| 15,947,700                 | 240,660                     | 16,188,360      |
| (1,346,354)                | 719,346                     | (627,008)       |
| 58,617,587                 | 31,189,249                  | 89,806,836      |
| \$ 57,271,233              | \$ 31,908,595               | \$ 89,179,828   |

City of Vandalia, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2017

|                                                                               | General              | Capital<br>Improvement | Police, Fire and<br>Street Capital<br>Improvements | General<br>Obligation Bond<br>Retirement |
|-------------------------------------------------------------------------------|----------------------|------------------------|----------------------------------------------------|------------------------------------------|
| <b>Assets:</b>                                                                |                      |                        |                                                    |                                          |
| Equity in pooled cash and investments                                         | \$ 14,952,821        | \$ 695,867             | \$ 569,835                                         | \$ 95,062                                |
| Cash and cash equivalents in segregated accounts                              | -                    | -                      | 231,913                                            | -                                        |
| Cash and cash equivalents with fiscal agent                                   | 522,544              | -                      | -                                                  | -                                        |
| <b>Receivables:</b>                                                           |                      |                        |                                                    |                                          |
| Income tax                                                                    | 2,525,716            | -                      | -                                                  | -                                        |
| Property and other taxes                                                      | 1,322,585            | -                      | -                                                  | -                                        |
| Accounts                                                                      | 388,928              | -                      | -                                                  | -                                        |
| Revenue in lieu of taxes                                                      | -                    | -                      | -                                                  | -                                        |
| Special assessments                                                           | -                    | 4,862                  | -                                                  | -                                        |
| Accrued interest                                                              | 78,415               | -                      | -                                                  | -                                        |
| <b>Restricted assets:</b>                                                     |                      |                        |                                                    |                                          |
| Equity in pooled cash and cash equivalents                                    | 45,979               | -                      | -                                                  | -                                        |
| Due from other governments                                                    | 244,271              | -                      | 48,513                                             | -                                        |
| Materials and supplies inventory                                              | 12,131               | -                      | -                                                  | -                                        |
| Land held for resale                                                          | -                    | 1,497,046              | -                                                  | -                                        |
| <b>Total assets</b>                                                           | <b>\$ 20,093,390</b> | <b>\$ 2,197,775</b>    | <b>\$ 850,261</b>                                  | <b>\$ 95,062</b>                         |
| <b>Liabilities:</b>                                                           |                      |                        |                                                    |                                          |
| Accounts payable                                                              | \$ 309,158           | \$ -                   | \$ -                                               | \$ -                                     |
| Contracts payable                                                             | -                    | 47,215                 | 6,724                                              | -                                        |
| Accrued wages and benefits                                                    | 166,513              | -                      | 2,356                                              | -                                        |
| Matured compensated absences payable                                          | 48,350               | -                      | 196                                                | -                                        |
| Retainage payable                                                             | -                    | -                      | 231,873                                            | -                                        |
| Due to other governments                                                      | 133,721              | -                      | 2,758                                              | -                                        |
| Unearned revenue                                                              | 1,358                | -                      | -                                                  | -                                        |
| Income tax refunds payable                                                    | 398,201              | -                      | -                                                  | -                                        |
| Accrued interest payable                                                      | -                    | 13,588                 | -                                                  | 23,720                                   |
| Bond anticipation notes payable                                               | -                    | 1,514,000              | -                                                  | 3,691,000                                |
| <b>Total liabilities</b>                                                      | <b>1,057,301</b>     | <b>1,574,803</b>       | <b>243,907</b>                                     | <b>3,714,720</b>                         |
| <b>Deferred inflows of resources:</b>                                         |                      |                        |                                                    |                                          |
| Property taxes                                                                | 1,227,475            | -                      | -                                                  | -                                        |
| Payments in lieu of taxes                                                     | -                    | -                      | -                                                  | -                                        |
| Unavailable revenue - delinquent property taxes                               | 62,230               | -                      | -                                                  | -                                        |
| Unavailable revenue - other                                                   | 1,667,618            | 4,862                  | 48,451                                             | -                                        |
| <b>Total deferred inflows of resources</b>                                    | <b>2,957,323</b>     | <b>4,862</b>           | <b>48,451</b>                                      | <b>-</b>                                 |
| <b>Fund balances:</b>                                                         |                      |                        |                                                    |                                          |
| Nonspendable                                                                  | 58,110               | -                      | -                                                  | -                                        |
| Restricted                                                                    | -                    | 618,110                | 557,903                                            | -                                        |
| Committed                                                                     | 778,590              | -                      | -                                                  | -                                        |
| Assigned                                                                      | 1,289,226            | -                      | -                                                  | -                                        |
| Unassigned                                                                    | 13,952,840           | -                      | -                                                  | (3,619,658)                              |
| <b>Total fund balances</b>                                                    | <b>16,078,766</b>    | <b>618,110</b>         | <b>557,903</b>                                     | <b>(3,619,658)</b>                       |
| <b>Total liabilities, deferred inflows of<br/>resources and fund balances</b> | <b>\$ 20,093,390</b> | <b>\$ 2,197,775</b>    | <b>\$ 850,261</b>                                  | <b>\$ 95,062</b>                         |

See accompanying notes to the basic financial statements.

| Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |  |  |
|--------------------------------|--------------------------------|--|--|
| 3,790,223                      | \$ 20,103,808                  |  |  |
| -                              | 231,913                        |  |  |
| -                              | 522,544                        |  |  |
| -                              | 2,525,716                      |  |  |
| -                              | 1,322,585                      |  |  |
| 29,519                         | 418,447                        |  |  |
| 108,678                        | 108,678                        |  |  |
| -                              | 4,862                          |  |  |
| -                              | 78,415                         |  |  |
| -                              | 45,979                         |  |  |
| 520,088                        | 812,872                        |  |  |
| 93,705                         | 105,836                        |  |  |
| -                              | 1,497,046                      |  |  |
| <u>\$ 4,542,213</u>            | <u>\$ 27,778,701</u>           |  |  |
| <br>                           |                                |  |  |
| \$ 7,802                       | \$ 316,960                     |  |  |
| -                              | 53,939                         |  |  |
| 9,001                          | 177,870                        |  |  |
| 1,682                          | 50,228                         |  |  |
| -                              | 231,873                        |  |  |
| 8,217                          | 144,696                        |  |  |
| -                              | 1,358                          |  |  |
| -                              | 398,201                        |  |  |
| -                              | 37,308                         |  |  |
| -                              | 5,205,000                      |  |  |
| <u>26,702</u>                  | <u>6,617,433</u>               |  |  |
| <br>                           |                                |  |  |
| -                              | 1,227,475                      |  |  |
| 108,678                        | 108,678                        |  |  |
| -                              | 62,230                         |  |  |
| <u>477,346</u>                 | <u>2,198,277</u>               |  |  |
| <u>586,024</u>                 | <u>3,596,660</u>               |  |  |
| <br>                           |                                |  |  |
| 93,705                         | 151,815                        |  |  |
| 2,017,396                      | 3,193,409                      |  |  |
| 1,818,386                      | 2,596,976                      |  |  |
| -                              | 1,289,226                      |  |  |
| -                              | 10,333,182                     |  |  |
| <u>3,929,487</u>               | <u>17,564,608</u>              |  |  |
| <br>                           |                                |  |  |
| <u>\$ 4,542,213</u>            | <u>\$ 27,778,701</u>           |  |  |



City of Vandalia, Ohio  
Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
December 31, 2017

|                                                                                                                                                                                                                                       |                |                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------|
| Total governmental fund balances                                                                                                                                                                                                      |                | \$ 17,564,608        |
| <i>Amounts reported for governmental activities in the statement of net position are different because:</i>                                                                                                                           |                |                      |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in funds.                                                                                                                   |                | 56,460,245           |
| An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. |                | 665,577              |
| The internal balance represents the portion of the internal service fund's assets and liabilities that are allocated to the proprietary funds.                                                                                        |                | (66,799)             |
| Other long-term assets are not available to pay for current-period expenditures and therefore are offset by deferred inflows of resources in the funds:                                                                               |                |                      |
| Property and other taxes                                                                                                                                                                                                              | \$ 62,230      |                      |
| Income taxes                                                                                                                                                                                                                          | 1,162,398      |                      |
| Payments in lieu of taxes                                                                                                                                                                                                             | 13,173         |                      |
| Fines and forfeitures                                                                                                                                                                                                                 | 3,791          |                      |
| Intergovernmental                                                                                                                                                                                                                     | 712,963        |                      |
| Special assessments                                                                                                                                                                                                                   | 4,862          |                      |
| Charges for services                                                                                                                                                                                                                  | 313,523        |                      |
| Other                                                                                                                                                                                                                                 | 740            |                      |
| Total                                                                                                                                                                                                                                 |                | 2,273,680            |
| The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the funds:                                                                 |                |                      |
| Deferred outflows - pension                                                                                                                                                                                                           | \$ 5,619,089   |                      |
| Deferred inflows - pension                                                                                                                                                                                                            | (567,449)      |                      |
| Net pension liability                                                                                                                                                                                                                 | (19,584,608)   |                      |
| Total                                                                                                                                                                                                                                 |                | (14,532,968)         |
| Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.                                                                                                                     |                | (21,186)             |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:                                                                                                                      |                |                      |
| General obligation bonds                                                                                                                                                                                                              | \$ (2,135,000) |                      |
| Premium on bonds                                                                                                                                                                                                                      | (9,682)        |                      |
| State infrastructure bank loan                                                                                                                                                                                                        | (1,130,750)    |                      |
| OPWC loan                                                                                                                                                                                                                             | (35,508)       |                      |
| Capital lease payable                                                                                                                                                                                                                 | (120,433)      |                      |
| Compensated absences                                                                                                                                                                                                                  | (1,640,551)    |                      |
| Total                                                                                                                                                                                                                                 |                | (5,071,924)          |
| Net position of governmental activities                                                                                                                                                                                               |                | <u>\$ 57,271,233</u> |

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2017

|                                              | General              | Capital<br>Improvement | Police, Fire and<br>Street Capital<br>Improvements | General<br>Obligation Bond<br>Retirement |
|----------------------------------------------|----------------------|------------------------|----------------------------------------------------|------------------------------------------|
| Revenues:                                    |                      |                        |                                                    |                                          |
| Municipal income tax                         | \$ 11,957,165        | \$ -                   | \$ 1,757,832                                       | \$ -                                     |
| Property and other taxes                     | 1,295,864            | -                      | -                                                  | -                                        |
| Charges for services                         | 3,349,370            | -                      | -                                                  | -                                        |
| Licenses and permits                         | 363,667              | -                      | -                                                  | -                                        |
| Fines and forfeitures                        | 1,273,230            | -                      | -                                                  | -                                        |
| Intergovernmental                            | 1,070,349            | 66,987                 | -                                                  | -                                        |
| Special assessments                          | -                    | 28,095                 | -                                                  | -                                        |
| Interest                                     | 273,681              | -                      | -                                                  | -                                        |
| Payments in lieu of taxes                    | -                    | -                      | -                                                  | -                                        |
| Other                                        | 305,064              | 995                    | 1,699                                              | -                                        |
| Total revenue                                | <u>19,888,390</u>    | <u>96,077</u>          | <u>1,759,531</u>                                   | <u>-</u>                                 |
| Expenditures:                                |                      |                        |                                                    |                                          |
| Current:                                     |                      |                        |                                                    |                                          |
| General government                           |                      |                        |                                                    |                                          |
| Legislative and executive                    | 2,930,089            | -                      | -                                                  | -                                        |
| Judicial system                              | 1,785,417            | -                      | -                                                  | -                                        |
| Public safety                                |                      |                        |                                                    |                                          |
| Police                                       | 4,793,979            | -                      | 304,536                                            | -                                        |
| Fire                                         | 2,189,626            | -                      | 55,378                                             | -                                        |
| Public works                                 |                      |                        |                                                    |                                          |
| Engineer                                     | 869,993              | 3,787                  | -                                                  | -                                        |
| Streets                                      | 499,861              | 40,826                 | 65,660                                             | -                                        |
| Refuse                                       | 1,042,976            | -                      | -                                                  | -                                        |
| Recreation                                   | 3,412,069            | 169,598                | -                                                  | -                                        |
| Capital outlay                               | 2,587                | 667,309                | 1,558,457                                          | -                                        |
| Debt service:                                |                      |                        |                                                    |                                          |
| Principal retirement                         | -                    | 33,486                 | 288,500                                            | -                                        |
| Interest and fiscal charges                  | -                    | 39,527                 | 96,015                                             | 59,859                                   |
| Total expenditures                           | <u>17,526,597</u>    | <u>954,533</u>         | <u>2,368,546</u>                                   | <u>59,859</u>                            |
| Excess of revenues over (under) expenditures | <u>2,361,793</u>     | <u>(858,456)</u>       | <u>(609,015)</u>                                   | <u>(59,859)</u>                          |
| Other financing sources (uses):              |                      |                        |                                                    |                                          |
| Issuance of loans                            | -                    | -                      | -                                                  | -                                        |
| Issuance of OPWC loans                       | -                    | -                      | -                                                  | -                                        |
| Sale of capital assets                       | -                    | 485,131                | -                                                  | -                                        |
| Transfers - in                               | 656,284              | 865,612                | -                                                  | 456,388                                  |
| Transfers - out                              | (2,366,114)          | -                      | (56,377)                                           | -                                        |
| Total other financing sources (uses)         | <u>(1,709,830)</u>   | <u>1,350,743</u>       | <u>(56,377)</u>                                    | <u>456,388</u>                           |
| Net change in fund balance                   | 651,963              | 492,287                | (665,392)                                          | 396,529                                  |
| Fund balances at beginning of year           | 15,426,803           | 125,823                | 1,223,295                                          | (4,016,187)                              |
| Fund balances at end of year                 | <u>\$ 16,078,766</u> | <u>\$ 618,110</u>      | <u>\$ 557,903</u>                                  | <u>\$ (3,619,658)</u>                    |

See accompanying notes to the basic financial statements.

| Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------|--------------------------------|
| \$ -                           | \$ 13,714,997                  |
| -                              | 1,295,864                      |
| 288,679                        | 3,638,049                      |
| -                              | 363,667                        |
| 331,192                        | 1,604,422                      |
| 960,568                        | 2,097,904                      |
| -                              | 28,095                         |
| 8,655                          | 282,336                        |
| 99,979                         | 99,979                         |
| 69,413                         | 377,171                        |
| 1,758,486                      | 23,502,484                     |
| 133,774                        | 3,063,863                      |
| 131,829                        | 1,917,246                      |
| 64,717                         | 5,163,232                      |
| -                              | 2,245,004                      |
| 197,526                        | 1,071,306                      |
| 949,678                        | 1,556,025                      |
| -                              | 1,042,976                      |
| -                              | 3,581,667                      |
| 466,081                        | 2,694,434                      |
| 223,325                        | 545,311                        |
| 42,341                         | 237,742                        |
| 2,209,271                      | 23,118,806                     |
| (450,785)                      | 383,678                        |
| 75,391                         | 75,391                         |
| 35,508                         | 35,508                         |
| -                              | 485,131                        |
| 740,491                        | 2,718,775                      |
| (656,284)                      | (3,078,775)                    |
| 195,106                        | 236,030                        |
| (255,679)                      | 619,708                        |
| 4,185,166                      | 16,944,900                     |
| \$ 3,929,487                   | \$ 17,564,608                  |

City of Vandalia, 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, 2017

|                                                                                                                                                                                                                                                                                             |                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Net change in fund balances - Total governmental funds                                                                                                                                                                                                                                      | \$ 619,708                   |
| <i>Amounts reported for governmental activities in the statement of activities are different because:</i>                                                                                                                                                                                   |                              |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.                                                                                      |                              |
| In the current period, these amounts are:                                                                                                                                                                                                                                                   |                              |
| Capital outlay                                                                                                                                                                                                                                                                              | \$ 2,694,434                 |
| Capital contributions from enterprise fund                                                                                                                                                                                                                                                  | 119,340                      |
| Capital contributions                                                                                                                                                                                                                                                                       | 4,500                        |
| Depreciation expense                                                                                                                                                                                                                                                                        | <u>(2,776,332)</u>           |
| Excess of capital asset additions and contributions over depreciation expense                                                                                                                                                                                                               | 41,942                       |
| Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.                                                                                              | (563,907)                    |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These activities consist of:                                                                                                                             |                              |
| Property and other taxes                                                                                                                                                                                                                                                                    | \$ (6,502)                   |
| Income taxes                                                                                                                                                                                                                                                                                | 182,817                      |
| Payments in lieu of taxes                                                                                                                                                                                                                                                                   | 4,593                        |
| Fines and forfeitures                                                                                                                                                                                                                                                                       | (5,666)                      |
| Intergovernmental                                                                                                                                                                                                                                                                           | 114,340                      |
| Special assessments                                                                                                                                                                                                                                                                         | (5,151)                      |
| Charges for services                                                                                                                                                                                                                                                                        | (94,994)                     |
| Other                                                                                                                                                                                                                                                                                       | <u>(17,166)</u>              |
| Net change in deferred inflows of resources during the year                                                                                                                                                                                                                                 | 172,271                      |
| Contractually required pension contributions are reported as expenditures in the governmental funds however, the statement of activities reports these amounts as deferred outflows.                                                                                                        | 1,449,424                    |
| Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.                                                                                                                              | (3,296,869)                  |
| Some items 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. These activities consist of:                                                                                 |                              |
| Increase in compensated absences                                                                                                                                                                                                                                                            | \$ (42,351)                  |
| Decrease in accrued interest                                                                                                                                                                                                                                                                | <u>3,372</u>                 |
| Total additional expenditures                                                                                                                                                                                                                                                               | (38,979)                     |
| The internal service fund used by management to charge the costs of insurance claims to individual funds are not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.                                         | (167,429)                    |
| Repayment of bond and loan principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position.                                                                                                                             | 451,551                      |
| Payment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.                                                                                                                           | 93,760                       |
| Loans are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. | (110,899)                    |
| The amortization of bond premium is reflected as an expense in the statement of activities.                                                                                                                                                                                                 | 3,073                        |
| Change in net position of governmental activities                                                                                                                                                                                                                                           | <u><u>\$ (1,346,354)</u></u> |

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio  
Statement of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2017

|                                      | Budgeted Amounts |               |               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|------------------|---------------|---------------|---------------------------------------------------------|
|                                      | Original         | Final         | Actual        |                                                         |
| <b>Revenues:</b>                     |                  |               |               |                                                         |
| Municipal income tax                 | \$ 15,750,000    | \$ 15,750,000 | \$ 14,471,223 | \$ (1,278,777)                                          |
| Property and other taxes             | 1,238,938        | 1,238,938     | 1,281,153     | 42,215                                                  |
| Charges for services                 | 3,379,810        | 3,379,810     | 3,349,397     | (30,413)                                                |
| Licenses and permits                 | 409,000          | 409,000       | 367,314       | (41,686)                                                |
| Fines and forfeitures                | 1,155,500        | 1,155,500     | 1,283,425     | 127,925                                                 |
| Intergovernmental                    | 909,922          | 1,059,922     | 1,067,530     | 7,608                                                   |
| Interest                             | 150,000          | 150,000       | 201,158       | 51,158                                                  |
| Other                                | 55,750           | 55,750        | 294,496       | 238,746                                                 |
| Total revenues                       | 23,048,920       | 23,198,920    | 22,315,696    | (883,224)                                               |
| <b>Expenditures:</b>                 |                  |               |               |                                                         |
| Current:                             |                  |               |               |                                                         |
| General government                   |                  |               |               |                                                         |
| Legislative and executive            | 4,364,829        | 4,763,029     | 4,253,692     | 509,337                                                 |
| Judicial system                      | 1,899,698        | 1,899,699     | 1,751,375     | 148,324                                                 |
| Public safety                        |                  |               |               |                                                         |
| Police                               | 5,057,961        | 5,057,961     | 4,722,236     | 335,725                                                 |
| Fire                                 | 2,420,014        | 2,436,364     | 2,196,397     | 239,967                                                 |
| Public works                         |                  |               |               |                                                         |
| Engineer                             | 1,022,326        | 1,022,326     | 935,897       | 86,429                                                  |
| Streets                              | 544,339          | 552,839       | 495,930       | 56,909                                                  |
| Refuse                               | 985,648          | 1,067,647     | 1,059,562     | 8,085                                                   |
| Recreation                           | 3,720,326        | 3,793,876     | 3,546,745     | 247,131                                                 |
| Total expenditures                   | 20,015,141       | 20,593,741    | 18,961,834    | 1,631,907                                               |
| Excess of revenues over expenditures | 3,033,779        | 2,605,179     | 3,353,862     | 748,683                                                 |
| Other financing sources (uses):      |                  |               |               |                                                         |
| Sale of capital assets               | 1,000            | 1,000         | -             | (1,000)                                                 |
| Advances - in                        | -                | -             | 627,314       | 627,314                                                 |
| Advances - out                       | -                | -             | (50,000)      | (50,000)                                                |
| Transfers - in                       | 656,284          | 656,284       | 656,284       | -                                                       |
| Transfers - out                      | (4,377,000)      | (4,387,200)   | (4,223,946)   | 163,254                                                 |
| Total other financing sources (uses) | (3,719,716)      | (3,729,916)   | (2,990,348)   | 739,568                                                 |
| Net change in fund balance           | (685,937)        | (1,124,737)   | 363,514       | 1,488,251                                               |
| Fund balance at beginning of year    | 12,864,727       | 12,864,727    | 12,864,727    | -                                                       |
| Prior year encumbrances appropriated | 510,572          | 510,572       | 510,572       | -                                                       |
| Fund balance at end of year          | \$ 12,689,362    | \$ 12,250,562 | \$ 13,738,813 | \$ 1,488,251                                            |

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio  
Statement of Fund Net Position  
Proprietary Funds  
December 31, 2017

|                                                        | Business-Type Activities - Enterprise Funds |              |            |              | Governmental<br>Activities<br>Internal Service |
|--------------------------------------------------------|---------------------------------------------|--------------|------------|--------------|------------------------------------------------|
|                                                        | Water                                       | Sewer        | Golf       | Total        |                                                |
| <u>Assets:</u>                                         |                                             |              |            |              |                                                |
| Current assets:                                        |                                             |              |            |              |                                                |
| Equity in pooled cash and investments                  | \$ 2,064,010                                | \$ 2,493,165 | \$ 385,348 | \$ 4,942,523 | \$ 773,896                                     |
| Receivables:                                           |                                             |              |            |              |                                                |
| Accounts                                               | 183,368                                     | 139,814      | -          | 323,182      | 34,939                                         |
| Due from other governments                             | 29,622                                      | 92           | 158        | 29,872       | -                                              |
| Materials and supplies inventory                       | 7,893                                       | -            | 5,918      | 13,811       | -                                              |
| Inventory held for resale                              | -                                           | -            | 8,633      | 8,633        | -                                              |
| Prepaid items                                          | -                                           | -            | -          | -            | 41,834                                         |
| Restricted: equity in pooled cash and cash equivalents | 36,701                                      | 18,076       | -          | 54,777       | -                                              |
| Total current assets                                   | 2,321,594                                   | 2,651,147    | 400,057    | 5,372,798    | 850,669                                        |
| Noncurrent assets:                                     |                                             |              |            |              |                                                |
| Investment in joint venture                            | 1,149,295                                   | 8,099,794    | -          | 9,249,089    | -                                              |
| Capital assets:                                        |                                             |              |            |              |                                                |
| Land and easements                                     | 58,424                                      | 500          | 108,945    | 167,869      | -                                              |
| Construction in progress                               | 220,376                                     | -            | -          | 220,376      | -                                              |
| Depreciable capital assets, net                        | 8,340,062                                   | 9,013,423    | 979,435    | 18,332,920   | -                                              |
| Total noncurrent assets                                | 9,768,157                                   | 17,113,717   | 1,088,380  | 27,970,254   | -                                              |
| Total assets                                           | 12,089,751                                  | 19,764,864   | 1,488,437  | 33,343,052   | 850,669                                        |
| <u>Deferred outflows of resources:</u>                 |                                             |              |            |              |                                                |
| Pension                                                | 172,157                                     | 162,851      | 204,727    | 539,735      | -                                              |
| <u>Liabilities:</u>                                    |                                             |              |            |              |                                                |
| Current liabilities:                                   |                                             |              |            |              |                                                |
| Accounts payable                                       | 3,647                                       | 4,147        | 5,922      | 13,716       | 257                                            |
| Accrued wages and benefits                             | 3,861                                       | 2,751        | 3,772      | 10,384       | -                                              |
| Matured compensated absences payable                   | 1,340                                       | 1,340        | 1,504      | 4,184        | -                                              |
| Due to other governments                               | 3,320                                       | 2,969        | 4,313      | 10,602       | -                                              |
| Due to related parties                                 | 112,403                                     | 71,228       | -          | 183,631      | -                                              |
| Unearned revenue                                       | -                                           | -            | 1,762      | 1,762        | -                                              |
| Capital leases payable                                 | 20,583                                      | 20,583       | -          | 41,166       | -                                              |
| Compensated absences payable                           | 33,739                                      | 33,739       | 24,406     | 91,884       | -                                              |
| Claims payable                                         | -                                           | -            | -          | -            | 184,835                                        |
| OPWC loans payable                                     | 8,109                                       | 5,303        | -          | 13,412       | -                                              |
| Refundable deposits                                    | 36,701                                      | 18,076       | -          | 54,777       | -                                              |
| Total current liabilities                              | 223,703                                     | 160,136      | 41,679     | 425,518      | 185,092                                        |
| Long-term liabilities:                                 |                                             |              |            |              |                                                |
| Capital leases payable, net of current portion         | 5,224                                       | 5,224        | -          | 10,448       | -                                              |
| Compensated absences payable                           | 43,994                                      | 43,994       | 18,025     | 106,013      | -                                              |
| OPWC loans payable, net of current portion             | 32,434                                      | 21,215       | -          | 53,649       | -                                              |
| Net pension liability                                  | 447,461                                     | 423,274      | 532,115    | 1,402,850    | -                                              |
| Total long-term liabilities                            | 529,113                                     | 493,707      | 550,140    | 1,572,960    | -                                              |
| Total liabilities                                      | 752,816                                     | 653,843      | 591,819    | 1,998,478    | 185,092                                        |

(Continued)

City of Vandalia, Ohio  
Statement of Fund Net Position  
Proprietary Funds  
December 31, 2017  
(Continued)

|                                       | Business-Type Activities - Enterprise Funds |                      |                     |                   | Governmental<br>Activities<br>Internal Service |
|---------------------------------------|---------------------------------------------|----------------------|---------------------|-------------------|------------------------------------------------|
|                                       | Water                                       | Sewer                | Golf                | Total             |                                                |
| <u>Deferred inflows of resources:</u> |                                             |                      |                     |                   |                                                |
| Pension                               | 13,560                                      | 12,827               | 16,126              | 42,513            | -                                              |
| <u>Net position:</u>                  |                                             |                      |                     |                   |                                                |
| Invested in capital assets            | 8,578,319                                   | 8,987,405            | 1,088,380           | 18,654,104        | -                                              |
| Unrestricted                          | 2,917,213                                   | 10,273,640           | (3,161)             | 13,187,692        | 665,577                                        |
| Total net position                    | <u>\$ 11,495,532</u>                        | <u>\$ 19,261,045</u> | <u>\$ 1,085,219</u> | <u>31,841,796</u> | <u>\$ 665,577</u>                              |

Net position reported for business-type activities in the statement of net position is different because they include a proportionate share of the balance of the internal service fund.

|                                          |                      |
|------------------------------------------|----------------------|
|                                          | 66,799               |
| Net position of business-type activities | <u>\$ 31,908,595</u> |

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2017

|                                         | Business-Type Activities - Enterprise Funds |               |              |              | Governmental<br>Activities<br>Internal Service |
|-----------------------------------------|---------------------------------------------|---------------|--------------|--------------|------------------------------------------------|
|                                         | Water                                       | Sewer         | Golf         | Total        |                                                |
| <u>Operating revenues:</u>              |                                             |               |              |              |                                                |
| Charges for services                    | \$ 2,256,204                                | \$ 1,616,810  | \$ 853,493   | \$ 4,726,507 | \$ 1,928,426                                   |
| Tap-in fees                             | 4,700                                       | 7,400         | -            | 12,100       | -                                              |
| Other                                   | 61,209                                      | 65,154        | 6,136        | 132,499      | 221,496                                        |
| Total operating revenue                 | 2,322,113                                   | 1,689,364     | 859,629      | 4,871,106    | 2,149,922                                      |
| <u>Operating expenses:</u>              |                                             |               |              |              |                                                |
| Personal services                       | 411,950                                     | 383,237       | 614,763      | 1,409,950    | -                                              |
| Contractual services                    | 1,262,713                                   | 1,039,251     | 186,590      | 2,488,554    | 506,326                                        |
| Supplies and materials                  | 32,630                                      | 23,526        | 159,956      | 216,112      | -                                              |
| Claims                                  | -                                           | -             | -            | -            | 1,829,319                                      |
| Depreciation                            | 226,713                                     | 263,516       | 65,026       | 555,255      | -                                              |
| Utility deposits returned               | -                                           | 1,829         | -            | 1,829        | -                                              |
| Other                                   | 1,475                                       | -             | 44,641       | 46,116       | -                                              |
| Total operating expenses                | 1,935,481                                   | 1,711,359     | 1,070,976    | 4,717,816    | 2,335,645                                      |
| Operating income (loss)                 | 386,632                                     | (21,995)      | (211,347)    | 153,290      | (185,723)                                      |
| <u>Nonoperating revenue (expenses):</u> |                                             |               |              |              |                                                |
| Intergovernmental                       | 110,583                                     | 6,307         | -            | 116,890      | -                                              |
| Investment in joint venture             | 7,253                                       | 243,176       | -            | 250,429      | -                                              |
| Loss on sale of capital assets          | (35,986)                                    | (69,423)      | (35,783)     | (141,192)    | -                                              |
| Interest and fiscal charges             | (889)                                       | (888)         | -            | (1,777)      | -                                              |
| Total nonoperating revenue (expense)    | 80,961                                      | 179,172       | (35,783)     | 224,350      | -                                              |
| Income (loss) before transfers          | 467,593                                     | 157,177       | (247,130)    | 377,640      | (185,723)                                      |
| Transfers in                            | -                                           | -             | 360,000      | 360,000      | -                                              |
| Change in net position                  | 467,593                                     | 157,177       | 112,870      | 737,640      | (185,723)                                      |
| Net position at beginning of year       | 11,027,939                                  | 19,103,868    | 972,349      |              | 851,300                                        |
| Net position at end of year             | \$ 11,495,532                               | \$ 19,261,045 | \$ 1,085,219 |              | \$ 665,577                                     |

Some amounts reported for the business-type activities in the statement of activities are different because a proportionate share of the net expense of the internal service fund is reported with the business-type activities. (18,294)

Change in net position of business-type activities \$ 719,346

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2017

|                                                                                                           | Business-Type Activities - Enterprise Funds |              |              |              | Governmental<br>Activities<br>Internal Service |
|-----------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------|--------------|--------------|------------------------------------------------|
|                                                                                                           | Water                                       | Sewer        | Golf         | Total        |                                                |
| Cash flows from operating activities:                                                                     |                                             |              |              |              |                                                |
| Cash received from customers                                                                              | \$ 2,297,341                                | \$ 1,673,250 | \$ 855,091   | \$ 4,825,682 | \$ -                                           |
| Cash received from interfund services provided                                                            | -                                           | -            | -            | -            | 2,234,129                                      |
| Cash payments for employee services and benefits                                                          | (359,043)                                   | (334,276)    | (527,375)    | (1,220,694)  | -                                              |
| Cash payments to suppliers for goods and services                                                         | (1,303,572)                                 | (1,121,522)  | (387,734)    | (2,812,828)  | (506,373)                                      |
| Cash payments for claims                                                                                  | -                                           | -            | -            | -            | (1,754,950)                                    |
| Utility deposits received                                                                                 | 7,366                                       | 3,627        | -            | 10,993       | -                                              |
| Utility deposits returned                                                                                 | (5,968)                                     | (4,769)      | -            | (10,737)     | -                                              |
| Net cash provided by (used) for operating activities                                                      | 636,124                                     | 216,310      | (60,018)     | 792,416      | (27,194)                                       |
| Cash flows from noncapital financing activities:                                                          |                                             |              |              |              |                                                |
| Transfers from other funds                                                                                | -                                           | -            | 360,000      | 360,000      | -                                              |
| Net cash provided by noncapital financing activities                                                      | -                                           | -            | 360,000      | 360,000      | -                                              |
| Cash flows from capital and related financing activities:                                                 |                                             |              |              |              |                                                |
| Grants                                                                                                    | 161,584                                     | 9,621        | -            | 171,205      | -                                              |
| OPWC loan                                                                                                 | 40,543                                      | 26,518       | -            | 67,061       | -                                              |
| Interest paid on capital lease                                                                            | (889)                                       | (888)        | -            | (1,777)      | -                                              |
| Principal payment on capital lease                                                                        | (20,091)                                    | (20,092)     | -            | (40,183)     | -                                              |
| Proceeds from sale of capital assets                                                                      | -                                           | 13,931       | 7,567        | 21,498       | -                                              |
| Acquisition of capital assets                                                                             | (376,790)                                   | (215,895)    | (106,315)    | (699,000)    | -                                              |
| Net cash used for capital and related financing activities                                                | (195,643)                                   | (186,805)    | (98,748)     | (481,196)    | -                                              |
| Cash flows from investing activities:                                                                     |                                             |              |              |              |                                                |
| Investment in joint venture                                                                               | (326,920)                                   | -            | -            | (326,920)    | -                                              |
| Net cash used for investing activities                                                                    | (326,920)                                   | -            | -            | (326,920)    | -                                              |
| Net increase (decrease) in cash and cash equivalents                                                      | 113,561                                     | 29,505       | 201,234      | 344,300      | (27,194)                                       |
| Cash and cash equivalents at beginning of year                                                            | 1,987,150                                   | 2,481,736    | 184,114      | 4,653,000    | 801,090                                        |
| Cash and cash equivalents at end of year                                                                  | \$ 2,100,711                                | \$ 2,511,241 | \$ 385,348   | \$ 4,997,300 | \$ 773,896                                     |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:        |                                             |              |              |              |                                                |
| Operating income (loss)                                                                                   | \$ 386,632                                  | \$ (21,995)  | \$ (211,347) | \$ 153,290   | \$ (185,723)                                   |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: |                                             |              |              |              |                                                |
| Depreciation                                                                                              | 226,713                                     | 263,516      | 65,026       | 555,255      | -                                              |
| Change in assets and liabilities:                                                                         |                                             |              |              |              |                                                |
| (Increase) decrease in assets:                                                                            |                                             |              |              |              |                                                |
| Accounts receivable                                                                                       | (24,771)                                    | (16,115)     | -            | (40,886)     | 84,207                                         |
| Materials and supplies inventory                                                                          | (1,503)                                     | -            | (193)        | (1,696)      | -                                              |
| Prepaid items                                                                                             | -                                           | -            | -            | -            | (50)                                           |
| Due from other governments                                                                                | (100)                                       | (92)         | (158)        | (350)        | -                                              |
| (Increase) in deferred outflows of resources - pension                                                    | (32,133)                                    | (30,375)     | (39,378)     | (101,886)    | -                                              |

(Continued)

City of Vandalia, Ohio  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2017

|                                                      | Business-Type Activities - Enterprise Funds |                   |                    |                   | Governmental<br>Activities |
|------------------------------------------------------|---------------------------------------------|-------------------|--------------------|-------------------|----------------------------|
|                                                      | Water                                       | Sewer             | Golf               | Total             | Internal Service           |
| Increase (decrease) in liabilities:                  |                                             |                   |                    |                   |                            |
| Accounts payable                                     | (3,224)                                     | (52,639)          | 3,391              | (52,472)          | 3                          |
| Contracts payable                                    | -                                           | -                 | -                  | -                 | -                          |
| Refundable deposits                                  | 1,397                                       | 688               | -                  | 2,085             | -                          |
| Claims payable                                       | -                                           | -                 | -                  | -                 | 74,369                     |
| Unearned revenue                                     | -                                           | -                 | (4,538)            | (4,538)           | -                          |
| Accrued wages and benefits                           | 774                                         | (40)              | 225                | 959               | -                          |
| Compensated absences                                 | 879                                         | 880               | 4,262              | 6,021             | -                          |
| Due to related parties                               | (2,027)                                     | (6,106)           | -                  | (8,133)           | -                          |
| Due to other governments                             | (75)                                        | (80)              | 1,077              | 922               | -                          |
| Net pension liability                                | 77,775                                      | 73,200            | 114,349            | 265,324           | -                          |
| Decrease in deferred inflows of resources - pension  | 5,787                                       | 5,468             | 7,266              | 18,521            | -                          |
| Net cash provided by (used for) operating activities | <u>\$ 636,124</u>                           | <u>\$ 216,310</u> | <u>\$ (60,018)</u> | <u>\$ 792,416</u> | <u>\$ (27,194)</u>         |

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio  
Statement of Fiduciary Assets and Liabilities  
December 31, 2017

|                                                  | <u>Agency</u>              |
|--------------------------------------------------|----------------------------|
| <u>Assets:</u>                                   |                            |
| Equity in pooled cash and cash equivalents       | \$ 6,317,335               |
| Cash and cash equivalents in segregated accounts | 105,265                    |
| Investments                                      | <u>747,660</u>             |
| Total assets                                     | <u><u>\$ 7,170,260</u></u> |
| <br><u>Liabilities:</u>                          |                            |
| Due to other governments                         | \$ 114,251                 |
| Due to employees                                 | 6,169                      |
| Undistributed monies                             | 96,755                     |
| Due to others                                    | <u>6,953,085</u>           |
| Total liabilities                                | <u><u>\$ 7,170,260</u></u> |

See accompanying notes to the basic financial statements.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Vandalia have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the City's accounting policies are described below.

**A. Reporting Entity**

The City of Vandalia (the City) is a charter municipal corporation operating under the laws of the State of Ohio. The City was incorporated in 1958 and operates under a Council/Manager form of government. The Mayor and the council are elected by separate ballot from the municipality at large for four-year terms. As a council member, the Mayor has the right to vote on all issues before council. Council appoints the City Manager. The City Manager appoints all managers of each department in the City.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Vandalia, the primary government includes the departments that provide the following services: police and fire, parks and recreation, planning, zoning, street maintenance and repairs, water, sewer and refuse collection. Council and the City Manager have direct responsibility for these activities.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. There are no component units included as part of this report.

The City is associated with the Tri-Cities North Regional Wastewater Authority (Tri-Cities), and the Northern Area Water Authority (NAWA), which are defined as joint ventures. A joint venture is a legal entity or other organization that is a result of 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 14.

The Miami Valley Risk Management Association, Inc. (MVRMA) is a risk sharing insurance pool established for the purpose of enabling the subscribing political subdivisions to obtain liability insurance and providing a formalized, jointly administered self-insurance fund for its members. The members formed a not-for-profit corporation known as Miami Valley Risk Management Association, Inc. for the purpose of administering the pool. The City has no explicit and measurable equity interest in MVRMA and no ongoing financial responsibility for MVRMA.

City of Vandalia, Ohio  
Notes to the Basic Financial Statements  
For The Year Ended December 31, 2017

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The City is associated with the Economic Development/Government Equity Program (ED/GE), which is defined as a jointly governed organization. A jointly governed organization is an organization that is governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility on the part of the participating governments. This organization is presented in Note 15.

## **B. Basis of Presentation**

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

### 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 activity of the internal service fund is eliminated to avoid doubling up revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues 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 governmental function or business activity is self-financing or draws from the general revenues of the City.

### Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

## **C. Fund Accounting**

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

City of Vandalia, Ohio  
Notes to the Basic Financial Statements  
For The Year Ended December 31, 2017

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### Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund - The general fund accounts for all financial resources except those required to be 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 charter of the City of Vandalia and/or the general laws of Ohio.

Capital Improvement Fund - The capital improvement fund accounts for transfers from the general fund, and is designated by Council for the purpose of improving, constructing, maintaining, and purchasing those items necessary to enhance the operation of the City.

Police, Fire and Street Capital Improvements - To account for the .25% increase in income taxes restricted for capital purchases for the police, fire and street departments and a portion of the police department's personnel costs.

General Obligation Bond Retirement Fund - To account for transfers from the general fund property tax revenue restricted to pay for general obligation bond debt.

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

### Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Water Fund - The water fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City.

Sewer Fund - The sewer fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Golf Fund - The golf fund accounts for the operations of the golf course.

Internal Service Fund - An internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on a self-insurance program for employee medical benefits.

City of Vandalia, Ohio  
Notes to the Basic Financial Statements  
For The Year Ended December 31, 2017

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### Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The City's agency funds account for building permit fees collected on behalf of the State, municipal court collections that are distributed to various local governments, the collection of income taxes for other subdivisions, performance bonds pledged by contractors, the activities of the Northern Area Water Authority and Tri-Cities North Regional Wastewater Authority and collection and distribution of employee health care expenses.

### **D. Measurement Focus**

#### Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, all liabilities, deferred outflows of resources and deferred inflows of resources associated with the operation of the City are included on the Statement of Net Position. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

#### Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide 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.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources 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 total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

### **E. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and in the presentation of expenses versus expenditures.

City of Vandalia, Ohio  
Notes to the Basic Financial Statements  
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Revenues - Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within thirty-one days of year-end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 5). Revenue from grants, entitlements, shared revenues and donations is recognized in the year in which all eligibility requirements have been satisfied. 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 specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, licenses and permits, interest, grants and rentals.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 12.

In addition to liabilities, the statements of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenues. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance year 2018 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported on the governmental funds balance sheet, and represents receivables/revenues which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, franchise taxes, intergovernmental grants, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 12)

City of Vandalia, Ohio  
Notes to the Basic Financial Statements  
For The Year Ended December 31, 2017

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Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**F. Equity in Pooled Cash and Investments**

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Interest in the pool is presented as “equity in pooled cash and investments” on the financial statements.

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest-bearing depository accounts are presented on the statement of net position as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City's treasury. The cash of the police, fire and street capital improvements fund and the Municipal Court is included in this line item.

The City has invested in an external investment pool; the Dayton Foundation. This is presented on the statement of net position as “cash and cash equivalents with fiscal agent”.

Investments are reported at fair value, which is based on quoted market prices. For investments in open-end mutual funds, fair value is determined by the fund's share price.

During the year, the City invested 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 2017, 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 \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during 2017 amounted to \$273,681, which includes \$120,773 assigned from other City funds.

Investments with an original maturity of three months or less at the time of purchase, and investments of the cash management pool are reported as cash equivalents on the financial statements.

## **G. Inventory**

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when used. Inventories of the proprietary funds are expensed when used.

Inventories of the general fund, the street special revenue fund and the water fund primarily consist of expendable supplies held for consumption. Inventories of the golf fund consist of expendable supplies held for consumption, purchased food and supplies held for resale.

## **H. Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Restricted assets in the general fund represent cash and cash equivalents set aside for unclaimed monies. Restricted assets in the enterprise funds represent cash and cash equivalents set aside for repayment of deposits to utility customers.

## **I. Interfund Balances**

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "Interfund Loan Receivables/Payables." Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts, not services provided and used, are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as "Internal Balances".

## **J. Prepaids**

Payments made to vendors for services that will benefit periods beyond December 31, 2017 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 or expense is reported in the year in which services are consumed.

## **K. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

City of Vandalia, Ohio  
Notes to the Basic Financial Statements  
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All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. For proprietary funds and business-type activities, any material amount of interest incurred during the construction of capital assets is also capitalized.

All capital assets are depreciated except for land and construction and progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

| Asset<br>Class             | Governmental<br>Activities | Business-Type<br>Activities |
|----------------------------|----------------------------|-----------------------------|
|                            | Estimated Useful<br>Life   | Estimated Useful<br>Life    |
| Buildings and improvements | 45 to 52 years             | 45 to 71 years              |
| Equipment                  | 10 to 20 years             | 10 to 20 years              |
| Vehicles                   | 6 to 25 years              | 6 to 25 years               |
| Infrastructure             | 7 to 65 years              | 65 years                    |

The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems and water and sewer lines.

#### **L. Net pension liability and pension expense**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension 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 systems report investments at fair value.

The current accounting standard requires Cities to report their proportionate share of the net pension liability using the earning approach to pension accounting instead of the funding approach as previously used. The funding approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. Under the new standards, the net pension liability equals the City's proportionate share of each plan's collective present value of estimated future pension benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

Pension obligations, whether funded or unfunded, are part of the employment exchange. The employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. The unfunded portion of this benefit of exchange is a liability of the City. However, the City is not responsible for key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Benefit provisions and both employer and employee contribution rates are determined by State statute. The employee and employer enter the employment exchange with the knowledge that the exchange is limited by law. The pension system is responsible for the administration of the plan.

City of Vandalia, Ohio  
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There is no repayment schedule for the net pension liability. The City has no control over the changes in the pension benefits, contributions rate, and return on investments affecting the balance of the net pension liability. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not identify the responsible party for the unfunded portion. Due to the unique nature of how the pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

#### **M. Compensated Absences**

Vacation benefits and compensatory time are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation and compensatory time when earned for all employees.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year-end taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for all employees after twenty years of accumulated service.

The entire compensated absence liability is reported on the government-wide financial statements.

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

#### **N. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences and the net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the fund financial statements when due.

#### **O. Fund Balance**

Fund balance is divided into five classifications 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 classifications are as follows:

City of Vandalia, Ohio  
Notes to the Basic Financial Statements  
For The Year Ended December 31, 2017

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**Nonspendable** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans, as well as property acquired for resale, unless the proceeds from the collection of these loans or from the sale of these properties is restricted, committed, or assigned.

**Restricted** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances). 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 that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

**Committed** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council. The finance director is authorized to assign fund balance using encumbrances for planned purchases, provided such amounts have been lawfully appropriated. City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**P. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment of capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing 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.

Net position restricted for other purposes include police services, court activities and educational programs as restricted by the City. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available. None of the restricted net position for the City was restricted by enabling legislation.

**Q. Operating Revenues and Expenses**

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 golf, waste water treatment, water services and self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as nonoperating.

**R. Bond Premiums/Issuance Costs**

Bond premiums are deferred and amortized over the term of the bonds using the bonds outstanding method since the results are not significantly different from the effective interest method. Debt issuance costs are expensed when incurred.

Bond premiums are presented as a reduction/addition of the face amount of the bonds payable.

**S. Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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.

City of Vandalia, Ohio  
Notes to the Basic Financial Statements  
For The Year Ended December 31, 2017

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**T. Estimates**

The preparation of the 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.

**U. Budgetary Process**

All funds, except the Chuck Gabbard Memorial special revenue fund and agency funds are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriation resolution, both of which are prepared on the budgetary basis of accounting. Montgomery County does not require jurisdictions within the County to prepare a tax budget, therefore, this is not part of the City's budgetary process. The certificate of estimated resources establishes a limit on the amount Council may appropriate.

The appropriation resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council.

The legal level of control has been established by Council at the fund level for all funds. The Finance Director, with the approval of the City Manager and respective Department Heads, has been authorized to allocate appropriations to the function, department and object level within each fund. Council must approve any revisions that alter total fund appropriations.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate at the time final appropriations were adopted.

The appropriation resolution is subject to amendment by Council throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

**NOTE 2 - BUDGETARY BASIS OF ACCOUNTING**

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

City of Vandalia, Ohio  
Notes to the Basic Financial Statements  
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2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Advances in and advances out ("repayment of advances") are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. The change in fair value of investments is not included on the budget operating statement. This amount is included as revenue on the GAAP basis operating statement.
6. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.
7. The City's portion of the activity of the Municipal Court is not included on the budgetary statement. This activity is included on the GAAP basis operating statement.
8. The revenues, expenditures and other financing sources and uses of the general fund include activity that is budgeted within special revenue funds (GAAP basis). However, on the budgetary basis, the activity of the special revenue funds is excluded resulting in perspective differences.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

|                                                                          | <u>General</u>    |
|--------------------------------------------------------------------------|-------------------|
| GAAP Basis                                                               | \$ 651,963        |
| Revenue accruals                                                         | 3,073,827         |
| Expenditure accruals                                                     | (2,268,827)       |
| Change in fair value of investments - 2016                               | 46,402            |
| Change in fair value of investments - 2017                               | (65,609)          |
| Perspective differences from funds budgeted<br>as special revenue funds: |                   |
| Other financing sources                                                  | (100,000)         |
| Encumbrances (Budget Basis)<br>outstanding at year end                   | (974,242)         |
| Budget Basis                                                             | <u>\$ 363,514</u> |

City of Vandalia, Ohio  
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For The Year Ended December 31, 2017

**NOTE 3 – FUND BALANCE**

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

| Fund Balances                    | General             | Capital<br>Improvement | Police, Fire<br>and Street<br>Capital<br>Improvements | General<br>Obligation<br>Bond<br>Retirement | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|----------------------------------|---------------------|------------------------|-------------------------------------------------------|---------------------------------------------|--------------------------------|--------------------------------|
| <u>Nonspendable</u>              |                     |                        |                                                       |                                             |                                |                                |
| Materials and supplies inventory | \$ 12,131           | \$ -                   | \$ -                                                  | \$ -                                        | \$ 93,705                      | \$ 105,836                     |
| Unclaimed monies                 | 45,979              | -                      | -                                                     | -                                           | -                              | 45,979                         |
| Total nonspendable               | <u>58,110</u>       | <u>-</u>               | <u>-</u>                                              | <u>-</u>                                    | <u>93,705</u>                  | <u>151,815</u>                 |
| <u>Restricted for</u>            |                     |                        |                                                       |                                             |                                |                                |
| Streets and highways             | -                   | -                      | -                                                     | -                                           | 1,160,638                      | 1,160,638                      |
| Court activities                 | -                   | -                      | -                                                     | -                                           | 310,247                        | 310,247                        |
| Police services                  | -                   | -                      | -                                                     | -                                           | 220,075                        | 220,075                        |
| Capital improvements             | -                   | 618,110                | 557,903                                               | -                                           | 326,436                        | 1,502,449                      |
| Total restricted                 | <u>-</u>            | <u>618,110</u>         | <u>557,903</u>                                        | <u>-</u>                                    | <u>2,017,396</u>               | <u>3,193,409</u>               |
| <u>Committed</u>                 |                     |                        |                                                       |                                             |                                |                                |
| Employee retirements             | 256,046             | -                      | -                                                     | -                                           | -                              | 256,046                        |
| Capital improvements             | -                   | -                      | -                                                     | -                                           | 1,250,000                      | 1,250,000                      |
| Cultural arts                    | 522,544             | -                      | -                                                     | -                                           | -                              | 522,544                        |
| Stormwater system                | -                   | -                      | -                                                     | -                                           | 568,386                        | 568,386                        |
| Total committed                  | <u>778,590</u>      | <u>-</u>               | <u>-</u>                                              | <u>-</u>                                    | <u>1,818,386</u>               | <u>2,596,976</u>               |
| <u>Assigned</u>                  |                     |                        |                                                       |                                             |                                |                                |
| Various purchases on order*      | 675,311             | -                      | -                                                     | -                                           | -                              | 675,311                        |
| Next year's budget               | 613,915             | -                      | -                                                     | -                                           | -                              | 613,915                        |
| Total assigned                   | <u>1,289,226</u>    | <u>-</u>               | <u>-</u>                                              | <u>-</u>                                    | <u>-</u>                       | <u>1,289,226</u>               |
| Unassigned (deficit)             | <u>13,952,840</u>   | <u>-</u>               | <u>-</u>                                              | <u>(3,619,658)</u>                          | <u>-</u>                       | <u>10,333,182</u>              |
| Total fund balances              | <u>\$16,078,766</u> | <u>\$ 618,110</u>      | <u>\$ 557,903</u>                                     | <u>\$(3,619,658)</u>                        | <u>\$ 3,929,487</u>            | <u>\$ 17,564,608</u>           |

\*Purchases on order consist primarily of materials and supplies and contractual services.

#### **NOTE 4 - DEPOSITS AND INVESTMENTS**

The investment and deposit of City monies are governed by the provisions of the Charter and Codified Ordinances of the City and the Ohio Revised Code. In accordance with these provisions, investments purchased for the portfolio may be safe kept by any Ohio financial institution or any primary government security dealer.

Authorized dealer/brokers are restricted to Ohio financial institutions, primary government securities dealers, and NASD registered dealers. Interest income is distributed to the funds according to City Charter guidelines.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in addition to amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities, the market value of which is at least 105% of the total value of public monies on deposit at the institution.

Whenever there are monies available in the City Treasury, which will not be required to be used for a period of thirty days or more, the Director of Finance or his/her designee(s), may invest such funds. The investments are subject to the limitations contained within the investment policy, and are subject to all applicable laws and regulations.

The investment objectives controlling the management of the investment portfolio shall be, in order of importance: (1) Safety of principal. Recognizing that all investments contain one or more elements of risk, the portfolio shall be prudently managed with specific consideration given to credit risk, market risk, and prepayment risk; (2) Liquidity to meet current and contingent requirements; (3) Maximization of returns. The portfolio shall be managed to maximize the long-term return on the portfolio consistent with current cash needs.

The provisions of the City's investment policy permit the City to invest its monies in the following investment instruments:

1. Obligations of the United States including U.S. treasury securities and government agency securities guaranteed by the United States.
2. United States government agency securities and the securities issued by instrumentalities of the U.S. including, but not limited to, obligations of the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Farm Credit Bank, the Federal Home Loan Bank, the Government National Mortgage Association (GNMA), and the Small Business Administration (SBA).
3. State Treasury Asset Reserve of Ohio (STAR Ohio).
4. Obligations of the State of Ohio and obligations of political subdivisions of the State of Ohio.
5. Deposits of any Ohio financial institution subject to collateralization of public funds defined by the Ohio Revised Code.
6. Bankers Acceptances and Deposits of the top fifty banks in the United States based upon asset size or Ohio based financial institutions with at least \$2 billion in total assets.

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7. Prime Commercial Paper issued with a credit rating of P-1 by Standard & Poors Corporation or A-1 by Moody's rating service.
8. Obligations of corporate entities having debt rating of Aa or better by Standard & Poors Corporation or Moody's rating service.

*Custodial Credit Risk* is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of the City's cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105% of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third parties of the financial institution. The City's policy states that in order to anticipate market changes and provide a level of security for all funds, the collateralization level shall be at least 102% of market value of principal and accrued interest.

Cash on hand At year-end, the City had \$9,770 in un-deposited cash on hand which is included as part of "equity in pooled cash and investments."

Deposits: At year-end, the carrying amount of the City's deposits was \$7,857,843 and the bank balance was \$8,610,675. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", none of the City's bank balance was exposed to custodial risk as described above.

Investments: At year-end, the City had the following investments.

| Investment<br>Type                           | Fair<br>Value        | Percentage of<br>Investments | Investment Maturities<br>(in years) |                     |                      |
|----------------------------------------------|----------------------|------------------------------|-------------------------------------|---------------------|----------------------|
|                                              |                      |                              | < 1 year                            | < 2 years           | 3-5 years            |
| Federal Home Loan Mortgage Corporation Bonds | \$ 3,289,449         | 12.66%                       | \$ -                                | \$ -                | \$ 3,289,449         |
| Federal Home Loan Bank Bonds                 | 1,473,885            | 5.67%                        | -                                   | -                   | 1,473,885            |
| Federal Farm Credit Bank Bonds               | 706,206              | 2.72%                        | -                                   | -                   | 706,206              |
| Federal National Mortgage Association Bonds  | 2,288,058            | 8.81%                        | -                                   | -                   | 2,288,058            |
| Commerical paper                             | 3,956,076            | 15.23%                       | 3,956,076                           | -                   | -                    |
| Negotiable certificates of deposit           | 4,152,231            | 15.98%                       | 245,815                             | 1,934,922           | 1,971,494            |
| Dayton Foundation                            | 522,544              | 2.01%                        | 522,544                             | -                   | -                    |
| STAR Ohio                                    | 8,080,836            | 31.11%                       | 8,080,836                           | -                   | -                    |
| Investments recorded in agency fund:         |                      |                              |                                     |                     |                      |
| Federal Home Loan Mortgage Corporation Bonds | 248,690              | 0.96%                        | -                                   | -                   | 248,690              |
| Federal National Mortgage Association Bonds  | 498,970              | 1.92%                        | -                                   | -                   | 498,970              |
| STAR Ohio                                    | 761,142              | 2.93%                        | 761,142                             | -                   | -                    |
| Total investments recorded in agency fund    | 1,508,802            | 5.81%                        | 761,142                             | -                   | 747,660              |
| Total investments                            | <u>\$ 25,978,087</u> | <u>100.00%</u>               | <u>\$ 13,566,413</u>                | <u>\$ 1,934,922</u> | <u>\$ 10,476,752</u> |

City of Vandalia, Ohio  
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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. The preceding table identifies the City's recurring fair value measurement as of December 31, 2017. As previously discussed Star Ohio is reported at its net asset value. All other investments of the City are valued using Level 2 inputs.

*Custodial Credit Risk* for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed. The investments in the Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal National Mortgage Association (FNMA) and commercial paper are held by the counterparty's trust department or agent and not in the City's name. All of the City's negotiable certificates of deposit are registered securities.

*Interest Rate Risk* – The City's investment policy states that the maximum maturity for any investment is limited to a final stated maturity of seven years, an expected call of seven years, or an expected average life of seven years, where the average life is estimated by nationally recognized firms independent of the dealer selling the security to the City. The City holds various agency securities of which some are callable in fiscal year 2018.

*Credit Risk* – The City's investment policy states that investment in commercial paper must have a credit rating of P-1 by Standard & Poor's Corporation or A-1 by Moody's rating service. Obligations of corporate entities must have a debt rating of Aa or better by Standard & Poor's Corporation or Moody's rating service. The City's investments in mortgage securities have an AA+ credit rating. The City's investments in commercial papers have an A-1 credit rating. The City's investment in STAR Ohio has an AAAM credit rating.

*Concentration of Credit Risk* – The City's investment policy states that the portfolio shall be diversified so as to avoid concentrations of credit risk from any rated issuer: (1) At the time of purchase, aggregate collateralized investments in the obligations of any financial institution are limited to the greater of \$1,000,000 or 20% of the portfolio, where eligible collateral is defined by the Ohio Revised Code; (2) At the time of purchase, aggregate investments in the obligations of any U.S. corporation and non-collateralized investments in the obligations of any financial institution are limited to the greater of \$500,000 or 10% of the portfolio. Investments in eligible short term investments which can be readily converted to cash within 48 hours are limited to the greater of \$2,500,000 or 30% of the portfolio. More than 5% of the City's investments are in FHLMC, FHLB, FNMA bonds and commercial paper. The table above is the City's allocation as of December 31, 2017.

#### **NOTE 5 – RECEIVABLES**

Receivables at December 31, 2017, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments and accounts (billings for ambulance service and utility service). No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected amount to \$4,862 in the capital improvement fund. As of December 31, 2017, the City had less than \$1,000 in delinquent special assessments outstanding.

City of Vandalia, Ohio  
Notes to the Basic Financial Statements  
For The Year Ended December 31, 2017

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Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2017 for real and public utility property taxes represents collections of the 2016 taxes. Property tax payments received during 2017 for tangible personal property (other than public utility property) is for 2017 taxes.

2017 real property taxes are levied after October 1, 2017, on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35% of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

Public utility property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2017, was \$4.14 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2016 property tax receipts were based are as follows:

| <u>Property Category</u>     | <u>Assessed Value</u> |
|------------------------------|-----------------------|
| <u>Real Property</u>         |                       |
| Residential and agricultural | \$ 220,802,230        |
| Commercial and industrial    | 107,317,230           |
| Public utilities             | 38,830                |
| <u>Personal Property</u>     |                       |
| Public utilities             | <u>7,829,300</u>      |
| Total                        | <u>\$ 335,987,590</u> |

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Vandalia. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2017, and for which there is an enforceable legal claim. In the general fund, the entire receivable has been offset by deferred inflow of resources since the current taxes were not levied to finance 2017 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been recorded as a deferred inflow of resources.

City of Vandalia, Ohio  
Notes to the Basic Financial Statements  
For The Year Ended December 31, 2017

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Income Taxes

The City levies a 2% income tax on substantially all income earned within the City. In addition, City residents employed in municipalities having an income tax less than 2% must pay the difference to the City of Vandalia. Additional increases in the income tax rate require voter approval.

Employers within the City withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers pay estimated taxes quarterly and file an annual declaration.

All income tax proceeds are being receipted into the general fund. The general fund is transferring .25% of the income tax proceeds to the Police, Fire and Street Capital Improvements fund. The transfer of income tax was reclassified as income tax revenue during the year.

Due from Other Governments

A summary of due from other governments follows:

|                                       | <u>Amounts</u>    |
|---------------------------------------|-------------------|
| <b><u>Governmental Activities</u></b> |                   |
| Local Government and Local Government |                   |
| Revenue Assistance                    | \$ 78,632         |
| Homestead and Rollback                | 79,602            |
| Gasoline and Excise Tax               | 304,386           |
| Motor Vehicle License Fees            | 189,561           |
| Permissive Motor Vehicle License Tax  | 70,053            |
| Other                                 | 90,638            |
| Total                                 | <u>\$ 812,872</u> |

**NOTE 6 - 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 1988, the City joined the Miami Valley Risk Management Association, Inc. (MVRMA) a risk sharing insurance pool. This pool covers all property, crime, liability, boiler and machinery, and public official liability.

The City pays an annual premium to MVRMA that is intended to cover administrative expenses and any claims covered by the pool. MVRMA has the ability to require member cities to make supplemental payments in the event reserves are not adequate to cover claims. An actuarial opinion issued as of December 31, 2017, indicates reserves in excess of anticipated claims. There were no settled claims from these risks that have exceeded commercial insurance coverage for the past three years and there has been no significant reduction in coverages from last year.

City of Vandalia, Ohio  
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The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The City has elected to provide employee healthcare benefits for its employees through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan provides medical, dental, vision and prescription drug coverage, providing a traditional plan with a preferred provider organization (PPO) as well as a high deductible plan with Health Saving Account (HSA). The City contracts with Medical Mutual of Ohio for network discounts; deductibles are higher and vary for out-of-network claims. A third party administrator, Underwriters Services Corp, processes and pays the claims. The City is paying self-insurance claims and administrative costs from its hospital care internal service fund. An excess coverage insurance (stop loss) policy covers claims in excess of \$50,000 per employee, per year.

During 2017, a total of \$2,335,645 was paid in benefits and administrative costs. The liability for unpaid claims cost of \$184,835, reported in the hospital care internal service fund at December 31, 2017, is based on the requirements of Governmental Accounting Standards Board Statement No. 30 and will be processed and paid in 2018. Statement No. 30 requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liability was determined by reviewing invoices for claims paid in January through March 2018, which were incurred in 2017 or before.

The estimates for the internal services fund were not affected by incremental claim adjustment expenses and does not include other allocated claim adjustment expenses. Changes in the internal services funds' claims liability amounts in the last two years follows:

|         | <u>Balance at</u><br><u>beginning of year</u> | <u>Current</u><br><u>year claims</u> | <u>Claim</u><br><u>payments</u> | <u>Balance at</u><br><u>end of year</u> |
|---------|-----------------------------------------------|--------------------------------------|---------------------------------|-----------------------------------------|
| 2016 \$ | 192,220                                       | 2,056,924                            | 2,138,678                       | 110,466                                 |
| 2017 \$ | 110,466                                       | 1,829,319                            | 1,754,950                       | 184,835                                 |

City of Vandalia, Ohio  
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**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2017, was as follows:

|                                              | Balance<br><u>12/31/2016</u> | <u>Increases</u>   | <u>Decreases</u>      | Balance<br><u>12/31/2017</u> |
|----------------------------------------------|------------------------------|--------------------|-----------------------|------------------------------|
| <b>Governmental activities</b>               |                              |                    |                       |                              |
| Capital assets, not being depreciated        |                              |                    |                       |                              |
| Land                                         | \$ 6,104,043                 | \$ -               | \$ (494,574)          | \$ 5,609,469                 |
| Easements                                    | 376,999                      | -                  | -                     | 376,999                      |
| Construction in progress                     | <u>359,033</u>               | <u>1,244,850</u>   | <u>(883,769)</u>      | <u>720,114</u>               |
| Total capital assets, not being depreciated  | <u>6,840,075</u>             | <u>1,244,850</u>   | <u>(1,378,343)</u>    | <u>6,706,582</u>             |
| Capital assets, being depreciated            |                              |                    |                       |                              |
| Buildings and improvements                   | 31,207,264                   | 229,605            | -                     | 31,436,869                   |
| Equipment                                    | 6,417,951                    | 472,130            | (316,382)             | 6,573,699                    |
| Vehicles                                     | 5,280,958                    | 1,124,704          | (529,877)             | 5,875,785                    |
| Infrastructure                               |                              |                    |                       |                              |
| Storm sewers, bridges and culverts           | 12,503,707                   | 42,448             | -                     | 12,546,155                   |
| Streets, sidewalks and curbs                 | 37,637,321                   | 588,306            | -                     | 38,225,627                   |
| Traffic signals                              | 2,481,077                    | -                  | -                     | 2,481,077                    |
| Street lighting                              | <u>1,776,705</u>             | <u>-</u>           | <u>-</u>              | <u>1,776,705</u>             |
| Total capital assets, being depreciated      | <u>97,304,983</u>            | <u>2,457,193</u>   | <u>(846,259)</u>      | <u>98,915,917</u>            |
| Less: accumulated depreciation               |                              |                    |                       |                              |
| Buildings and improvements                   | (12,479,619)                 | (664,435)          | -                     | (13,144,054)                 |
| Equipment                                    | (3,964,535)                  | (303,978)          | 264,907               | (4,003,606)                  |
| Vehicles                                     | (4,091,133)                  | (375,845)          | 512,019               | (3,954,959)                  |
| Infrastructure                               |                              |                    |                       |                              |
| Storm sewers, bridges and culverts           | (5,736,400)                  | (228,927)          | -                     | (5,965,327)                  |
| Streets, sidewalks and curbs                 | (19,502,914)                 | (1,003,343)        | -                     | (20,506,257)                 |
| Traffic signals                              | (1,022,494)                  | (110,969)          | -                     | (1,133,463)                  |
| Street lighting                              | <u>(365,753)</u>             | <u>(88,835)</u>    | <u>-</u>              | <u>(454,588)</u>             |
| Total accumulated depreciation               | <u>(47,162,848)</u>          | <u>(2,776,332)</u> | <u>776,926</u>        | <u>(49,162,254)</u>          |
| Total capital assets, being depreciated, net | <u>50,142,135</u>            | <u>(319,139)</u>   | <u>(69,333)</u>       | <u>49,753,663</u>            |
| Governmental activities capital assets, net  | <u>\$ 56,982,210</u>         | <u>\$ 925,711</u>  | <u>\$ (1,447,676)</u> | <u>\$ 56,460,245</u>         |

City of Vandalia, Ohio  
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Depreciation expense was charged to governmental functions as follows:

|                            |                     |
|----------------------------|---------------------|
| General government         |                     |
| Legislative and executive  | \$ 136,319          |
| Judicial system            | 87,905              |
| Public safety              |                     |
| Police                     | 249,696             |
| Fire                       | 239,052             |
| Public works               |                     |
| Engineer                   | 21,719              |
| Streets                    | 1,610,426           |
| Recreation                 | 431,215             |
| Total depreciation expense | <u>\$ 2,776,332</u> |

|                                              | Balance<br>12/31/2016 | Increases         | Decreases           | Balance<br>12/31/2017 |
|----------------------------------------------|-----------------------|-------------------|---------------------|-----------------------|
| <b>Business-type activities</b>              |                       |                   |                     |                       |
| Capital assets, not being depreciated        |                       |                   |                     |                       |
| Land                                         | \$ 167,369            | \$ -              | \$ -                | \$ 167,369            |
| Easements                                    | 500                   | -                 | -                   | 500                   |
| Construction in progress                     | 134,183               | 246,193           | (160,000)           | 220,376               |
| Total assets not being depreciated           | <u>302,052</u>        | <u>246,193</u>    | <u>(160,000)</u>    | <u>388,245</u>        |
| Capital assets, being depreciated            |                       |                   |                     |                       |
| Buildings and improvements                   | 2,980,867             | 17,387            | -                   | 2,998,254             |
| Equipment                                    | 1,089,704             | 93,148            | (123,732)           | 1,059,120             |
| Vehicles                                     | 433,379               | 37,272            | (122,033)           | 348,618               |
| Infrastructure                               |                       |                   |                     |                       |
| Water lines                                  | 12,713,707            | 270,000           | (15,389)            | 12,968,318            |
| Sewer lines                                  | 16,650,057            | 195,000           | (62,459)            | 16,782,598            |
| Golf cart paths and sprinkler systems        | 364,253               | -                 | (56,776)            | 307,477               |
| Total capital assets, being depreciated      | <u>34,231,967</u>     | <u>612,807</u>    | <u>(380,389)</u>    | <u>34,464,385</u>     |
| Less: accumulated depreciation               |                       |                   |                     |                       |
| Buildings and improvements                   | (1,731,707)           | (44,344)          | -                   | (1,776,051)           |
| Equipment                                    | (686,845)             | (51,034)          | 99,575              | (638,304)             |
| Vehicles                                     | (433,379)             | -                 | 84,761              | (348,618)             |
| Infrastructure                               |                       |                   |                     |                       |
| Water lines                                  | (5,160,849)           | (198,398)         | -                   | (5,359,247)           |
| Sewer lines                                  | (7,597,919)           | (255,576)         | -                   | (7,853,495)           |
| Golf cart paths and sprinkler systems        | (183,210)             | (5,903)           | 33,363              | (155,750)             |
| Total accumulated depreciation               | <u>(15,793,909)</u>   | <u>(555,255)</u>  | <u>217,699</u>      | <u>(16,131,465)</u>   |
| Total capital assets, being depreciated, net | <u>18,438,058</u>     | <u>57,552</u>     | <u>(162,690)</u>    | <u>18,332,920</u>     |
| Business-type activities capital assets, net | <u>\$ 18,740,110</u>  | <u>\$ 303,745</u> | <u>\$ (322,690)</u> | <u>\$ 18,721,165</u>  |

City of Vandalia, Ohio  
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Several assets were acquired in the water and sewer funds and subsequently transferred to governmental activities in the amount of \$35,986 in water and \$83,354 in sewer.

Depreciation expense was charged to business-type activities as follows:

|                            |                   |
|----------------------------|-------------------|
| Water                      | \$ 226,713        |
| Sewer                      | 263,516           |
| Golf                       | <u>65,026</u>     |
| Total depreciation expense | <u>\$ 555,255</u> |

**NOTE 8 - COMPENSATED ABSENCES**

*Accumulated Unpaid Vacation:* City employees earn vacation leave at varying rates based upon length of service. All employees may accrue a maximum of 45 days. In the event of a termination of employment, death, or retirement, employees (or their estates) are paid for unused vacation leave.

*Accumulated Unpaid Sick Leave:* City employees earn sick leave at the rate of 4.616 hours per eighty hours of service. A maximum of 1,250 hours may be carried from one year to the next. Any hours over 1,250 accrued and not taken will be paid on a one for three basis at the end of the year. In the case of death or retirement, employees (or the employees' estates) are paid for one half of their accumulated leave with 625 hours being the maximum amount paid.

*Accumulated Unpaid Compensatory Time:* From time to time, employees may need, with prior approval from their supervisors, to work overtime. These overtime hours will usually be paid at the appropriate overtime rate; however, with permission of the supervisor, an employee may have the option of taking the overtime in compensatory time at one and one half times the amount of hours worked.

**NOTE 9 - LONG-TERM DEBT**

A schedule of changes in bonds and other long-term obligations of the City during 2017 follows:

City of Vandalia, Ohio  
Notes to the Basic Financial Statements  
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|                                                         | Amount<br>Outstanding<br><u>12/31/2016</u> | <u>Increases</u>    | <u>Decreases</u>      | Amount<br>Outstanding<br><u>12/31/2017</u> | Amount<br>Due in<br><u>One Year</u> |
|---------------------------------------------------------|--------------------------------------------|---------------------|-----------------------|--------------------------------------------|-------------------------------------|
| <b>Governmental activities</b>                          |                                            |                     |                       |                                            |                                     |
| <u>Unvoted general obligation bonds</u>                 |                                            |                     |                       |                                            |                                     |
| 2009 Various purpose limited tax                        |                                            |                     |                       |                                            |                                     |
| bonds, 2.0% - 4.1%                                      | \$ 2,445,000                               | \$ -                | \$ (310,000)          | \$ 2,135,000                               | \$ 325,000                          |
| Premium on bonds                                        | <u>12,755</u>                              | <u>-</u>            | <u>(3,073)</u>        | <u>9,682</u>                               | <u>-</u>                            |
| Total unvoted general obligation bonds                  | <u>2,457,755</u>                           | <u>-</u>            | <u>(313,073)</u>      | <u>2,144,682</u>                           | <u>325,000</u>                      |
| Loans:                                                  |                                            |                     |                       |                                            |                                     |
| 2014 State infrastructure bank loan                     | 1,196,910                                  | 75,391              | (141,551)             | 1,130,750                                  | 160,040                             |
| 2017 OPWC loan                                          | <u>-</u>                                   | <u>35,508</u>       | <u>-</u>              | <u>35,508</u>                              | <u>7,102</u>                        |
| Total loans                                             | <u>1,196,910</u>                           | <u>110,899</u>      | <u>(141,551)</u>      | <u>1,166,258</u>                           | <u>167,142</u>                      |
| Other long-term obligations:                            |                                            |                     |                       |                                            |                                     |
| Capital lease                                           | 214,193                                    | -                   | (93,760)              | 120,433                                    | 96,054                              |
| Compensated absences                                    | <u>1,598,200</u>                           | <u>901,698</u>      | <u>(859,347)</u>      | <u>1,640,551</u>                           | <u>870,050</u>                      |
| Total other long-term obligations                       | <u>1,812,393</u>                           | <u>901,698</u>      | <u>(953,107)</u>      | <u>1,760,984</u>                           | <u>966,104</u>                      |
| Net pension liability:                                  |                                            |                     |                       |                                            |                                     |
| OPERS                                                   | 8,668,732                                  | 2,021,950           | -                     | 10,690,682                                 | -                                   |
| OP&F                                                    | <u>9,194,517</u>                           | <u>-</u>            | <u>(300,591)</u>      | <u>8,893,926</u>                           | <u>-</u>                            |
| Total net pension liability                             | <u>17,863,249</u>                          | <u>2,021,950</u>    | <u>(300,591)</u>      | <u>19,584,608</u>                          | <u>-</u>                            |
| Total governmental activities<br>long-term liabilities  | <u>\$ 23,330,307</u>                       | <u>\$ 3,034,547</u> | <u>\$ (1,708,322)</u> | <u>\$ 24,656,532</u>                       | <u>\$ 1,458,246</u>                 |
| <b>Business-type activities</b>                         |                                            |                     |                       |                                            |                                     |
| Loans:                                                  |                                            |                     |                       |                                            |                                     |
| 2017 OPWC loan                                          | <u>\$ -</u>                                | <u>\$ 67,061</u>    | <u>\$ -</u>           | <u>\$ 67,061</u>                           | <u>\$ 13,412</u>                    |
| Other long-term obligations:                            |                                            |                     |                       |                                            |                                     |
| Capital lease                                           | 91,797                                     | -                   | (40,183)              | 51,614                                     | 41,166                              |
| Compensated absences                                    | <u>191,432</u>                             | <u>92,840</u>       | <u>(86,375)</u>       | <u>197,897</u>                             | <u>91,884</u>                       |
| Total other long-term obligations                       | <u>283,229</u>                             | <u>92,840</u>       | <u>(126,558)</u>      | <u>249,511</u>                             | <u>133,050</u>                      |
| Net pension liability:                                  |                                            |                     |                       |                                            |                                     |
| OPERS                                                   | <u>1,137,526</u>                           | <u>265,324</u>      | <u>-</u>              | <u>1,402,850</u>                           | <u>-</u>                            |
| Total business-type activities<br>long-term liabilities | <u>\$ 1,420,755</u>                        | <u>\$ 425,225</u>   | <u>\$ (126,558)</u>   | <u>\$ 1,719,422</u>                        | <u>\$ 146,462</u>                   |

City of Vandalia, Ohio  
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During 2009, the City issued \$4,755,000 General Obligation Various Purpose Limited Tax Bonds. The Bonds were issued for the purpose of paying the costs of constructing, furnishing and equipping a fire station and related facilities, landscaping and otherwise improving the site thereof.

During 2014, the City entered into a State Infrastructure Bank (SIB) direct loan with the Ohio Department of Transportation (ODOT) in the amount of \$1,411,921 of which \$308,334 was received in 2014, \$866,421 during 2015 and \$161,775 during 2016, respectively. The remaining amount of \$75,391 was received during 2017.

During 2017, the City entered into a loan agreement with the Ohio Public Works Commission (OPWC). The loan is for a street project, water lines and sanitary sewers. The loan will be repaid in annual installments of \$20,514, maturing in 2022. Principal is paid out of the stormwater special revenue fund, the police, fire and street capital improvements capital projects fund, the water and sewer funds.

Compensated absences will be paid from the general fund, street, stormwater, magistrate, and computer legal research special revenue funds, police, fire and street capital project fund and the water, sewer and golf enterprise funds.

The City pays net pension liability obligations from the fund benefitting from employee services.

Capital lease obligations will be paid from the street fund, stormwater fund, the capital improvement fund, the water fund and the sewer fund.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2017, are as follows:

| Year ending<br>December 31, | <u>General Obligation Bonds</u> |                   |           | <u>Total</u>     |
|-----------------------------|---------------------------------|-------------------|-----------|------------------|
|                             | <u>Principal</u>                | <u>Interest</u>   |           |                  |
| 2018                        | \$ 325,000                      | \$ 85,165         | \$        | 410,165          |
| 2019                        | 335,000                         | 72,978            |           | 407,978          |
| 2020                        | 345,000                         | 59,577            |           | 404,577          |
| 2021                        | 365,000                         | 45,777            |           | 410,777          |
| 2022                        | 375,000                         | 31,178            |           | 406,178          |
| 2023                        | 390,000                         | 15,990            |           | 405,990          |
| Total                       | <u>\$ 2,135,000</u>             | <u>\$ 310,665</u> | <u>\$</u> | <u>2,445,665</u> |

| Year ending<br>December 31, | <u>State SIB Loan</u> |                   |                     | <u>OPWC Loan</u>  |
|-----------------------------|-----------------------|-------------------|---------------------|-------------------|
|                             | <u>Principal</u>      | <u>Interest</u>   | <u>Total</u>        | <u>Principal</u>  |
| 2018                        | \$ 160,040            | \$ 32,731         | \$ 192,771          | \$ 20,514         |
| 2019                        | 164,877               | 27,894            | 192,771             | 20,514            |
| 2020                        | 169,861               | 22,911            | 192,772             | 20,514            |
| 2021                        | 174,995               | 17,777            | 192,772             | 20,514            |
| 2022                        | 180,284               | 12,487            | 192,771             | 20,513            |
| 2023-2024                   | 280,693               | 8,462             | 289,155             | -                 |
| Total                       | <u>\$ 1,130,750</u>   | <u>\$ 122,262</u> | <u>\$ 1,253,012</u> | <u>\$ 102,569</u> |

City of Vandalia, Ohio  
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**NOTE 10 – SHORT TERM OBLIGATIONS**

Bond anticipation notes reported as a fund liability on the balance sheet consist of the following:

|                                    | <u>Balance</u><br><u>12/31/2016</u> | <u>Increase</u>     | <u>Decreases</u>      | <u>Balance</u><br><u>12/31/2017</u> |
|------------------------------------|-------------------------------------|---------------------|-----------------------|-------------------------------------|
| Capital projects fund:             |                                     |                     |                       |                                     |
| Capital improvement, 2.00%         | \$ 2,039,000                        | \$ -                | \$ (2,039,000)        | \$ -                                |
| Capital improvement, 2.25%         | -                                   | 1,514,000           | -                     | 1,514,000                           |
| Various purpose fire engine, 1.75% | 480,000                             | -                   | (480,000)             | -                                   |
| Debt service fund:                 |                                     |                     |                       |                                     |
| Refunding various purpose, 1.75%   | 4,076,000                           | -                   | (4,076,000)           | -                                   |
| Various purpose, 2.00%             | -                                   | 3,691,000           | -                     | 3,691,000                           |
| Total governmental activities      | <u>\$ 6,595,000</u>                 | <u>\$ 5,205,000</u> | <u>\$ (6,595,000)</u> | <u>\$ 5,205,000</u>                 |

In August of 2017, the City paid off \$2,039,000 in bond anticipation notes and issued \$1,514,000 in bond anticipation notes. The bond anticipation notes were issued to encourage economic development and jobs in a redevelopment area and to purchase land. Revenues for payment of interest and principal on the bond will result from proceeds from a new note to be issued in 2018.

In September of 2017, the City paid off \$4,556,000 in bond anticipation notes and issued \$3,691,000 in bond anticipation notes. The bond anticipation notes were issued for a current refunding of the 2004 Refunding Various Purpose bonds during 2014 and for a new fire truck. The general obligation bond retirement debt service fund will retire these debts.

**NOTE 11 – CAPITALIZED LEASE**

During 2014, the City entered into a capital lease. From the lease proceeds, governmental activities and business-type activities acquired four vehicles and a front loader for the public works department. These assets were capitalized and reported as additions to capital assets in the amount of \$461,016 in the governmental activities and \$197,578 in the business-type activities. These capital assets are being depreciated over their estimated useful lives.

Capital lease payments are reflected as debt service payments in the basic financial statements for the governmental funds. These expenditures are reflected as function expenditures on a budgetary basis. The capitalized amount equals a portion of the present value of the future minimum lease payments and the down payment respectively, at the time of acquisition.

Following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2017:

City of Vandalia, Ohio  
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|                                    | Lease Payments<br>Governmental<br>Activities | Lease Payments<br>Business-type<br>Activities |
|------------------------------------|----------------------------------------------|-----------------------------------------------|
| Year                               |                                              |                                               |
| 2018                               | \$ 97,908                                    | \$ 41,960                                     |
| 2019                               | 24,478                                       | 10,490                                        |
| Total minimum lease payments       | 122,386                                      | 52,450                                        |
| Less: amount representing interest | (1,953)                                      | (836)                                         |
| Total                              | <u>\$ 120,433</u>                            | <u>\$ 51,614</u>                              |

## **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.

City of Vandalia, Ohio  
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Ohio Public Employees Retirement System

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. 1.) The Traditional Pension Plan (TP) - a cost-sharing, multiple-employer defined benefit pension plan. 2.) The Member-Directed Plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Members accumulate retirement assets equal to the value of the member and (vested) employer contributions, plus any investment earnings thereon. 3.) The Combined Plan (CP) - a cost-sharing, multiple-employer defined benefit pension plan. Employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the MD. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; the following disclosure focuses on the traditional plan.

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#CAFR>, 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 CAFR referenced above for additional information):

| <p style="text-align: center;"><b>Group A</b><br/>Eligible to retire prior to<br/>January 7, 2013 or five years<br/>after January 7, 2013</p>   | <p style="text-align: center;"><b>Group B</b><br/>20 years of service credit prior to<br/>January 7, 2013 or eligible to retire<br/>ten years after January 7, 2013</p> | <p style="text-align: center;"><b>Group C</b><br/>Members not in other Groups<br/>and members hired on or after<br/>January 7, 2013</p>         |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: center;"><b>State and Local</b></p>                                                                                       | <p style="text-align: center;"><b>State and Local</b></p>                                                                                                               | <p style="text-align: center;"><b>State and Local</b></p>                                                                                       |
| <p><b>Age and service requirements:</b><br/>Age 60 with 60 months of service credit<br/>or Age 55 with 25 years of service credit</p>           | <p><b>Age and service requirements:</b><br/>Age 60 with 60 months of service credit<br/>or Age 55 with 25 years of service credit</p>                                   | <p><b>Age and service requirements:</b><br/>Age 57 with 25 years of service credit<br/>or Age 62 with 5 years of service credit</p>             |
| <p><b>Formula:</b><br/>2.2% of FAS multiplied by years of<br/>service for the first 30 years and 2.5%<br/>for service years in excess of 30</p> | <p><b>Formula:</b><br/>2.2% of FAS multiplied by years of<br/>service for the first 30 years and 2.5%<br/>for service years in excess of 30</p>                         | <p><b>Formula:</b><br/>2.2% of FAS multiplied by years of<br/>service for the first 35 years and 2.5%<br/>for service years in excess of 35</p> |

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

City of Vandalia, Ohio  
Notes to the Basic Financial Statements  
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When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

|                                                  | <u>State<br/>and Local</u> |
|--------------------------------------------------|----------------------------|
| <b>2017 Statutory maximum contribution rates</b> |                            |
| Employer                                         | 14.00%                     |
| Employee                                         | 10.00%                     |
| <br><b>2017 Actual contribution rates</b>        |                            |
| Employer:                                        |                            |
| Pension                                          | 13.00%                     |
| Post-employment health care benefits             | <u>1.00%</u>               |
| Total employer                                   | <u>14.00%</u>              |
| <br>Employee                                     | <br><u>10.00%</u>          |

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$917,309 for 2017. Of this amount, \$84,623 is reported as an intergovernmental payable.

City of Vandalia, Ohio  
Notes to the Basic Financial Statements  
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Ohio Police and Fire Pension Fund

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F 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. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at [www.op-f.org](http://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 OP&F may retire and receive a lifetime monthly pension. OP&F 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 after 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.

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 and statutory survivors.

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

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

City of Vandalia, Ohio  
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|                                                  | <u>Police</u> | <u>Firefighters</u> |
|--------------------------------------------------|---------------|---------------------|
| <b>2017 Statutory maximum contribution rates</b> |               |                     |
| Employer                                         | 19.50%        | 24.00%              |
| Employee:                                        |               |                     |
| January 1, 2017 through December 31, 2017        | 12.25%        | 12.25%              |
| <b>2017 Actual contribution rates</b>            |               |                     |
| Employer:                                        |               |                     |
| Pension                                          | 19.00%        | 23.50%              |
| Post-employment health care benefits             | <u>0.50%</u>  | <u>0.50%</u>        |
| Total employer                                   | <u>19.50%</u> | <u>24.00%</u>       |
| Employee:                                        |               |                     |
| January 1, 2017 through December 31, 2017        | 12.25%        | 12.25%              |

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$638,523 for 2017. Of this amount \$57,681 is reported as an intergovernmental payable.

***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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

|                                                                    | <u>OPERS</u>      | <u>OP&amp;F</u>   | <u>Total</u>  |
|--------------------------------------------------------------------|-------------------|-------------------|---------------|
| Proportion of the net pension liability - prior measurement date   | 0.056614%         | 0.142926%         |               |
| Proportion of the net pension liability - current measurement date | <u>0.053256%</u>  | <u>0.140418%</u>  |               |
| Change in proportionate share                                      | <u>-0.003358%</u> | <u>-0.002508%</u> |               |
| Proportionate share of the net pension liability                   | \$ 12,093,532     | \$ 8,893,926      | \$ 20,987,458 |
| Pension expense                                                    | \$ 2,485,928      | \$ 1,099,308      | \$ 3,585,236  |

City of Vandalia, Ohio  
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At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                           | <u>OPERS</u>        | <u>OP&amp;F</u>     | <u>Total</u>        |
|-----------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| <b>Deferred outflows of resources</b>                                                                     |                     |                     |                     |
| Differences between expected and actual experience                                                        | \$ 16,392           | \$ 2,516            | \$ 18,908           |
| Changes of assumptions                                                                                    | 1,918,182           | -                   | 1,918,182           |
| Net difference between projected and actual earnings on pension plan investments                          | 1,801,006           | 864,896             | 2,665,902           |
| City contributions subsequent to the measurement date                                                     | <u>917,309</u>      | <u>638,523</u>      | <u>1,555,832</u>    |
| Total deferred outflows of resources                                                                      | <u>\$ 4,652,889</u> | <u>\$ 1,505,935</u> | <u>\$ 6,158,824</u> |
| <b>Deferred inflows of resources</b>                                                                      |                     |                     |                     |
| Differences between expected and actual experience                                                        | \$ 71,975           | \$ 20,478           | \$ 92,453           |
| Changes in proportion and differences between City contributions and proportionate share of contributions | <u>294,524</u>      | <u>222,985</u>      | <u>517,509</u>      |
| Total deferred inflows of resources                                                                       | <u>\$ 366,499</u>   | <u>\$ 243,463</u>   | <u>\$ 609,962</u>   |

\$1,555,832 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

|                          | <u>OPERS</u>        | <u>OP&amp;F</u>   | <u>Total</u>        |
|--------------------------|---------------------|-------------------|---------------------|
| Year ending December 31: |                     |                   |                     |
| 2018                     | \$ 1,366,431        | \$ 279,822        | \$ 1,646,253        |
| 2019                     | 1,426,930           | 279,823           | 1,706,753           |
| 2020                     | 628,512             | 201,445           | 829,957             |
| 2021                     | (52,792)            | (107,334)         | (160,126)           |
| 2022                     | -                   | (27,633)          | (27,633)            |
| Thereafter               | <u>-</u>            | <u>(2,174)</u>    | <u>(2,174)</u>      |
| Total                    | <u>\$ 3,369,081</u> | <u>\$ 623,949</u> | <u>\$ 3,993,030</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.

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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                                              |                               |
|----------------------------------------------|-------------------------------|
| Wage inflation                               | 3.25 percent                  |
| Future salary increases, including inflation | 3.25 percent to 10.75 percent |
| COLA or Ad Hoc COLA                          | 3 percent, simple             |
| Investment rate of return                    | 7.5 percent                   |
| Actuarial cost method                        | Individual entry age          |

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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 is 8.3% for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

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| <u>Asset class</u>     | <u>Target<br/>allocation</u> | <u>Weighted average<br/>long-term expected<br/>real rate of return<br/>(arithmetic)</u> |
|------------------------|------------------------------|-----------------------------------------------------------------------------------------|
| Fixed income           | 23.00%                       | 2.75%                                                                                   |
| Domestic equities      | 20.70%                       | 6.34%                                                                                   |
| Real estate            | 10.00%                       | 4.75%                                                                                   |
| Private equity         | 10.00%                       | 8.97%                                                                                   |
| International equities | 18.30%                       | 7.95%                                                                                   |
| Other investments      | <u>18.00%</u>                | <u>4.92%</u>                                                                            |
| Total                  | <u>100.00%</u>               | <u>5.66%</u>                                                                            |

**Discount Rate** The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

|                                                            | <u>1% Decrease<br/>(6.50%)</u> | <u>Current<br/>discount rate<br/>(7.50%)</u> | <u>1% Increase<br/>(8.50%)</u> |
|------------------------------------------------------------|--------------------------------|----------------------------------------------|--------------------------------|
| City's proportionate share<br>of the net pension liability | \$ 18,475,572                  | \$ 12,093,532                                | \$ 6,775,228                   |

**Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F'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.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

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|                            |                               |
|----------------------------|-------------------------------|
| Valuation date             | January 1, 2016               |
| Actuarial cost method      | Entry age normal              |
| Investment rate of return  | 8.25 percent                  |
| Projected salary increases | 4.25 percent to 11 percent    |
| Payroll increases          | 3.75 percent                  |
| Inflation assumptions      | 3.25 percent                  |
| Cost of living adjustments | 2.60 percent and 3.00 percent |

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2016 are summarized below:

| Asset<br>class                         | Target<br>Allocation | Long-term expected<br>real rate of return** |
|----------------------------------------|----------------------|---------------------------------------------|
| Cash and cash equivalents              | 0.00%                | 0.00%                                       |
| Domestic equity                        | 16.00%               | 5.21%                                       |
| Non-US equity                          | 16.00%               | 5.40%                                       |
| Core fixed income *                    | 20.00%               | 2.37%                                       |
| Global inflation protected securities' | 20.00%               | 2.33%                                       |
| High yield                             | 15.00%               | 4.48%                                       |
| Real estate                            | 12.00%               | 5.65%                                       |
| Private markets                        | 8.00%                | 7.99%                                       |
| Real Assets                            | 5.00%                | 6.87%                                       |
| Master limited partnerships            | <u>8.00%</u>         | 7.36%                                       |
| Total                                  | <u>120.00%</u>       |                                             |

\* Levered 2x

\*\*numbers are net of expected inflation

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

City of Vandalia, Ohio  
Notes to the Basic Financial Statements  
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**Discount Rate** The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

|                                                            | 1% Decrease<br>(7.25%) | Current<br>discount rate<br>(8.25%) | 1% Increase<br>(9.25%) |
|------------------------------------------------------------|------------------------|-------------------------------------|------------------------|
| City's proportionate share<br>of the net pension liability | \$ 11,845,661          | \$ 8,893,926                        | \$ 6,392,299           |

**Changes Between Measurement Date and Report Date**

In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8.0 percent. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

**NOTE 13 - POSTEMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage, commonly referred to as OPEB (other postemployment benefits). The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional plan (TP) – a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan (MD) – a defined contribution plan; and the combined plan (CO) – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

City of Vandalia, Ohio  
Notes to the Basic Financial Statements  
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In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

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. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority requiring employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2017, the City contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0% for both plans. 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 to the RMA for participants in the Member-Directed Plan for 2017 was 4.0%.

Actual employer contributions which were used to fund postemployment benefits for the years ended December 31, 2017, 2016, and 2015 were \$72,745, \$153,287 and \$140,244 respectively; 91.05% has been contributed for 2017 and 100% for 2016 and 2015. \$6,509 representing the unpaid contribution for fiscal year 2017 is recorded as an intergovernmental payable. The actual contribution and the actuarially required contribution amounts are the same.

#### Ohio Police and Firemen's Disability and Pension Fund

The City of Vandalia contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

City of Vandalia, Ohio  
Notes to the Basic Financial Statements  
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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 are 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. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

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% and 24% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to healthcare was 0.5% of covered payroll from January 1, 2017 through December 31, 2017. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's total contributions to OP&F for police and fire healthcare for the years ending December 31, 2017, 2016 and 2015 were \$16,147, \$17,382 and \$15,446 respectively, 90.97 percent has been contributed, for 2017 with the remainder being reported as a liability. \$1,454 representing the unpaid contribution for fiscal year 2017 is recorded as an intergovernmental payable.

#### **NOTE 14 - JOINT VENTURES**

##### **Tri-Cities North Regional Wastewater Authority**

Prior to June of 1996, the Miami Conservancy District provided the Cities of Vandalia, Tipp City 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. In June of 1996, the Miami Conservancy District deeded the wastewater facility and all of the assets associated with the facility to the joint venture at no cost to the joint venture.

City of Vandalia, Ohio  
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The Tri-Cities North Regional Wastewater Authority (Tri-Cities) is a joint venture among the cities of Vandalia, Huber Heights and Tipp City. Tri-Cities is governed by a management board consisting of the city managers of the three cities. The board has complete authority over all aspects of the 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 \$8,099,794 which represents 26.94% of the total equity in Tri-Cities. Tri-Cities is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City of Vandalia paid \$875,139 for services provided in 2017. Tri-Cities had four OWDA Loans outstanding at December 31, 2017, in the amounts of \$431,577, \$1,482,736, \$4,949,390 and \$747,472 for a total of \$7,611,175. Complete financial statements can be obtained from the Tri-Cities North Regional Wastewater Authority, c/o City of Vandalia, 333 J.E. Bohanan Drive, Vandalia, Ohio 45377.

Northern Area Water Authority

The City of Dayton has provided water services to the City of Vandalia since 1971. In recent years, the City of Vandalia has felt it necessary to have an alternate source of water supply and to have more control over the rate structure of water services. Also in recent years, the City of Tipp City has learned that they must build a new water treatment plant to meet Environmental Protection Agency requirements.

Seeing a common issue between the two cities, the City of Vandalia and the City of Tipp City, in March of 2002, created a joint venture to plan, finance, construct, own and operate a joint water utility system. The purpose of the water utility system will be to provide safe, high quality, reliable, reasonably priced and environmentally sound water production, treatment and distribution services to the citizens, taxpayers and consumers in the cities of Vandalia and Tipp City.

The Northern Area Water Authority (NAWA) is a joint venture among the cities of Vandalia and Tipp City. NAWA is governed by a management board consisting of the city managers of the two cities. The board has complete authority over all aspects of the operation. NAWA supply the participating residents of the member cities with water services. Each city will own the water lines located in its city and bill its residents for usage. Continued existence of NAWA is dependent on the City's continued participation and the City will have an equity interest in NAWA. During 2017, the City's equity interest is \$1,149,295 which represents 50% of the total equity of NAWA as of December 31, 2017.

On August 29, 2002, NAWA was approved for an OWDA loan totaling \$2.5 million. During 2005, this loan was paid off and rolled into the water treatment plant construction loan. As of December 31, 2017, NAWA has two outstanding loans with OWDA in the amount of \$18,880,770 and \$512,030 for the water treatment plant construction. The City of Vandalia paid \$1,429,063 for services provided in 2017. Complete financial statements can be obtained from the Northern Area Water Authority, c/o City of Vandalia, 333 J.E. Bohanan Drive, Vandalia, Ohio 45377.

**NOTE 15 - JOINTLY GOVERNED ORGANIZATION**

The Economic Development/Government Equity Program (ED/GE) was established pursuant to Ohio Revised Code Chapter 307 for the purpose of developing and promoting plans and programs designed to assure that County resources are efficiently used, economic growth is properly balanced, and that county economic development is coordinated with that of the State of Ohio and other local governments. Members include villages, townships, and cities within Montgomery County, and Montgomery County itself. Cooperation and coordination between the members is intended to promote economic health and improve the economic opportunities of the people in Montgomery County by assisting in the establishment or expansion within the County of industrial, commercial or research facilities and by creating and preserving job and employment opportunities for the people of the County.

The ED/GE Advisory Committee, made up of alternating member entities' representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute to or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those communities experiencing less economic growth. The City has agreed to be a member for ten years, ending December 31, 2019. Members in default of paying contributions will be liable for the contribution, any interest accrued, and penalties. The member will not be entitled to any allocations from ED/GE. The City has did not make any contributions to ED/GE during 2017. Financial information may be obtained by writing to Linda Gum, Administrative Assistant, 451 West Third Street, Dayton, Ohio, 45402.

**NOTE 16 - CONTINGENT LIABILITIES**

Litigation

The City management is of the opinion that the ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Federal and State Grants

The City participates in several federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2017, the audits of these programs have not been completed. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

**NOTE 17 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund transfers and Due to/from other funds for the year ended December 31, 2017, consisted of the following:

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| <u>Transfer to</u>                      | <u>Transfer from</u><br><u>General</u> | <u>Police, Fire and<br/>Street Capital<br/>Improvements</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total</u>       |
|-----------------------------------------|----------------------------------------|-------------------------------------------------------------|-----------------------------------------|--------------------|
| <u>Governmental activities:</u>         |                                        |                                                             |                                         |                    |
| General fund                            | \$ -                                   | \$ -                                                        | \$ 656,284                              | \$ 656,284         |
| Capital improvement fund                | 865,612                                | -                                                           | -                                       | 865,612            |
| General obligation bond retirement fund | 456,388                                | -                                                           | -                                       | 456,388            |
| Other governmental funds                | 684,114                                | 56,377                                                      | -                                       | 740,491            |
|                                         | <u>2,006,114</u>                       | <u>56,377</u>                                               | <u>656,284</u>                          | <u>2,718,775</u>   |
| <u>Business-Type activities:</u>        |                                        |                                                             |                                         |                    |
| Golf fund                               | 360,000                                | -                                                           | -                                       | 360,000            |
| Total                                   | <u>\$ 2,366,114</u>                    | <u>\$ 56,377</u>                                            | <u>\$ 656,284</u>                       | <u>\$3,078,775</u> |

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

#### **NOTE 18 – OPERATING LEASE**

On October 15, 2015, the City entered into an operating lease to lease computers and software. The lease agreement began on January 11, 2016 and is in effect until December 11, 2018 with an option to purchase the equipment anytime during the life of the lease. Total payments for the use of this equipment are \$136,085, payable in monthly installments on the eleventh day of each month.

The following is a schedule of the future minimum lease payments as of December 31, 2017:

| <u>Year</u>                        | <u>Lease<br/>Payments</u> |
|------------------------------------|---------------------------|
| 2018                               | \$ 45,365                 |
| Total minimum lease payments       | 45,365                    |
| Less: amount representing interest | (822)                     |
| Total                              | <u>\$ 44,543</u>          |

City of Vandalia, Ohio  
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**NOTE 19 – ACCOUNTABILITY**

At December 31, 2017, the following funds had a deficit fund balance:

| <u>Fund</u>                             | Deficit<br><u>fund balance</u> |
|-----------------------------------------|--------------------------------|
| General obligation bond retirement fund | \$ 3,619,658                   |

It is unusual for the general obligation bond retirement debt service fund a major fund to report a deficit. The reason for the deficit in this case is that the City issued a refunding bond anticipation note (BAN), which does not qualify for treatment as a long-term liability. Accordingly, the BAN is reported as a fund liability in the general obligation bond retirement fund balance sheet (rather than an inflow on the statement of revenues, expenditures, and changes in fund balances). The deficit may continue into future years until they are either refinanced with a long-term obligation or fully repaid.

The fund balance deficits are largely the result of the recognition of liabilities in accordance with generally accepted accounting principles. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**NOTE 20 – COMMITMENTS**

At December 31, 2017, the City has a construction commitment for an infrastructure project. This commitment is in the water fund for \$179,624.

The police, fire and street capital improvements fund also has a commitment in the amount of \$182,306 for communications equipment.

**NOTE 21 – TAX ABATEMENTS**

**Real estate tax abatements**

Pursuant to Ohio Revised Code Chapter 5709, the City has established five Community Reinvestment Areas (CRAs). The City of Vandalia authorizes incentives through passage of public ordinances, based upon each businesses investment criteria, and through a contractual application process with each business, including proof that the improvements have been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the CRAs gave the City the ability to maintain and expand businesses located in the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate.

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**Income tax abatements**

The City created an incentive program for the purpose of creating and preserving jobs and employment opportunities and improves the economic welfare of the City. Pursuant to the City's home rule powers as a charter community in accordance with Article XVIII, Section 3 & 8 of the Ohio Constitution, the City provides an incentive to the company based upon the company's gross annual payroll, the amount of income tax generated annually and the number of jobs created or retained by the business. The abatement is administered as an incentive payment based upon the company's payroll taxes. The cap and time period of each incentive varies for each agreement.

Under the real estate tax abatement agreements, the City property taxes were reduced by \$50,161 during 2017 and the City made incentive payments in the amount of \$294,451 for the income tax abatement programs.

### **Required Supplementary Information**

City of Vandalia, Ohio  
Required Supplementary Information  
Schedule of City's Proportionate Share of the Net Pension Liability  
Last Four Years (1)

|                                                                                                            | <u>2017</u>   | <u>2016</u>  | <u>2015</u>  | <u>2014</u>  |
|------------------------------------------------------------------------------------------------------------|---------------|--------------|--------------|--------------|
| <b>Ohio Public Employees Retirement System (OPERS) -<br/>Traditional Plan</b>                              |               |              |              |              |
| City's proportion of the net pension liability                                                             | 0.053256%     | 0.056614%    | 0.056832%    | 0.056832%    |
| City's proportionate share of the net pension liability                                                    | \$ 12,093,532 | \$ 9,806,258 | \$ 6,854,574 | \$ 6,699,752 |
| City's covered employee payroll                                                                            | \$ 7,434,433  | \$ 6,801,825 | \$ 7,034,450 | \$ 7,245,408 |
| City's proportionate share of the net pension<br>liability as a percentage of its covered employee payroll | 162.67%       | 144.17%      | 97.44%       | 92.47%       |
| Plan fiduciary net position as a percentage of total pension liability                                     | 77.25%        | 81.08%       | 86.45%       | 86.36%       |
|                                                                                                            | <u>2017</u>   | <u>2016</u>  | <u>2015</u>  | <u>2014</u>  |
| <b>Ohio Police and Fire Pension Fund</b>                                                                   |               |              |              |              |
| City's proportion of the net pension liability                                                             | 0.140418%     | 0.142926%    | 0.146112%    | 0.146112%    |
| City's proportionate share of the net pension liability                                                    | \$ 8,893,926  | \$ 9,194,517 | \$ 7,569,221 | \$ 7,116,122 |
| City's covered employee payroll                                                                            | \$ 3,476,364  | \$ 3,089,263 | \$ 3,017,685 | \$ 2,383,101 |
| City's proportionate share of the net pension<br>liability as a percentage of its covered employee payroll | 255.84%       | 297.63%      | 250.83%      | 298.61%      |
| Plan fiduciary net position as a percentage of total pension liability                                     | 68.36%        | 66.77%       | 71.71%       | 73.00% (2)   |

(1) Information prior to 2014 is not available and the amounts presented are as of the City's measurement date which is the prior year end.

(2) Restated during 2015.

City of Vandalia, Ohio  
Required Supplementary Information  
Schedule of City Contributions  
Last Five Years (1)

|                                                                           | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      | <u>2013</u>      |
|---------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Ohio Public Employees Retirement System (OPERS) - Traditional Plan</b> |                  |                  |                  |                  |                  |
| Contractually required contribution                                       | \$ 917,309       | \$ 892,132       | \$ 816,219       | \$ 844,134       | \$ 941,903       |
| Contributions in relation to contractually required contribution          | <u>(917,309)</u> | <u>(892,132)</u> | <u>(816,219)</u> | <u>(844,134)</u> | <u>(941,903)</u> |
| Contribution deficiency (excess)                                          | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| City covered employee payroll                                             | \$ 7,056,223     | \$ 7,434,433     | \$ 6,801,825     | \$ 7,034,450     | \$ 7,245,408     |
| Contributions as a percentage of covered employee payroll                 | 13.00%           | 12.00%           | 12.00%           | 12.00%           | 13.00%           |
|                                                                           |                  |                  |                  |                  |                  |
|                                                                           | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      | <u>2013</u>      |
| <b>Ohio Police and Fire Pension Fund - Police</b>                         |                  |                  |                  |                  |                  |
| Contractually required contribution                                       | \$ 508,278       | \$ 540,214       | \$ 492,573       | \$ 471,293       | \$ 311,773       |
| Contributions in relation to contractually required contribution          | <u>(508,278)</u> | <u>(540,214)</u> | <u>(492,573)</u> | <u>(471,293)</u> | <u>(311,773)</u> |
| Contribution deficiency (excess)                                          | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| City covered employee payroll                                             | \$ 2,675,147     | \$ 2,843,232     | \$ 2,592,489     | \$ 2,480,489     | \$ 1,982,028     |
| Contributions as a percentage of covered employee payroll                 | 19.00%           | 19.00%           | 19.00%           | 19.00%           | 15.73%           |
|                                                                           |                  |                  |                  |                  |                  |
|                                                                           | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      | <u>2013</u>      |
| <b>Ohio Police and Fire Pension Fund - Fire</b>                           |                  |                  |                  |                  |                  |
| Contractually required contribution                                       | \$ 130,245       | \$ 148,786       | \$ 116,742       | \$ 126,241       | \$ 81,137        |
| Contributions in relation to contractually required contribution          | <u>(130,245)</u> | <u>(148,786)</u> | <u>(116,742)</u> | <u>(126,241)</u> | <u>(81,137)</u>  |
| Contribution deficiency (excess)                                          | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| City covered employee payroll                                             | \$ 554,234       | \$ 633,132       | \$ 496,774       | \$ 537,196       | \$ 401,073       |
| Contributions as a percentage of covered employee payroll                 | 23.50%           | 23.50%           | 23.50%           | 23.50%           | 20.23%           |

(1) Information prior to 2013 is not available.

City of Vandalia, Ohio  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2017

**Ohio Public Employees Retirement System - Traditional Plan**

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2017. See the notes to the basic financials for the methods and assumptions in this calculation.

**Ohio Police and Fire Pension Fund**

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. See the notes to the basic financials for the methods and assumptions in this calculation.

### **Combining Statements for Nonmajor Governmental Funds**

## Combining Statements and Individual Fund Schedules

### NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes. A description of the City's special revenue funds follows:

#### Street

To account for gasoline tax, motor vehicle license fees and various other miscellaneous charges remitted to the City restricted for routine maintenance of City streets.

#### State Highway

To account for gasoline tax and motor vehicle license fees restricted for routine maintenance of state highways within the City.

#### Permissive Motor Vehicle Tax

To account for additional motor vehicle license tax levied by Montgomery County restricted for routine street maintenance and repairs.

#### Law Enforcement

To account for monies related to property or goods obtained by seizure or forfeiture and restricted, by State statute, for expenditures that would enhance the police department.

#### Drug Law Enforcement

To account for fines and costs collected for felonious drug trafficking convictions. This money is restricted for drug law enforcement activity.

#### OMVI Education and Enforcement

To account for fines imposed by the Municipal Court restricted for the purpose of enforcing and educating the public about law governing operation of a motor vehicle while under the influence of alcohol.

#### OMVI Indigent

To account for fines imposed by the Municipal Court restricted for the purpose of paying costs of attendance of indigent OMVI offenders at alcohol and drug addiction treatment programs.

#### Computer Legal Research

To account for fines imposed by the Municipal Court restricted for the purpose of computerization of the court including training, maintenance and support.

#### Indigent Drivers Interlock and Alcohol Monitoring (IAM)

To account for monies and restricted for expenditures related to funding interlock and secure remote electronic alcohol monitoring devices for indigent drivers.

Combining Statements – Nonmajor Governmental Funds (Continued)

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Police Continuous Professional Training

To account for monies received from the Ohio Attorney General for the reimbursement of police continuing professional training hours.

Stormwater

To account for the collection of stormwater fees committed for stormwater maintenance and repairs.

Magistrate

To account for fines imposed by the Municipal Court restricted for the purpose of reimbursement of magistrate fees.

## NONMAJOR CAPITAL PROJECTS FUNDS

Capital projects funds are established to account for financial resources that are restricted, committed or assigned to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds or trust funds.

### Tax Increment Financing (TIF)

To account for payments in lieu of taxes restricted for the commercial tax increment financing district. The monies will be used for future capital projects that will benefit the district.

### Dixie Drive Phase 3 Widening Project

To account for the receipt and dispersal of all resources restricted for the Dixie Drive Phase 3 widening project.

### Stonequarry Crossings Tax Increment Financing (TIF)

To account for payments in lieu of taxes restricted for the commercial tax increment financing district in the Stonequarry Crossings development. . The monies will be used for the future capital projects and debt payments that will benefit the district.

### Community Development Block Grant

To account for the receipt and dispersal of all restricted federal grant monies under the Community Development Block Grant.

### Fire Equipment

To account for the receipt and dispersal of all resources restricted for a new fire truck.

### OPWC

To account for the receipt and dispersal of all restricted grant monies under the Ohio Public Works Commission.

### Capital Improvement Reserve

To account for the receipt and dispersal of all resources committed for future capital expenses.

### Facilities Improvement & Maintenance Reserve

To account for the receipt and dispersal of all resources committed for future capital expenses related to the building of new facilities or repairs and improvements to existing facilities.



City of Vandalia, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2017

|                                                                       | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|-----------------------------------------------------------------------|-----------------------------------------|------------------------------------------|--------------------------------------------|
| Assets:                                                               |                                         |                                          |                                            |
| Equity in pooled cash and investments                                 | \$ 2,213,787                            | \$ 1,576,436                             | \$ 3,790,223                               |
| Receivables:                                                          |                                         |                                          |                                            |
| Accounts                                                              | 29,519                                  | -                                        | 29,519                                     |
| Revenue in lieu of taxes                                              | -                                       | 108,678                                  | 108,678                                    |
| Due from other governments                                            | 520,088                                 | -                                        | 520,088                                    |
| Materials and supplies inventory                                      | 93,705                                  | -                                        | 93,705                                     |
| Total assets                                                          | <u>\$ 2,857,099</u>                     | <u>\$ 1,685,114</u>                      | <u>\$ 4,542,213</u>                        |
| Liabilities:                                                          |                                         |                                          |                                            |
| Accounts payable                                                      | \$ 7,802                                | \$ -                                     | \$ 7,802                                   |
| Accrued wages and benefits                                            | 9,001                                   | -                                        | 9,001                                      |
| Matured compensated absences payable                                  | 1,682                                   | -                                        | 1,682                                      |
| Due to other governments                                              | 8,217                                   | -                                        | 8,217                                      |
| Total liabilities                                                     | <u>26,702</u>                           | <u>-</u>                                 | <u>26,702</u>                              |
| Deferred inflows of resources:                                        |                                         |                                          |                                            |
| Payments in lieu of taxes                                             | -                                       | 108,678                                  | 108,678                                    |
| Unavailable revenue - other                                           | 477,346                                 | -                                        | 477,346                                    |
| Total deferred inflows of resources                                   | <u>477,346</u>                          | <u>108,678</u>                           | <u>586,024</u>                             |
| Fund balances:                                                        |                                         |                                          |                                            |
| Nonspendable                                                          | 93,705                                  | -                                        | 93,705                                     |
| Restricted                                                            | 1,690,960                               | 326,436                                  | 2,017,396                                  |
| Committed                                                             | 568,386                                 | 1,250,000                                | 1,818,386                                  |
| Total fund balances                                                   | <u>2,353,051</u>                        | <u>1,576,436</u>                         | <u>3,929,487</u>                           |
| Total liabilities, deferred inflows of<br>resources and fund balances | <u>\$ 2,857,099</u>                     | <u>\$ 1,685,114</u>                      | <u>\$ 4,542,213</u>                        |

City of Vandalia, Ohio  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2017

|                                              | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|----------------------------------------------|-----------------------------------------|------------------------------------------|--------------------------------------------|
| Revenues:                                    |                                         |                                          |                                            |
| Charges for services                         | \$ 288,679                              | \$ -                                     | \$ 288,679                                 |
| Fines and forfeitures                        | 331,192                                 | -                                        | 331,192                                    |
| Intergovernmental                            | 896,060                                 | 64,508                                   | 960,568                                    |
| Interest                                     | 8,655                                   | -                                        | 8,655                                      |
| Payments in lieu of taxes                    | -                                       | 99,979                                   | 99,979                                     |
| Other                                        | 69,413                                  | -                                        | 69,413                                     |
| Total revenue                                | <u>1,593,999</u>                        | <u>164,487</u>                           | <u>1,758,486</u>                           |
| Expenditures:                                |                                         |                                          |                                            |
| Current:                                     |                                         |                                          |                                            |
| General government                           |                                         |                                          |                                            |
| Legislative and executive                    | 102,668                                 | 31,106                                   | 133,774                                    |
| Judicial system                              | 131,829                                 | -                                        | 131,829                                    |
| Public safety                                |                                         |                                          |                                            |
| Police                                       | 64,717                                  | -                                        | 64,717                                     |
| Public works                                 |                                         |                                          |                                            |
| Engineer                                     | 197,526                                 | -                                        | 197,526                                    |
| Streets                                      | 819,087                                 | 130,591                                  | 949,678                                    |
| Capital outlay                               | 153,456                                 | 312,625                                  | 466,081                                    |
| Debt service:                                |                                         |                                          |                                            |
| Principal retirement                         | 60,274                                  | 163,051                                  | 223,325                                    |
| Interest and fiscal charges                  | 2,667                                   | 39,674                                   | 42,341                                     |
| Total expenditures                           | <u>1,532,224</u>                        | <u>677,047</u>                           | <u>2,209,271</u>                           |
| Excess of revenues over (under) expenditures | <u>61,775</u>                           | <u>(512,560)</u>                         | <u>(450,785)</u>                           |
| Other financing sources (uses):              |                                         |                                          |                                            |
| Issuance of loans                            | -                                       | 75,391                                   | 75,391                                     |
| Issuance of OPWC loans                       | -                                       | 35,508                                   | 35,508                                     |
| Transfers - in                               | -                                       | 740,491                                  | 740,491                                    |
| Transfers - out                              | -                                       | (656,284)                                | (656,284)                                  |
| Total other financing sources (uses)         | <u>-</u>                                | <u>195,106</u>                           | <u>195,106</u>                             |
| Net change in fund balance                   | 61,775                                  | (317,454)                                | (255,679)                                  |
| Fund balances at beginning of year           | <u>2,291,276</u>                        | <u>1,893,890</u>                         | <u>4,185,166</u>                           |
| Fund balances at end of year                 | <u><u>\$ 2,353,051</u></u>              | <u><u>\$ 1,576,436</u></u>               | <u><u>\$ 3,929,487</u></u>                 |

City of Vandalia, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2017

|                                                                               | Street<br>Fund             | State<br>Highway<br>Fund | Permissive<br>Motor<br>Vehicle Tax<br>Fund | Law<br>Enforcement<br>Fund | Drug<br>Law<br>Enforcement<br>Fund |
|-------------------------------------------------------------------------------|----------------------------|--------------------------|--------------------------------------------|----------------------------|------------------------------------|
| <b>Assets:</b>                                                                |                            |                          |                                            |                            |                                    |
| Equity in pooled cash and investments                                         | \$ 986,390                 | \$ 56,739                | \$ 65,253                                  | \$ 25,737                  | \$ 1,918                           |
| <b>Receivables:</b>                                                           |                            |                          |                                            |                            |                                    |
| Accounts                                                                      | 186                        | -                        | -                                          | -                          | -                                  |
| Due from other governments                                                    | 457,029                    | 37,046                   | 21,602                                     | -                          | -                                  |
| Materials and supplies inventory                                              | 93,705                     | -                        | -                                          | -                          | -                                  |
| <b>Total assets</b>                                                           | <u><u>\$ 1,537,310</u></u> | <u><u>\$ 93,785</u></u>  | <u><u>\$ 86,855</u></u>                    | <u><u>\$ 25,737</u></u>    | <u><u>\$ 1,918</u></u>             |
| <b>Liabilities:</b>                                                           |                            |                          |                                            |                            |                                    |
| Accounts payable                                                              | \$ 6,987                   | \$ 113                   | \$ -                                       | \$ -                       | \$ -                               |
| Accrued wages and benefits                                                    | 6,243                      | -                        | -                                          | -                          | -                                  |
| Matured compensated absences payable                                          | 1,084                      | -                        | -                                          | -                          | -                                  |
| Due to other governments                                                      | 4,958                      | -                        | -                                          | -                          | -                                  |
| <b>Total liabilities</b>                                                      | <u>19,272</u>              | <u>113</u>               | <u>-</u>                                   | <u>-</u>                   | <u>-</u>                           |
| <b>Deferred inflows of resources:</b>                                         |                            |                          |                                            |                            |                                    |
| Unavailable revenue - other                                                   | <u>394,074</u>             | <u>31,937</u>            | <u>18,211</u>                              | <u>-</u>                   | <u>-</u>                           |
| <b>Fund balances:</b>                                                         |                            |                          |                                            |                            |                                    |
| Nonspendable                                                                  | 93,705                     | -                        | -                                          | -                          | -                                  |
| Restricted                                                                    | 1,030,259                  | 61,735                   | 68,644                                     | 25,737                     | 1,918                              |
| Committed                                                                     | -                          | -                        | -                                          | -                          | -                                  |
| <b>Total fund balances</b>                                                    | <u>1,123,964</u>           | <u>61,735</u>            | <u>68,644</u>                              | <u>25,737</u>              | <u>1,918</u>                       |
| <b>Total liabilities, deferred inflows of<br/>resources and fund balances</b> | <u><u>\$ 1,537,310</u></u> | <u><u>\$ 93,785</u></u>  | <u><u>\$ 86,855</u></u>                    | <u><u>\$ 25,737</u></u>    | <u><u>\$ 1,918</u></u>             |

| OMVI<br>Education<br>and<br>Enforcement<br>Fund | OMVI<br>Indigent<br>Fund | Computer<br>Legal<br>Research<br>Fund | Indigent<br>Drivers<br>IAM<br>Fund | Police<br>Continuous<br>Professional<br>Training<br>Fund | Stormwater<br>Fund | Magistrate<br>Fund | Total<br>Nonmajor<br>Special Revenue<br>Funds |
|-------------------------------------------------|--------------------------|---------------------------------------|------------------------------------|----------------------------------------------------------|--------------------|--------------------|-----------------------------------------------|
| \$ 7,688                                        | \$ 163,792               | \$ 156,911                            | \$ 139,173                         | \$ 20,940                                                | \$ 571,640         | \$ 17,606          | \$ 2,213,787                                  |
| -                                               | -                        | -                                     | -                                  | -                                                        | 29,333             | -                  | 29,519                                        |
| -                                               | 3,791                    | 14                                    | 527                                | -                                                        | 38                 | 41                 | 520,088                                       |
| -                                               | -                        | -                                     | -                                  | -                                                        | -                  | -                  | 93,705                                        |
| <u>\$ 7,688</u>                                 | <u>\$ 167,583</u>        | <u>\$ 156,925</u>                     | <u>\$ 139,700</u>                  | <u>\$ 20,940</u>                                         | <u>\$ 601,011</u>  | <u>\$ 17,647</u>   | <u>\$ 2,857,099</u>                           |
|                                                 |                          |                                       |                                    |                                                          |                    |                    |                                               |
| \$ -                                            | \$ -                     | \$ 176                                | \$ -                               | \$ -                                                     | \$ 526             | \$ -               | \$ 7,802                                      |
| -                                               | -                        | 611                                   | -                                  | -                                                        | 1,126              | 1,021              | 9,001                                         |
| -                                               | -                        | 165                                   | -                                  | -                                                        | 433                | -                  | 1,682                                         |
| -                                               | -                        | 635                                   | -                                  | -                                                        | 1,207              | 1,417              | 8,217                                         |
| -                                               | -                        | 1,587                                 | -                                  | -                                                        | 3,292              | 2,438              | 26,702                                        |
| -                                               | 3,791                    | -                                     | -                                  | -                                                        | 29,333             | -                  | 477,346                                       |
| -                                               | -                        | -                                     | -                                  | -                                                        | -                  | -                  | 93,705                                        |
| 7,688                                           | 163,792                  | 155,338                               | 139,700                            | 20,940                                                   | -                  | 15,209             | 1,690,960                                     |
| -                                               | -                        | -                                     | -                                  | -                                                        | 568,386            | -                  | 568,386                                       |
| <u>7,688</u>                                    | <u>163,792</u>           | <u>155,338</u>                        | <u>139,700</u>                     | <u>20,940</u>                                            | <u>568,386</u>     | <u>15,209</u>      | <u>2,353,051</u>                              |
| <u>\$ 7,688</u>                                 | <u>\$ 167,583</u>        | <u>\$ 156,925</u>                     | <u>\$ 139,700</u>                  | <u>\$ 20,940</u>                                         | <u>\$ 601,011</u>  | <u>\$ 17,647</u>   | <u>\$ 2,857,099</u>                           |

City of Vandalia, Ohio  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2017

|                                    | Street<br>Fund      | State<br>Highway<br>Fund | Permissive<br>Motor<br>Vehicle Tax<br>Fund | Law<br>Enforcement<br>Fund | Drug<br>Law<br>Enforcement<br>Fund |
|------------------------------------|---------------------|--------------------------|--------------------------------------------|----------------------------|------------------------------------|
| Revenues:                          |                     |                          |                                            |                            |                                    |
| Charges for services               | \$ -                | \$ -                     | \$ -                                       | \$ -                       | \$ -                               |
| Fines and forfeitures              | -                   | -                        | -                                          | 7,797                      | 174                                |
| Intergovernmental                  | 778,622             | 63,100                   | 42,088                                     | -                          | -                                  |
| Interest                           | 7,839               | 373                      | 443                                        | -                          | -                                  |
| Other                              | 66,665              | -                        | -                                          | -                          | -                                  |
| Total revenue                      | <u>853,126</u>      | <u>63,473</u>            | <u>42,531</u>                              | <u>7,797</u>               | <u>174</u>                         |
| Expenditures:                      |                     |                          |                                            |                            |                                    |
| Current:                           |                     |                          |                                            |                            |                                    |
| General government                 |                     |                          |                                            |                            |                                    |
| Legislative and executive          | -                   | -                        | -                                          | -                          | 451                                |
| Judicial system                    | -                   | -                        | -                                          | -                          | -                                  |
| Public safety                      |                     |                          |                                            |                            |                                    |
| Police                             | -                   | -                        | -                                          | -                          | -                                  |
| Public works                       |                     |                          |                                            |                            |                                    |
| Engineer                           | -                   | -                        | -                                          | -                          | -                                  |
| Streets                            | 746,889             | 70,492                   | 1,706                                      | -                          | -                                  |
| Capital outlay                     | 95,201              | -                        | 15,000                                     | -                          | -                                  |
| Debt service:                      |                     |                          |                                            |                            |                                    |
| Principal retirement               | 46,880              | -                        | -                                          | -                          | -                                  |
| Interest and fiscal charges        | 2,074               | -                        | -                                          | -                          | -                                  |
| Total expenditures                 | <u>891,044</u>      | <u>70,492</u>            | <u>16,706</u>                              | <u>-</u>                   | <u>451</u>                         |
| Net change in fund balance         | (37,918)            | (7,019)                  | 25,825                                     | 7,797                      | (277)                              |
| Fund balances at beginning of year | <u>1,161,882</u>    | <u>68,754</u>            | <u>42,819</u>                              | <u>17,940</u>              | <u>2,195</u>                       |
| Fund balances at end of year       | <u>\$ 1,123,964</u> | <u>\$ 61,735</u>         | <u>\$ 68,644</u>                           | <u>\$ 25,737</u>           | <u>\$ 1,918</u>                    |

| OMVI<br>Education<br>and<br>Enforcement<br>Fund | OMVI<br>Indigent<br>Fund | Computer<br>Legal<br>Research<br>Fund | Indigent<br>Drivers<br>IAM<br>Fund | Police<br>Continuous<br>Professional<br>Training<br>Fund | Stormwater<br>Fund | Magistrate<br>Fund | Total<br>Nonmajor<br>Special Revenue<br>Funds |
|-------------------------------------------------|--------------------------|---------------------------------------|------------------------------------|----------------------------------------------------------|--------------------|--------------------|-----------------------------------------------|
| \$ -                                            | \$ -                     | \$ -                                  | \$ -                               | \$ -                                                     | \$ 288,679         | \$ -               | \$ 288,679                                    |
| 625                                             | 34,566                   | 140,749                               | 22,786                             | -                                                        | -                  | 124,495            | 331,192                                       |
| -                                               | -                        | -                                     | -                                  | 12,000                                                   | 250                | -                  | 896,060                                       |
| -                                               | -                        | -                                     | -                                  | -                                                        | -                  | -                  | 8,655                                         |
| -                                               | -                        | 626                                   | -                                  | -                                                        | 1,263              | 859                | 69,413                                        |
| 625                                             | 34,566                   | 141,375                               | 22,786                             | 12,000                                                   | 290,192            | 125,354            | 1,593,999                                     |
| -                                               | -                        | 102,217                               | -                                  | -                                                        | -                  | -                  | 102,668                                       |
| -                                               | -                        | -                                     | -                                  | -                                                        | -                  | 131,829            | 131,829                                       |
| -                                               | 44,309                   | -                                     | 20,408                             | -                                                        | -                  | -                  | 64,717                                        |
| -                                               | -                        | -                                     | -                                  | -                                                        | 197,526            | -                  | 197,526                                       |
| -                                               | -                        | -                                     | -                                  | -                                                        | -                  | -                  | 819,087                                       |
| -                                               | -                        | 28,820                                | -                                  | -                                                        | 14,435             | -                  | 153,456                                       |
| -                                               | -                        | -                                     | -                                  | -                                                        | 13,394             | -                  | 60,274                                        |
| -                                               | -                        | -                                     | -                                  | -                                                        | 593                | -                  | 2,667                                         |
| -                                               | 44,309                   | 131,037                               | 20,408                             | -                                                        | 225,948            | 131,829            | 1,532,224                                     |
| 625                                             | (9,743)                  | 10,338                                | 2,378                              | 12,000                                                   | 64,244             | (6,475)            | 61,775                                        |
| 7,063                                           | 173,535                  | 145,000                               | 137,322                            | 8,940                                                    | 504,142            | 21,684             | 2,291,276                                     |
| \$ 7,688                                        | \$ 163,792               | \$ 155,338                            | \$ 139,700                         | \$ 20,940                                                | \$ 568,386         | \$ 15,209          | \$ 2,353,051                                  |

City of Vandalia, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2017

|                                                                       | TIF<br>Fund       | Dixie Drive<br>Phase 3<br>Widening Project<br>Fund | Stonequarry<br>Crossings<br>TIF<br>Fund | Community<br>Development<br>Block Grant<br>Fund | Fire<br>Equipment<br>Fund |
|-----------------------------------------------------------------------|-------------------|----------------------------------------------------|-----------------------------------------|-------------------------------------------------|---------------------------|
| Assets:                                                               |                   |                                                    |                                         |                                                 |                           |
| Equity in pooled cash and investments                                 | \$ 191,583        | \$ 134,475                                         | \$ 20                                   | \$ -                                            | \$ 358                    |
| Receivables:                                                          |                   |                                                    |                                         |                                                 |                           |
| Revenue in lieu of taxes                                              | 51,061            | -                                                  | 57,617                                  | -                                               | -                         |
| Total assets                                                          | <u>\$ 242,644</u> | <u>\$ 134,475</u>                                  | <u>\$ 57,637</u>                        | <u>\$ -</u>                                     | <u>\$ 358</u>             |
| Deferred inflows of resources:                                        |                   |                                                    |                                         |                                                 |                           |
| Payments in lieu of taxes                                             | <u>\$ 51,061</u>  | <u>\$ -</u>                                        | <u>\$ 57,617</u>                        | <u>\$ -</u>                                     | <u>\$ -</u>               |
| Fund balances:                                                        |                   |                                                    |                                         |                                                 |                           |
| Restricted                                                            | 191,583           | 134,475                                            | 20                                      | -                                               | 358                       |
| Committed                                                             | <u>-</u>          | <u>-</u>                                           | <u>-</u>                                | <u>-</u>                                        | <u>-</u>                  |
| Total fund balances                                                   | <u>191,583</u>    | <u>134,475</u>                                     | <u>20</u>                               | <u>-</u>                                        | <u>358</u>                |
| Total liabilities, deferred inflows of<br>resources and fund balances | <u>\$ 242,644</u> | <u>\$ 134,475</u>                                  | <u>\$ 57,637</u>                        | <u>\$ -</u>                                     | <u>\$ 358</u>             |

| OPWC<br>Fund | Capital<br>Improvement<br>Reserve<br>Fund | Facilities<br>Improvement &<br>Maintenance<br>Reserve Fund | Total<br>Nonmajor<br>Capital<br>Projects<br>Funds |
|--------------|-------------------------------------------|------------------------------------------------------------|---------------------------------------------------|
| \$ -         | \$ -                                      | \$ 1,250,000                                               | \$ 1,576,436                                      |
| -            | -                                         | -                                                          | 108,678                                           |
| <u>\$ -</u>  | <u>\$ -</u>                               | <u>\$ 1,250,000</u>                                        | <u>\$ 1,685,114</u>                               |
| \$ -         | \$ -                                      | \$ -                                                       | \$ 108,678                                        |
| -            | -                                         | -                                                          | 326,436                                           |
| -            | -                                         | 1,250,000                                                  | 1,250,000                                         |
| -            | -                                         | 1,250,000                                                  | 1,576,436                                         |
| <u>\$ -</u>  | <u>\$ -</u>                               | <u>\$ 1,250,000</u>                                        | <u>\$ 1,685,114</u>                               |

City of Vandalia, Ohio  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2017

|                                                 | TIF<br>Fund | Dixie Drive<br>Phase 3<br>Widening Project<br>Fund | Stonequarry<br>Crossings<br>TIF<br>Fund | Community<br>Development<br>Block Grant<br>Fund | Fire<br>Equipment<br>Fund |
|-------------------------------------------------|-------------|----------------------------------------------------|-----------------------------------------|-------------------------------------------------|---------------------------|
| Revenues:                                       |             |                                                    |                                         |                                                 |                           |
| Intergovernmental                               | \$ -        | \$ -                                               | \$ -                                    | \$ 50,000                                       | \$ -                      |
| Payments in lieu of taxes                       | 82,736      | -                                                  | 17,243                                  | -                                               | -                         |
| Total revenue                                   | 82,736      | -                                                  | 17,243                                  | 50,000                                          | -                         |
| Expenditures:                                   |             |                                                    |                                         |                                                 |                           |
| Current:                                        |             |                                                    |                                         |                                                 |                           |
| General government                              |             |                                                    |                                         |                                                 |                           |
| Legislative and executive                       | 25,706      | -                                                  | 5,400                                   | -                                               | -                         |
| Public works                                    |             |                                                    |                                         |                                                 |                           |
| Streets                                         | -           | 75,391                                             | -                                       | 50,000                                          | -                         |
| Capital outlay                                  | -           | -                                                  | -                                       | -                                               | 248,756                   |
| Debt service:                                   |             |                                                    |                                         |                                                 |                           |
| Principal retirement                            | -           | 141,551                                            | 21,500                                  | -                                               | -                         |
| Interest and fiscal charges                     | -           | 33,974                                             | -                                       | -                                               | 5,700                     |
| Total expenditures                              | 25,706      | 250,916                                            | 26,900                                  | 50,000                                          | 254,456                   |
| Excess of revenues over (under)<br>expenditures | 57,030      | (250,916)                                          | (9,657)                                 | -                                               | (254,456)                 |
| Other financing sources (uses):                 |             |                                                    |                                         |                                                 |                           |
| Issuance of loans                               | -           | 75,391                                             | -                                       | -                                               | -                         |
| Issuance of OPWC loans                          | -           | -                                                  | -                                       | -                                               | -                         |
| Transfers - in                                  | -           | -                                                  | -                                       | -                                               | 490,491                   |
| Transfers - out                                 | -           | -                                                  | -                                       | -                                               | -                         |
| Total other financing sources (uses)            | -           | 75,391                                             | -                                       | -                                               | 490,491                   |
| Net change in fund balance                      | 57,030      | (175,525)                                          | (9,657)                                 | -                                               | 236,035                   |
| Fund balances at<br>beginning of year           | 134,553     | 310,000                                            | 9,677                                   | -                                               | (235,677)                 |
| Fund balances at end of year                    | \$ 191,583  | \$ 134,475                                         | \$ 20                                   | \$ -                                            | \$ 358                    |

| OPWC<br>Fund | Capital<br>Improvement<br>Reserve<br>Fund | Facilities<br>Improvement &<br>Maintenance<br>Reserve Fund | Total<br>Nonmajor<br>Capital<br>Projects<br>Funds |
|--------------|-------------------------------------------|------------------------------------------------------------|---------------------------------------------------|
| \$ 14,508    | \$ -                                      | \$ -                                                       | \$ 64,508                                         |
| -            | -                                         | -                                                          | 99,979                                            |
| 14,508       | -                                         | -                                                          | 164,487                                           |
| -            | -                                         | -                                                          | 31,106                                            |
| 5,200        | -                                         | -                                                          | 130,591                                           |
| 63,869       | -                                         | -                                                          | 312,625                                           |
| -            | -                                         | -                                                          | 163,051                                           |
| -            | -                                         | -                                                          | 39,674                                            |
| 69,069       | -                                         | -                                                          | 677,047                                           |
| (54,561)     | -                                         | -                                                          | (512,560)                                         |
| -            | -                                         | -                                                          | 75,391                                            |
| 35,508       | -                                         | -                                                          | 35,508                                            |
| -            | -                                         | 250,000                                                    | 740,491                                           |
| -            | (656,284)                                 | -                                                          | (656,284)                                         |
| 35,508       | (656,284)                                 | 250,000                                                    | 195,106                                           |
| (19,053)     | (656,284)                                 | 250,000                                                    | (317,454)                                         |
| 19,053       | 656,284                                   | 1,000,000                                                  | 1,893,890                                         |
| \$ -         | \$ -                                      | \$ 1,250,000                                               | \$ 1,576,436                                      |

**Individual Fund Schedules of Revenue, Expenditures/Expenses and Changes in  
Fund Balance/Fund Equity – Budget (Non-GAAP Basis) and Actual  
Major and Nonmajor**

## MAJOR GENERAL FUND

The general fund is the operating fund of the City and is used to account for all financial resources except those required to be 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 charter of the City and the general laws of Ohio.

### Funds being reported as part of the general fund

The following fund is legally budgeted as a separate special revenue fund but is being reported as part of the general fund for GAAP reporting purposes.

#### Employee Retirement Benefits Reserve

To account for the receipt and dispersal of all resources collected in anticipation of future expenses related to the accumulated benefit payments owed to employees upon their retirement from city service.

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2017

|                                 | Budgeted Amounts |               |               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|------------------|---------------|---------------|---------------------------------------------------------|
|                                 | Original         | Final         | Actual        |                                                         |
| <u>Revenues:</u>                |                  |               |               |                                                         |
| Municipal income tax            | \$ 15,750,000    | \$ 15,750,000 | \$ 14,471,223 | \$ (1,278,777)                                          |
| Property and other taxes        | 1,238,938        | 1,238,938     | 1,281,153     | 42,215                                                  |
| Charges for services            | 3,379,810        | 3,379,810     | 3,349,397     | (30,413)                                                |
| Licenses and permits            | 409,000          | 409,000       | 367,314       | (41,686)                                                |
| Fines and forfeitures           | 1,155,500        | 1,155,500     | 1,283,425     | 127,925                                                 |
| Intergovernmental               | 909,922          | 1,059,922     | 1,067,530     | 7,608                                                   |
| Interest                        | 150,000          | 150,000       | 201,158       | 51,158                                                  |
| Other                           | 55,750           | 55,750        | 294,496       | 238,746                                                 |
| Total revenues                  | 23,048,920       | 23,198,920    | 22,315,696    | (883,224)                                               |
| <u>Expenditures:</u>            |                  |               |               |                                                         |
| Current:                        |                  |               |               |                                                         |
| General government              |                  |               |               |                                                         |
| Legislative and executive       |                  |               |               |                                                         |
| Personal services               | 1,866,687        | 1,862,073     | 1,680,607     | 181,466                                                 |
| Operations and maintenance      | 2,498,142        | 2,900,956     | 2,573,085     | 327,871                                                 |
| Total legislative and executive | 4,364,829        | 4,763,029     | 4,253,692     | 509,337                                                 |
| Judicial system                 |                  |               |               |                                                         |
| Personal services               | 1,691,969        | 1,691,969     | 1,587,622     | 104,347                                                 |
| Operations and maintenance      | 207,729          | 207,730       | 163,753       | 43,977                                                  |
| Total judicial system           | 1,899,698        | 1,899,699     | 1,751,375     | 148,324                                                 |
| Total general government        | 6,264,527        | 6,662,728     | 6,005,067     | 657,661                                                 |
| Public safety                   |                  |               |               |                                                         |
| Police                          |                  |               |               |                                                         |
| Personal services               | 4,646,183        | 4,645,433     | 4,354,746     | 290,687                                                 |
| Operations and maintenance      | 411,778          | 412,528       | 367,490       | 45,038                                                  |
| Total police                    | 5,057,961        | 5,057,961     | 4,722,236     | 335,725                                                 |
| Fire                            |                  |               |               |                                                         |
| Personal services               | 2,086,808        | 2,086,808     | 1,853,350     | 233,458                                                 |
| Operations and maintenance      | 333,206          | 349,556       | 343,047       | 6,509                                                   |
| Total fire                      | 2,420,014        | 2,436,364     | 2,196,397     | 239,967                                                 |
| Total public safety             | 7,477,975        | 7,494,325     | 6,918,633     | 575,692                                                 |
| Public works                    |                  |               |               |                                                         |
| Engineer                        |                  |               |               |                                                         |
| Personal services               | 777,557          | 777,557       | 722,804       | 54,753                                                  |
| Operations and maintenance      | 244,769          | 244,769       | 213,093       | 31,676                                                  |
| Total engineer                  | 1,022,326        | 1,022,326     | 935,897       | 86,429                                                  |
|                                 |                  |               |               | (Continued)                                             |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2017  
(Continued)

|                                      | Budgeted Amounts |               |               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|------------------|---------------|---------------|---------------------------------------------------------|
|                                      | Original         | Final         | Actual        |                                                         |
| Street lighting                      |                  |               |               |                                                         |
| Operations and maintenance           | 171,500          | 180,000       | 169,060       | 10,940                                                  |
| Street maintenance                   |                  |               |               |                                                         |
| Personal services                    | 360,209          | 360,209       | 316,768       | 43,441                                                  |
| Operations and maintenance           | 12,630           | 12,630        | 10,102        | 2,528                                                   |
| Total streets                        | 544,339          | 552,839       | 495,930       | 56,909                                                  |
| Refuse                               |                  |               |               |                                                         |
| Operations and maintenance           | 985,648          | 1,067,647     | 1,059,562     | 8,085                                                   |
| Total public works                   | 2,552,313        | 2,642,812     | 2,491,389     | 151,423                                                 |
| Recreation                           |                  |               |               |                                                         |
| Parks                                |                  |               |               |                                                         |
| Personal services                    | 2,692,250        | 2,692,250     | 2,508,383     | 183,867                                                 |
| Operations and maintenance           | 1,028,076        | 1,101,626     | 1,038,362     | 63,264                                                  |
| Total recreation                     | 3,720,326        | 3,793,876     | 3,546,745     | 247,131                                                 |
| Total expenditures                   | 20,015,141       | 20,593,741    | 18,961,834    | 1,631,907                                               |
| Excess of revenues over expenditures | 3,033,779        | 2,605,179     | 3,353,862     | 748,683                                                 |
| Other financing sources (uses):      |                  |               |               |                                                         |
| Sale of capital assets               | 1,000            | 1,000         | -             | (1,000)                                                 |
| Advances - in                        | -                | -             | 627,314       | 627,314                                                 |
| Advances - out                       | -                | -             | (50,000)      | (50,000)                                                |
| Transfers - in                       | 656,284          | 656,284       | 656,284       | -                                                       |
| Transfers - out                      | (4,377,000)      | (4,387,200)   | (4,223,946)   | 163,254                                                 |
| Total other financing sources (uses) | (3,719,716)      | (3,729,916)   | (2,990,348)   | 739,568                                                 |
| Net change in fund balance           | (685,937)        | (1,124,737)   | 363,514       | 1,488,251                                               |
| Fund balance at beginning of year    | 12,864,727       | 12,864,727    | 12,864,727    | -                                                       |
| Prior year encumbrances appropriated | 510,572          | 510,572       | 510,572       | -                                                       |
| Fund balance at end of year          | \$ 12,689,362    | \$ 12,250,562 | \$ 13,738,813 | \$ 1,488,251                                            |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Employee Retirement Benefits Reserve Fund (1)  
For the Year Ended December 31, 2017

|                                       | Budgeted Amounts |            |            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|------------|------------|---------------------------------------------------------|
|                                       | Original         | Final      | Actual     |                                                         |
| <u>Revenues:</u>                      |                  |            |            |                                                         |
| Total revenues                        | \$ -             | \$ -       | \$ -       | \$ -                                                    |
| <u>Expenditures:</u>                  |                  |            |            |                                                         |
| Current:                              |                  |            |            |                                                         |
| General government                    |                  |            |            |                                                         |
| Judicial system                       |                  |            |            |                                                         |
| Personal services                     | 56,000           | 56,000     | 44,486     | 11,514                                                  |
| Public safety                         |                  |            |            |                                                         |
| Police                                |                  |            |            |                                                         |
| Personal services                     | 89,000           | 89,000     | 88,004     | 996                                                     |
| Public works                          |                  |            |            |                                                         |
| Streets                               |                  |            |            |                                                         |
| Street maintenance                    |                  |            |            |                                                         |
| Personal services                     | 7,250            | 7,250      | 7,258      | (8)                                                     |
| Recreation                            |                  |            |            |                                                         |
| Parks                                 |                  |            |            |                                                         |
| Personal services                     | 16,500           | 16,500     | -          | 16,500                                                  |
| Total expenditures                    | 168,750          | 168,750    | 139,748    | 29,002                                                  |
| Excess of revenues under expenditures | (168,750)        | (168,750)  | (139,748)  | 29,002                                                  |
| Other financing sources:              |                  |            |            |                                                         |
| Transfers - in                        | 100,000          | 100,000    | 100,000    | -                                                       |
| Net change in fund balance            | (68,750)         | (68,750)   | (39,748)   | 29,002                                                  |
| Fund balance at beginning of year     | 295,794          | 295,794    | 295,794    | -                                                       |
| Fund balance at end of year           | \$ 227,044       | \$ 227,044 | \$ 256,046 | \$ 29,002                                               |

(1) This fund is combined with the general fund in the GAAP statements.

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Capital Improvement Fund  
For the Year Ended December 31, 2017

|                                       | Budgeted Amounts |             |             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-------------|-------------|---------------------------------------------------------|
|                                       | Original         | Final       | Actual      |                                                         |
| <u>Revenues:</u>                      |                  |             |             |                                                         |
| Intergovernmental                     | \$ -             | \$ 58,095   | \$ 66,987   | \$ 8,892                                                |
| Special assessments                   | 10,000           | 10,000      | 28,095      | 18,095                                                  |
| Other                                 | 23,000           | 23,000      | 995         | (22,005)                                                |
| Total revenues                        | 33,000           | 91,095      | 96,077      | 4,982                                                   |
| <u>Expenditures:</u>                  |                  |             |             |                                                         |
| Capital outlay                        | 1,251,585        | 1,369,880   | 1,270,115   | 99,765                                                  |
| Debt service:                         |                  |             |             |                                                         |
| Principal retirement                  | 33,508           | 33,508      | 33,486      | 22                                                      |
| Interest and fiscal charges           | 1,471            | 1,471       | 1,481       | (10)                                                    |
| Total expenditures                    | 1,286,564        | 1,404,859   | 1,305,082   | 99,777                                                  |
| Excess of revenues under expenditures | (1,253,564)      | (1,313,764) | (1,209,005) | 104,759                                                 |
| Other financing sources:              |                  |             |             |                                                         |
| Sale of capital assets                | -                | 405,000     | 578,863     | 173,863                                                 |
| Transfers - in                        | 820,000          | 303,200     | 300,000     | (3,200)                                                 |
| Total other financing sources         | 820,000          | 708,200     | 878,863     | 170,663                                                 |
| Net change in fund balance            | (433,564)        | (605,564)   | (330,142)   | 275,422                                                 |
| Fund balance at beginning of year     | 282,993          | 282,993     | 282,993     | -                                                       |
| Prior year encumbrances appropriated  | 401,681          | 401,681     | 401,681     | -                                                       |
| Fund balance at end of year           | \$ 251,110       | \$ 79,110   | \$ 354,532  | \$ 275,422                                              |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Police, Fire and Street Capital Improvements Fund  
For the Year Ended December 31, 2017

|                                       | Budgeted Amounts   |                    |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|--------------------|--------------------|--------------------|---------------------------------------------------------|
|                                       | Original           | Final              | Actual             |                                                         |
| <b>Revenues:</b>                      |                    |                    |                    |                                                         |
| Intergovernmental                     | \$ 65,000          | \$ 65,000          | \$ -               | \$ (65,000)                                             |
| Other                                 | -                  | -                  | 1,699              | 1,699                                                   |
| Total revenues                        | <u>\$ 65,000</u>   | <u>\$ 65,000</u>   | <u>\$ 1,699</u>    | <u>\$ (63,301)</u>                                      |
| <b>Expenditures:</b>                  |                    |                    |                    |                                                         |
| Current:                              |                    |                    |                    |                                                         |
| Public safety                         |                    |                    |                    |                                                         |
| Police                                |                    |                    |                    |                                                         |
| Personal services                     | 219,273            | 219,273            | 210,747            | 8,526                                                   |
| Capital outlay                        | 1,079,374          | 1,079,374          | 1,037,438          | 41,936                                                  |
| Total police                          | <u>1,298,647</u>   | <u>1,298,647</u>   | <u>1,248,185</u>   | <u>50,462</u>                                           |
| Fire                                  |                    |                    |                    |                                                         |
| Capital outlay                        | 390,354            | 390,354            | 387,653            | 2,701                                                   |
| Total public safety                   | <u>1,689,001</u>   | <u>1,689,001</u>   | <u>1,635,838</u>   | <u>53,163</u>                                           |
| Public works                          |                    |                    |                    |                                                         |
| Streets                               |                    |                    |                    |                                                         |
| Capital outlay                        | 548,000            | 780,000            | 539,591            | 240,409                                                 |
| Debt service:                         |                    |                    |                    |                                                         |
| Principal retirement                  | 330,000            | 338,500            | 336,500            | 2,000                                                   |
| Interest and fiscal charges           | 104,392            | 104,392            | 104,392            | -                                                       |
| Total expenditures                    | <u>2,671,393</u>   | <u>2,911,893</u>   | <u>2,616,321</u>   | <u>295,572</u>                                          |
| Excess of revenues under expenditures | <u>(2,606,393)</u> | <u>(2,846,893)</u> | <u>(2,614,622)</u> | <u>232,271</u>                                          |
| Other financing sources:              |                    |                    |                    |                                                         |
| Transfers - in                        | 1,920,000          | 1,760,000          | 1,757,832          | (2,168)                                                 |
| Net change in fund balance            | (686,393)          | (1,086,893)        | (856,790)          | 230,103                                                 |
| Fund balance at beginning of year     | 1,124,297          | 1,124,297          | 1,124,297          | -                                                       |
| Prior year encumbrances appropriated  | <u>348,978</u>     | <u>348,978</u>     | <u>348,978</u>     | <u>-</u>                                                |
| Fund balance at end of year           | <u>\$ 786,882</u>  | <u>\$ 386,382</u>  | <u>\$ 616,485</u>  | <u>\$ 230,103</u>                                       |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Obligation Bond Retirement Fund  
For the Year Ended December 31, 2017

|                                       | Budgeted Amounts |             |             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-------------|-------------|---------------------------------------------------------|
|                                       | Original         | Final       | Actual      |                                                         |
| <u>Revenues:</u>                      |                  |             |             |                                                         |
| Total revenues                        | \$ -             | \$ -        | \$ -        | \$ -                                                    |
| <u>Expenditures:</u>                  |                  |             |             |                                                         |
| Debt service:                         |                  |             |             |                                                         |
| Principal retirement                  | 6,565,000        | 6,565,000   | 6,547,000   | 18,000                                                  |
| Interest and fiscal charges           | 111,800          | 111,800     | 111,799     | 1                                                       |
| Bond issuance costs                   | 50,000           | 50,000      | 27,902      | 22,098                                                  |
| Total expenditures                    | 6,726,800        | 6,726,800   | 6,686,701   | 40,099                                                  |
| Excess of revenues under expenditures | (6,726,800)      | (6,726,800) | (6,686,701) | 40,099                                                  |
| Other financing sources:              |                  |             |             |                                                         |
| Bond anticipation notes issued        | 5,748,000        | 5,221,000   | 5,205,000   | (16,000)                                                |
| Premium on notes issued               | 50,000           | 50,000      | 40,228      | (9,772)                                                 |
| Transfers - in                        | 927,000          | 1,454,000   | 1,454,000   | -                                                       |
| Total other financing sources         | 6,725,000        | 6,725,000   | 6,699,228   | (25,772)                                                |
| Net change in fund balance            | (1,800)          | (1,800)     | 12,527      | 14,327                                                  |
| Fund balance at beginning of year     | 82,535           | 82,535      | 82,535      | -                                                       |
| Fund balance at end of year           | \$ 80,735        | \$ 80,735   | \$ 95,062   | \$ 14,327                                               |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Street Fund  
For the Year Ended December 31, 2017

|                                      | Budgeted Amounts |            |            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|------------------|------------|------------|---------------------------------------------------------|
|                                      | Original         | Final      | Actual     |                                                         |
| <u>Revenues:</u>                     |                  |            |            |                                                         |
| Intergovernmental                    | \$ 990,750       | \$ 990,750 | \$ 774,283 | \$ (216,467)                                            |
| Interest                             | -                | -          | 7,839      | 7,839                                                   |
| Other                                | 21,000           | 21,000     | 66,665     | 45,665                                                  |
| Total revenues                       | 1,011,750        | 1,011,750  | 848,787    | (162,963)                                               |
| <u>Expenditures:</u>                 |                  |            |            |                                                         |
| Current:                             |                  |            |            |                                                         |
| Public works                         |                  |            |            |                                                         |
| Streets                              |                  |            |            |                                                         |
| Street maintenance                   |                  |            |            |                                                         |
| Personal services                    | 586,654          | 586,654    | 471,914    | 114,740                                                 |
| Operations and maintenance           | 219,636          | 232,023    | 217,464    | 14,559                                                  |
| Capital outlay                       | 209,460          | 208,573    | 202,190    | 6,383                                                   |
| Total streets                        | 1,015,750        | 1,027,250  | 891,568    | 135,682                                                 |
| Debt service:                        |                  |            |            |                                                         |
| Principal retirement                 | 46,912           | 46,912     | 46,880     | 32                                                      |
| Interest and fiscal charges          | 2,058            | 2,058      | 2,074      | (16)                                                    |
| Total expenditures                   | 1,064,720        | 1,076,220  | 940,522    | 135,698                                                 |
| Net change in fund balance           | (52,970)         | (64,470)   | (91,735)   | (27,265)                                                |
| Fund balance at beginning of year    | 993,292          | 993,292    | 993,292    | -                                                       |
| Prior year encumbrances appropriated | 41,796           | 41,796     | 41,796     | -                                                       |
| Fund balance at end of year          | \$ 982,118       | \$ 970,618 | \$ 943,353 | \$ (27,265)                                             |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
State Highway Fund  
For the Year Ended December 31, 2017

|                                      | Budgeted Amounts |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|------------------|------------------|------------------|---------------------------------------------------------|
|                                      | Original         | Final            | Actual           |                                                         |
| <u>Revenues:</u>                     |                  |                  |                  |                                                         |
| Intergovernmental                    | \$ 80,500        | \$ 80,500        | \$ 62,749        | \$ (17,751)                                             |
| Interest                             | -                | -                | 373              | 373                                                     |
| Total revenues                       | 80,500           | 80,500           | 63,122           | (17,378)                                                |
| <u>Expenditures:</u>                 |                  |                  |                  |                                                         |
| Current:                             |                  |                  |                  |                                                         |
| Public works                         |                  |                  |                  |                                                         |
| Streets                              |                  |                  |                  |                                                         |
| Street maintenance                   |                  |                  |                  |                                                         |
| Operations and maintenance           | 137,953          | 137,953          | 112,322          | 25,631                                                  |
| Net change in fund balance           | (57,453)         | (57,453)         | (49,200)         | 8,253                                                   |
| Fund balance at beginning of year    | 62,716           | 62,716           | 62,716           | -                                                       |
| Prior year encumbrances appropriated | 30,753           | 30,753           | 30,753           | -                                                       |
| Fund balance at end of year          | <u>\$ 36,016</u> | <u>\$ 36,016</u> | <u>\$ 44,269</u> | <u>\$ 8,253</u>                                         |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Permissive Motor Vehicle Tax Fund  
For the Year Ended December 31, 2017

|                                      | Budgeted Amounts |           |           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|------------------|-----------|-----------|---------------------------------------------------------|
|                                      | Original         | Final     | Actual    |                                                         |
| <u>Revenues:</u>                     |                  |           |           |                                                         |
| Intergovernmental                    | \$ 47,000        | \$ 47,000 | \$ 41,906 | \$ (5,094)                                              |
| Interest                             | -                | -         | 443       | 443                                                     |
| Total revenues                       | 47,000           | 47,000    | 42,349    | (4,651)                                                 |
| <u>Expenditures:</u>                 |                  |           |           |                                                         |
| Current:                             |                  |           |           |                                                         |
| Streets                              |                  |           |           |                                                         |
| Street maintenance                   |                  |           |           |                                                         |
| Operations and maintenance           | 15,595           | 16,056    | 12,807    | 3,249                                                   |
| Capital outlay                       | 35,005           | 34,544    | 15,005    | 19,539                                                  |
| Total expenditures                   | 50,600           | 50,600    | 27,812    | 22,788                                                  |
| Net change in fund balance           | (3,600)          | (3,600)   | 14,537    | 18,137                                                  |
| Fund balance at beginning of year    | 39,610           | 39,610    | 39,610    | -                                                       |
| Prior year encumbrances appropriated | 3,600            | 3,600     | 3,600     | -                                                       |
| Fund balance at end of year          | \$ 39,610        | \$ 39,610 | \$ 57,747 | \$ 18,137                                               |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Law Enforcement Fund  
For the Year Ended December 31, 2017

|                                      | Budgeted Amounts |                 |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|------------------|-----------------|------------------|---------------------------------------------------------|
|                                      | Original         | Final           | Actual           |                                                         |
| <u>Revenues:</u>                     |                  |                 |                  |                                                         |
| Fines and forfeitures                | \$ 500           | \$ 500          | \$ 7,797         | \$ 7,297                                                |
| <u>Expenditures:</u>                 |                  |                 |                  |                                                         |
| Current:                             |                  |                 |                  |                                                         |
| General government                   |                  |                 |                  |                                                         |
| Legislative and executive            |                  |                 |                  |                                                         |
| Operations and maintenance           | 9,569            | 9,569           | 9,069            | 500                                                     |
| Net change in fund balance           | (9,069)          | (9,069)         | (1,272)          | 7,797                                                   |
| Fund balance at beginning of year    | 8,871            | 8,871           | 8,871            | -                                                       |
| Prior year encumbrances appropriated | 9,069            | 9,069           | 9,069            | -                                                       |
| Fund balance at end of year          | <u>\$ 8,871</u>  | <u>\$ 8,871</u> | <u>\$ 16,668</u> | <u>\$ 7,797</u>                                         |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Drug Law Enforcement Fund  
For the Year Ended December 31, 2017

|                                   | Budgeted Amounts |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|------------------|-----------------|-----------------|---------------------------------------------------------|
|                                   | Original         | Final           | Actual          |                                                         |
| <u>Revenues:</u>                  |                  |                 |                 |                                                         |
| Fines and forfeitures             | \$ 100           | \$ 100          | \$ 189          | \$ 89                                                   |
| <u>Expenditures:</u>              |                  |                 |                 |                                                         |
| Current:                          |                  |                 |                 |                                                         |
| General government                |                  |                 |                 |                                                         |
| Legislative and executive         |                  |                 |                 |                                                         |
| Operations and maintenance        | 1,000            | 1,000           | 452             | 548                                                     |
| Net change in fund balance        | (900)            | (900)           | (263)           | 637                                                     |
| Fund balance at beginning of year | 2,171            | 2,171           | 2,171           | -                                                       |
| Fund balance at end of year       | <u>\$ 1,271</u>  | <u>\$ 1,271</u> | <u>\$ 1,908</u> | <u>\$ 637</u>                                           |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
OMVI Education and Enforcement Fund  
For the Year Ended December 31, 2017

|                                   | Budgeted Amounts |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|------------------|-----------------|-----------------|---------------------------------------------------------|
|                                   | Original         | Final           | Actual          |                                                         |
| <u>Revenues:</u>                  |                  |                 |                 |                                                         |
| Fines and forfeitures             | \$ 1,000         | \$ 1,000        | \$ 685          | \$ (315)                                                |
| <u>Expenditures:</u>              |                  |                 |                 |                                                         |
| Current:                          |                  |                 |                 |                                                         |
| Public safety                     |                  |                 |                 |                                                         |
| Police                            |                  |                 |                 |                                                         |
| Operations and maintenance        | 1,000            | 1,000           | -               | 1,000                                                   |
| Net change in fund balance        | -                | -               | 685             | 685                                                     |
| Fund balance at beginning of year | 6,988            | 6,988           | 6,988           | -                                                       |
| Fund balance at end of year       | <u>\$ 6,988</u>  | <u>\$ 6,988</u> | <u>\$ 7,673</u> | <u>\$ 685</u>                                           |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
OMVI Indigent Fund  
For the Year Ended December 31, 2017

|                                   | Budgeted Amounts  |                   |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|-------------------|-------------------|-------------------|---------------------------------------------------------|
|                                   | Original          | Final             | Actual            |                                                         |
| <u>Revenues:</u>                  |                   |                   |                   |                                                         |
| Fines and forfeitures             | \$ 20,000         | \$ 20,000         | \$ 34,889         | \$ 14,889                                               |
| <u>Expenditures:</u>              |                   |                   |                   |                                                         |
| Current:                          |                   |                   |                   |                                                         |
| Public safety                     |                   |                   |                   |                                                         |
| Police                            |                   |                   |                   |                                                         |
| Operations and maintenance        | 70,000            | 70,000            | 45,731            | 24,269                                                  |
| Net change in fund balance        | (50,000)          | (50,000)          | (10,842)          | 39,158                                                  |
| Fund balance at beginning of year | 172,005           | 172,005           | 172,005           | -                                                       |
| Fund balance at end of year       | <u>\$ 122,005</u> | <u>\$ 122,005</u> | <u>\$ 161,163</u> | <u>\$ 39,158</u>                                        |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Computer Legal Research Fund  
For the Year Ended December 31, 2017

|                                      | Budgeted Amounts |                  |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|------------------|------------------|-------------------|---------------------------------------------------------|
|                                      | Original         | Final            | Actual            |                                                         |
| <u>Revenues:</u>                     |                  |                  |                   |                                                         |
| Fines and forfeitures                | \$ 140,000       | \$ 140,000       | \$ 142,018        | \$ 2,018                                                |
| Other                                | -                | -                | 626               | 626                                                     |
| Total revenues                       | 140,000          | 140,000          | 142,644           | 2,644                                                   |
| <u>Expenditures:</u>                 |                  |                  |                   |                                                         |
| Current:                             |                  |                  |                   |                                                         |
| General government                   |                  |                  |                   |                                                         |
| Legislative and executive            |                  |                  |                   |                                                         |
| Personal services                    | 77,497           | 77,497           | 65,534            | 11,963                                                  |
| Operations and maintenance           | 51,772           | 51,772           | 39,693            | 12,079                                                  |
| Capital outlay                       | 49,722           | 49,722           | 32,600            | 17,122                                                  |
| Total expenditures                   | 178,991          | 178,991          | 137,827           | 41,164                                                  |
| Net change in fund balance           | (38,991)         | (38,991)         | 4,817             | 43,808                                                  |
| Fund balance at beginning of year    | 115,404          | 115,404          | 115,404           | -                                                       |
| Prior year encumbrances appropriated | 20,794           | 20,794           | 20,794            | -                                                       |
| Fund balance at end of year          | <u>\$ 97,207</u> | <u>\$ 97,207</u> | <u>\$ 141,015</u> | <u>\$ 43,808</u>                                        |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Indigent Drivers IAM Fund  
For the Year Ended December 31, 2017

|                                   | Budgeted Amounts  |                  |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|-------------------|------------------|-------------------|---------------------------------------------------------|
|                                   | Original          | Final            | Actual            |                                                         |
| <u>Revenues:</u>                  |                   |                  |                   |                                                         |
| Fines and forfeitures             | \$ 20,000         | \$ 20,000        | \$ 23,455         | \$ 3,455                                                |
| <u>Expenditures:</u>              |                   |                  |                   |                                                         |
| Current:                          |                   |                  |                   |                                                         |
| Public safety                     |                   |                  |                   |                                                         |
| Police                            |                   |                  |                   |                                                         |
| Operations and maintenance        | 20,000            | 120,000          | 20,498            | 99,502                                                  |
| Net change in fund balance        | -                 | (100,000)        | 2,957             | 102,957                                                 |
| Fund balance at beginning of year | 135,681           | 135,681          | 135,681           | -                                                       |
| Fund balance at end of year       | <u>\$ 135,681</u> | <u>\$ 35,681</u> | <u>\$ 138,638</u> | <u>\$ 102,957</u>                                       |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Police Continuous Professional Training Fund  
For the Year Ended December 31, 2017

|                                   | Budgeted Amounts |         |           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|------------------|---------|-----------|---------------------------------------------------------|
|                                   | Original         | Final   | Actual    |                                                         |
| <u>Revenues:</u>                  |                  |         |           |                                                         |
| Intergovernmental                 | \$ -             | \$ -    | \$ 12,000 | \$ 12,000                                               |
| <u>Expenditures:</u>              |                  |         |           |                                                         |
| Current:                          |                  |         |           |                                                         |
| Public safety                     |                  |         |           |                                                         |
| Police                            |                  |         |           |                                                         |
| Operations and maintenance        | 8,940            | 8,940   | -         | 8,940                                                   |
| Net change in fund balance        | (8,940)          | (8,940) | 12,000    | 20,940                                                  |
| Fund balance at beginning of year | 8,940            | 8,940   | 8,940     | -                                                       |
| Fund balance at end of year       | \$ -             | \$ -    | \$ 20,940 | \$ 20,940                                               |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Stormwater Fund  
For the Year Ended December 31, 2017

|                                      | Budgeted Amounts |            |            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|------------------|------------|------------|---------------------------------------------------------|
|                                      | Original         | Final      | Actual     |                                                         |
| <u>Revenues:</u>                     |                  |            |            |                                                         |
| Charges for services                 | \$ 283,000       | \$ 283,000 | \$ 288,679 | \$ 5,679                                                |
| Intergovernmental                    | -                | -          | 250        | 250                                                     |
| Other                                | 1,000            | 1,000      | 1,263      | 263                                                     |
| Total revenues                       | 284,000          | 284,000    | 290,192    | 6,192                                                   |
| <u>Expenditures:</u>                 |                  |            |            |                                                         |
| Current:                             |                  |            |            |                                                         |
| Public works                         |                  |            |            |                                                         |
| Engineer                             |                  |            |            |                                                         |
| Personal services                    | 151,702          | 151,702    | 138,441    | 13,261                                                  |
| Operations and maintenance           | 59,328           | 59,328     | 26,521     | 32,807                                                  |
| Capital outlay                       | 53,196           | 53,196     | 51,948     | 1,248                                                   |
| Total engineer                       | 264,226          | 264,226    | 216,910    | 47,316                                                  |
| Debt service:                        |                  |            |            |                                                         |
| Principal retirement                 | 13,405           | 13,405     | 13,394     | 11                                                      |
| Interest and fiscal charges          | 590              | 590        | 593        | (3)                                                     |
| Total expenditures                   | 278,221          | 278,221    | 230,897    | 47,324                                                  |
| Net change in fund balance           | 5,779            | 5,779      | 59,295     | 53,516                                                  |
| Fund balance at beginning of year    | 488,962          | 488,962    | 488,962    | -                                                       |
| Prior year encumbrances appropriated | 18,082           | 18,082     | 18,082     | -                                                       |
| Fund balance at end of year          | \$ 512,823       | \$ 512,823 | \$ 566,339 | \$ 53,516                                               |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Magistrate Fund  
For the Year Ended December 31, 2017

|                                      | Budgeted Amounts  |                   |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|-------------------|-------------------|-------------------|---------------------------------------------------------|
|                                      | Original          | Final             | Actual            |                                                         |
| <u>Revenues:</u>                     |                   |                   |                   |                                                         |
| Fines and forfeitures                | \$ 120,000        | \$ 125,750        | \$ 125,745        | \$ (5)                                                  |
| Other                                | -                 | 850               | 859               | 9                                                       |
| Total revenues                       | <u>\$ 120,000</u> | <u>\$ 126,600</u> | <u>\$ 126,604</u> | <u>\$ 4</u>                                             |
| <u>Expenditures:</u>                 |                   |                   |                   |                                                         |
| Current:                             |                   |                   |                   |                                                         |
| General government                   |                   |                   |                   |                                                         |
| Judicial system                      |                   |                   |                   |                                                         |
| Personal services                    | 111,809           | 131,809           | 131,418           | 391                                                     |
| Net change in fund balance           | 8,191             | (5,209)           | (4,814)           | 395                                                     |
| Fund balance at beginning of year    | 14,157            | 14,157            | 14,157            | -                                                       |
| Prior year encumbrances appropriated | 1                 | 1                 | 1                 | -                                                       |
| Fund balance at end of year          | <u>\$ 22,349</u>  | <u>\$ 8,949</u>   | <u>\$ 9,344</u>   | <u>\$ 395</u>                                           |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
TIF Fund  
For the Year Ended December 31, 2017

|                                   | Budgeted Amounts  |                   |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|-------------------|-------------------|-------------------|---------------------------------------------------------|
|                                   | Original          | Final             | Actual            |                                                         |
| <u>Revenues:</u>                  |                   |                   |                   |                                                         |
| Payments in lieu of taxes         | \$ 71,000         | \$ 71,000         | \$ 82,736         | \$ 11,736                                               |
| <u>Expenditures:</u>              |                   |                   |                   |                                                         |
| Capital outlay                    | 26,500            | 26,500            | 25,706            | 794                                                     |
| Net change in fund balance        | 44,500            | 44,500            | 57,030            | 12,530                                                  |
| Fund balance at beginning of year | 134,553           | 134,553           | 134,553           | -                                                       |
| Fund balance at end of year       | <u>\$ 179,053</u> | <u>\$ 179,053</u> | <u>\$ 191,583</u> | <u>\$ 12,530</u>                                        |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Dixie Drive Phase 3 Widening Project Fund  
For the Year Ended December 31, 2017

|                                       | Budgeted Amounts |           |            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------|------------|---------------------------------------------------------|
|                                       | Original         | Final     | Actual     |                                                         |
| <u>Revenues:</u>                      |                  |           |            |                                                         |
| Total revenues                        | \$ -             | \$ -      | \$ -       | \$ -                                                    |
| <u>Expenditures:</u>                  |                  |           |            |                                                         |
| Capital outlay                        | -                | 111,391   | 75,391     | 36,000                                                  |
| Debt service:                         |                  |           |            |                                                         |
| Principal retirement                  | 182,636          | 182,636   | 141,551    | 41,085                                                  |
| Interest and fiscal charges           | 44,002           | 44,002    | 33,974     | 10,028                                                  |
| Total expenditures                    | 226,638          | 338,029   | 250,916    | 87,113                                                  |
| Excess of revenues under expenditures | (226,638)        | (338,029) | (250,916)  | 87,113                                                  |
| Other financing sources:              |                  |           |            |                                                         |
| Loan proceeds                         | -                | 111,391   | 75,391     | (36,000)                                                |
| Net change in fund balance            | (226,638)        | (226,638) | (175,525)  | 51,113                                                  |
| Fund balance at beginning of year     | 310,000          | 310,000   | 310,000    | -                                                       |
| Fund balance at end of year           | \$ 83,362        | \$ 83,362 | \$ 134,475 | \$ 51,113                                               |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Stonequarry Crossings TIF Fund  
For the Year Ended December 31, 2017

|                                   | Budgeted Amounts |             |              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|------------------|-------------|--------------|---------------------------------------------------------|
|                                   | Original         | Final       | Actual       |                                                         |
| <u>Revenues:</u>                  |                  |             |              |                                                         |
| Payments in lieu of taxes         | \$ 34,000        | \$ 17,250   | \$ 17,243    | \$ (7)                                                  |
| <u>Expenditures:</u>              |                  |             |              |                                                         |
| Capital outlay                    | 11,500           | 5,425       | 5,400        | 25                                                      |
| Debt service:                     |                  |             |              |                                                         |
| Principal retirement              | 30,000           | 21,500      | 21,500       | -                                                       |
| Total expenditures                | 41,500           | 26,925      | 26,900       | 25                                                      |
| Net change in fund balance        | (7,500)          | (9,675)     | (9,657)      | 18                                                      |
| Fund balance at beginning of year | 9,677            | 9,677       | 9,677        | -                                                       |
| Fund balance at end of year       | <u>\$ 2,177</u>  | <u>\$ 2</u> | <u>\$ 20</u> | <u>\$ 18</u>                                            |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Community Development Block Grant Fund  
For the Year Ended December 31, 2017

|                                      | Budgeted Amounts |           |           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|------------------|-----------|-----------|---------------------------------------------------------|
|                                      | Original         | Final     | Actual    |                                                         |
| <u>Revenues:</u>                     |                  |           |           |                                                         |
| Intergovernmental                    | \$ 65,000        | \$ 65,000 | \$ 65,000 | \$ -                                                    |
| <u>Expenditures:</u>                 |                  |           |           |                                                         |
| Capital outlay                       | 50,000           | 50,000    | 50,000    | -                                                       |
| Excess of revenues over expenditures | 15,000           | 15,000    | 15,000    | -                                                       |
| Other financing sources (uses):      |                  |           |           |                                                         |
| Advances - in                        | -                | -         | 50,000    | 50,000                                                  |
| Advances - out                       | -                | -         | (65,000)  | (65,000)                                                |
| Total other financing sources (uses) | -                | -         | (15,000)  | (15,000)                                                |
| Net change in fund balance           | 15,000           | 15,000    | -         | (15,000)                                                |
| Fund balance at beginning of year    | -                | -         | -         | -                                                       |
| Fund balance at end of year          | \$ 15,000        | \$ 15,000 | \$ -      | \$ (15,000)                                             |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Fire Equipment Fund  
For the Year Ended December 31, 2017

|                                       | Budgeted Amounts  |                   |               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------|-------------------|---------------|---------------------------------------------------------|
|                                       | Original          | Final             | Actual        |                                                         |
| <u>Revenues:</u>                      |                   |                   |               |                                                         |
| Total revenues                        | \$ -              | \$ -              | \$ -          | \$ -                                                    |
| <u>Expenditures:</u>                  |                   |                   |               |                                                         |
| Capital outlay                        | 249,114           | 249,114           | 248,756       | 358                                                     |
| Excess of revenues under expenditures | (249,114)         | (249,114)         | (248,756)     | 358                                                     |
| Other financing sources (uses):       |                   |                   |               |                                                         |
| Advances - out                        | -                 | -                 | (489,814)     | (489,814)                                               |
| Transfers - in                        | 2,114             | 2,114             | 2,114         | -                                                       |
| Total other financing sources (uses)  | 2,114             | 2,114             | (487,700)     | (489,814)                                               |
| Net change in fund balance            | (247,000)         | (247,000)         | (736,456)     | (489,456)                                               |
| Fund balance at beginning of year     | 487,700           | 487,700           | 487,700       | -                                                       |
| Prior year encumbrances appropriated  | 249,114           | 249,114           | 249,114       | -                                                       |
| Fund balance at end of year           | <u>\$ 489,814</u> | <u>\$ 489,814</u> | <u>\$ 358</u> | <u>\$ (489,456)</u>                                     |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
OPWC Fund  
For the Year Ended December 31, 2017

|                                       | Budgeted Amounts |                  |             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|------------------|-------------|---------------------------------------------------------|
|                                       | Original         | Final            | Actual      |                                                         |
| <u>Revenues:</u>                      |                  |                  |             |                                                         |
| Intergovernmental                     | \$ 16,015        | \$ 16,015        | \$ 14,508   | \$ (1,507)                                              |
| <u>Expenditures:</u>                  |                  |                  |             |                                                         |
| Capital outlay                        | 70,200           | 70,200           | 69,069      | 1,131                                                   |
| Excess of revenues under expenditures | (54,185)         | (54,185)         | (54,561)    | (376)                                                   |
| Other financing sources (uses):       |                  |                  |             |                                                         |
| Issuance of OPWC loans                | 37,368           | 37,368           | 35,508      | (1,860)                                                 |
| Advances - out                        | -                | -                | (72,500)    | (72,500)                                                |
| Total other financing sources (uses)  | 37,368           | 37,368           | (36,992)    | (74,360)                                                |
| Net change in fund balance            | (16,817)         | (16,817)         | (91,553)    | (74,736)                                                |
| Fund balance at beginning of year     | 21,353           | 21,353           | 21,353      | -                                                       |
| Prior year encumbrances appropriated  | 70,200           | 70,200           | 70,200      | -                                                       |
| Fund balance at end of year           | <u>\$ 74,736</u> | <u>\$ 74,736</u> | <u>\$ -</u> | <u>\$ (74,736)</u>                                      |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Capital Improvement Reserve Fund  
For the Year Ended December 31, 2017

|                                              | Budgeted Amounts  |             |             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------------|-------------------|-------------|-------------|---------------------------------------------------------|
|                                              | Original          | Final       | Actual      |                                                         |
| <u>Revenues:</u>                             |                   |             |             |                                                         |
| Total revenues                               | \$ -              | \$ -        | \$ -        | \$ -                                                    |
| <u>Expenditures:</u>                         |                   |             |             |                                                         |
| Total expenditures                           | -                 | -           | -           | -                                                       |
| Excess of revenues over (under) expenditures | -                 | -           | -           | -                                                       |
| Other financing uses:                        |                   |             |             |                                                         |
| Transfers - out                              | -                 | (656,284)   | (656,284)   | -                                                       |
| Net change in fund balance                   | -                 | (656,284)   | (656,284)   | -                                                       |
| Fund balance at beginning of year            | 656,284           | 656,284     | 656,284     | -                                                       |
| Fund balance at end of year                  | <u>\$ 656,284</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u>                                             |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Facilities Improvement & Maintenance Reserve Fund  
For the Year Ended December 31, 2017

|                                              | Budgeted Amounts    |                     |                     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------------|---------------------|---------------------|---------------------|---------------------------------------------------------|
|                                              | Original            | Final               | Actual              |                                                         |
| <u>Revenues:</u>                             |                     |                     |                     |                                                         |
| Total revenues                               | \$ -                | \$ -                | \$ -                | \$ -                                                    |
| <u>Expenditures:</u>                         |                     |                     |                     |                                                         |
| Total expenditures                           | -                   | -                   | -                   | -                                                       |
| Excess of revenues over (under) expenditures | -                   | -                   | -                   | -                                                       |
| Other financing sources:                     |                     |                     |                     |                                                         |
| Transfers - in                               | 250,000             | 250,000             | 250,000             | -                                                       |
| Net change in fund balance                   | 250,000             | 250,000             | 250,000             | -                                                       |
| Fund balance at beginning of year            | 1,000,000           | 1,000,000           | 1,000,000           | -                                                       |
| Fund balance at end of year                  | <u>\$ 1,250,000</u> | <u>\$ 1,250,000</u> | <u>\$ 1,250,000</u> | <u>\$ -</u>                                             |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Net Position - Budget (Non-GAAP Basis) and Actual  
Water Fund  
For the Year Ended December 31, 2017

|                                          | Budgeted Amounts |              |              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------------|------------------|--------------|--------------|---------------------------------------------------------|
|                                          | Original         | Final        | Actual       |                                                         |
| <b>Revenues:</b>                         |                  |              |              |                                                         |
| Charges for services                     | \$ 2,151,500     | \$ 2,151,500 | \$ 2,231,432 | \$ 79,932                                               |
| Tap-in fees                              | 10,000           | 10,000       | 4,700        | (5,300)                                                 |
| Utility deposits received                | -                | -            | 7,366        | 7,366                                                   |
| Other                                    | 53,000           | 53,000       | 61,209       | 8,209                                                   |
| Total revenues                           | 2,214,500        | 2,214,500    | 2,304,707    | 90,207                                                  |
| <b>Expenses:</b>                         |                  |              |              |                                                         |
| Personal services                        | 379,606          | 379,606      | 359,063      | 20,543                                                  |
| Contractual services                     | 1,627,539        | 1,744,140    | 1,710,549    | 33,591                                                  |
| Materials and supplies                   | 48,242           | 47,766       | 40,070       | 7,696                                                   |
| Capital outlay                           | 40,626           | 566,126      | 557,318      | 8,808                                                   |
| Utility deposits returned                | -                | -            | 5,968        | (5,968)                                                 |
| Other                                    | 1,000            | 1,475        | 1,475        | -                                                       |
| Total expenses                           | 2,097,013        | 2,739,113    | 2,674,443    | 64,670                                                  |
| Operating income (loss)                  | 117,487          | (524,613)    | (369,736)    | 154,877                                                 |
| <b>Nonoperating revenues (expenses):</b> |                  |              |              |                                                         |
| Intergovernmental                        | 100,000          | 100,000      | 161,584      | 61,584                                                  |
| Issuance of OPWC loans                   | 100,000          | 100,000      | 40,543       | (59,457)                                                |
| Principal retirement                     | -                | (28,355)     | (20,091)     | 8,264                                                   |
| Interest                                 | -                | (885)        | (889)        | (4)                                                     |
| Total nonoperating revenues (expenses)   | 200,000          | 170,760      | 181,147      | 10,387                                                  |
| Change in net position                   | 317,487          | (353,853)    | (188,589)    | 165,264                                                 |
| Net position at beginning of year        | 1,938,817        | 1,938,817    | 1,938,817    | -                                                       |
| Prior year encumbrances appropriated     | 48,333           | 48,333       | 48,333       | -                                                       |
| Net position at end of year              | \$ 2,304,637     | \$ 1,633,297 | \$ 1,798,561 | \$ 165,264                                              |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Net Position - Budget (Non-GAAP Basis) and Actual  
Sewer Fund  
For the Year Ended December 31, 2017

|                                          | Budgeted Amounts |              |              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------------|------------------|--------------|--------------|---------------------------------------------------------|
|                                          | Original         | Final        | Actual       |                                                         |
| <b>Revenues:</b>                         |                  |              |              |                                                         |
| Charges for services                     | \$ 1,755,150     | \$ 1,755,150 | \$ 1,601,318 | \$ (153,832)                                            |
| Tap-in fees                              | 10,000           | 10,000       | 7,400        | (2,600)                                                 |
| Utility deposits received                | -                | -            | 3,627        | 3,627                                                   |
| Other                                    | 60,000           | 60,000       | 64,532       | 4,532                                                   |
| Total revenues                           | 1,825,150        | 1,825,150    | 1,676,877    | (148,273)                                               |
| <b>Expenses:</b>                         |                  |              |              |                                                         |
| Personal services                        | 364,598          | 364,598      | 334,296      | 30,302                                                  |
| Contractual services                     | 944,656          | 1,029,256    | 1,018,332    | 10,924                                                  |
| Materials and supplies                   | 36,220           | 34,591       | 25,470       | 9,121                                                   |
| Capital outlay                           | 167,878          | 400,378      | 376,280      | 24,098                                                  |
| Utility deposits returned                | 200              | 1,829        | 4,769        | (2,940)                                                 |
| Total expenses                           | 1,513,552        | 1,830,652    | 1,759,147    | 71,505                                                  |
| Operating income (loss)                  | 311,598          | (5,502)      | (82,270)     | (76,768)                                                |
| <b>Nonoperating revenues (expenses):</b> |                  |              |              |                                                         |
| Intergovernmental                        | -                | -            | 9,621        | 9,621                                                   |
| Sale of capital assets                   | -                | -            | 13,931       | 13,931                                                  |
| Issuance of OPWC loans                   | -                | -            | 26,518       | 26,518                                                  |
| Principal retirement                     | -                | (25,105)     | (20,092)     | 5,013                                                   |
| Interest                                 | -                | (882)        | (888)        | (6)                                                     |
| Total nonoperating revenues (expenses)   | -                | (25,987)     | 29,090       | 55,077                                                  |
| Change in net position                   | 311,598          | (31,489)     | (53,180)     | (21,691)                                                |
| Net position at beginning of year        | 2,308,186        | 2,308,186    | 2,308,186    | -                                                       |
| Prior year encumbrances appropriated     | 173,550          | 173,550      | 173,550      | -                                                       |
| Net position at end of year              | \$ 2,793,334     | \$ 2,450,247 | \$ 2,428,556 | \$ (21,691)                                             |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Net Position - Budget (Non-GAAP Basis) and Actual  
Golf Fund  
For the Year Ended December 31, 2017

|                                      | Budgeted Amounts |            |            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|------------------|------------|------------|---------------------------------------------------------|
|                                      | Original         | Final      | Actual     |                                                         |
| <u>Revenues:</u>                     |                  |            |            |                                                         |
| Charges for services                 | \$ 942,700       | \$ 942,700 | \$ 848,955 | \$ (93,745)                                             |
| Other                                | 400              | 400        | 6,136      | 5,736                                                   |
| Total revenues                       | 943,100          | 943,100    | 855,091    | (88,009)                                                |
| <u>Expenses:</u>                     |                  |            |            |                                                         |
| Personal services                    | 580,864          | 646,864    | 527,505    | 119,359                                                 |
| Contractual services                 | 175,743          | 179,818    | 137,647    | 42,171                                                  |
| Materials and supplies               | 174,176          | 203,926    | 165,241    | 38,685                                                  |
| Capital outlay                       | 113,387          | 199,237    | 180,840    | 18,397                                                  |
| Other                                | 55,602           | 55,602     | 48,990     | 6,612                                                   |
| Total expenses                       | 1,099,772        | 1,285,447  | 1,060,223  | 225,224                                                 |
| Operating loss                       | (156,672)        | (342,347)  | (205,132)  | 137,215                                                 |
| Nonoperating revenues:               |                  |            |            |                                                         |
| Intergovernmental                    | 6,500            | 6,500      | -          | (6,500)                                                 |
| Sale of capital assets               | -                | -          | 7,567      | 7,567                                                   |
| Total nonoperating revenues          | 6,500            | 6,500      | 7,567      | 138,282                                                 |
| Loss before transfers                | (150,172)        | (335,847)  | (197,565)  | 138,282                                                 |
| Other financing sources:             |                  |            |            |                                                         |
| Transfers - in                       | 360,000          | 360,000    | 360,000    | -                                                       |
| Change in net position               | 209,828          | 24,153     | 162,435    | 138,282                                                 |
| Net position at beginning of year    | 142,121          | 142,121    | 142,121    | -                                                       |
| Prior year encumbrances appropriated | 41,992           | 41,992     | 41,992     | -                                                       |
| Net position at end of year          | \$ 393,941       | \$ 208,266 | \$ 346,548 | \$ 138,282                                              |

City of Vandalia, Ohio  
Schedule of Revenues, Expenditures and Changes  
In Net Position - Budget (Non-GAAP Basis) and Actual  
Hospital Care Fund  
For the Year Ended December 31, 2017

|                                      | Budgeted Amounts  |                   |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|-------------------|-------------------|-------------------|---------------------------------------------------------|
|                                      | Original          | Final             | Actual            |                                                         |
| <u>Revenues:</u>                     |                   |                   |                   |                                                         |
| Charges for services                 | \$ 2,500,778      | \$ 2,500,778      | \$ 1,930,176      | \$ (570,602)                                            |
| Other                                | 250,000           | 250,000           | 303,953           | 53,953                                                  |
| Total revenues                       | <u>2,750,778</u>  | <u>2,750,778</u>  | <u>2,234,129</u>  | <u>(516,649)</u>                                        |
| <u>Expenses:</u>                     |                   |                   |                   |                                                         |
| Contractual services                 | 475,254           | 475,254           | 507,550           | (32,296)                                                |
| Claims                               | <u>2,170,707</u>  | <u>2,170,707</u>  | <u>1,859,156</u>  | <u>311,551</u>                                          |
| Total expenses                       | <u>2,645,961</u>  | <u>2,645,961</u>  | <u>2,366,706</u>  | <u>279,255</u>                                          |
| Change in net position               | 104,817           | 104,817           | (132,577)         | (237,394)                                               |
| Net position at beginning of year    | 797,084           | 797,084           | 797,084           | -                                                       |
| Prior year encumbrances appropriated | <u>4,006</u>      | <u>4,006</u>      | <u>4,006</u>      | <u>-</u>                                                |
| Net position at end of year          | <u>\$ 905,907</u> | <u>\$ 905,907</u> | <u>\$ 668,513</u> | <u>\$ (237,394)</u>                                     |

## Combining Statements – Fiduciary Funds

### AGENCY FUNDS

To account for assets held by the City as an agent for individuals, private organizations, and/or other governmental units.

#### Building Standards

Established to account for state assessed fees on building permits issued by the City.

#### Northern Area Water Authority

Established to account for activities of the Northern Area Water Authority which the City of Vandalia is the fiscal agent.

#### Municipal Court

Established to account for the monies that flow through the Clerk of Courts Office to various subdivisions.

#### Multi-District Tax Fund

Established to account for the flow through of municipal income tax monies that belong to the City of Brookville.

#### Butler Township JEDD Tax Collection

Established to account for the flow through of income tax monies that belong to the Vandalia-Butler Township Joint Economic Development District.

#### Butler Township JEDZ Tax Collection

Established to account for the flow through of income tax monies that belong to the Butler Township Miller Lane Hotel District Joint Economic Development Zone and the Butler Township Miller Lane Business District Joint Economic Development Zone.

#### Performance Bond

Established to account for the sureties received from contractors until contracts are complete.

#### Tri-Cities North Regional Wastewater Authority

Established to account for the activities of the Tri-Cities North Regional Wastewater Authority which the City of Vandalia is the fiscal agent.

#### Employee Flex Account

Established to account for the flow through of employee medical expenses that belong to the employees of the City.

City of Vandalia, Ohio  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2017

|                                            | Balance<br>January 1,<br>2017 | Additions       | Deletions       | Balance<br>December 31,<br>2017 |
|--------------------------------------------|-------------------------------|-----------------|-----------------|---------------------------------|
| <b>Building Standards</b>                  |                               |                 |                 |                                 |
| <u>Assets:</u>                             |                               |                 |                 |                                 |
| Equity in pooled cash and cash equivalents | \$ 902                        | \$ 4,166        | \$ 4,270        | \$ 798                          |
| Total assets                               | <u>\$ 902</u>                 | <u>\$ 4,166</u> | <u>\$ 4,270</u> | <u>\$ 798</u>                   |
| <u>Liabilities:</u>                        |                               |                 |                 |                                 |
| Due to other governments                   | \$ 902                        | \$ 4,166        | \$ 4,270        | \$ 798                          |
| Total liabilities                          | <u>\$ 902</u>                 | <u>\$ 4,166</u> | <u>\$ 4,270</u> | <u>\$ 798</u>                   |

|                                            | Balance<br>January 1,<br>2017 | Additions           | Deletions           | Balance<br>December 31,<br>2017 |
|--------------------------------------------|-------------------------------|---------------------|---------------------|---------------------------------|
| <b>Northern Area Water Authority</b>       |                               |                     |                     |                                 |
| <u>Assets:</u>                             |                               |                     |                     |                                 |
| Equity in pooled cash and cash equivalents | \$ 2,244,995                  | \$ 3,444,298        | \$ 2,803,812        | \$ 2,885,481                    |
| Total assets                               | <u>\$ 2,244,995</u>           | <u>\$ 3,444,298</u> | <u>\$ 2,803,812</u> | <u>\$ 2,885,481</u>             |
| <u>Liabilities:</u>                        |                               |                     |                     |                                 |
| Due to others                              | \$ 2,244,995                  | \$ 3,444,298        | \$ 2,803,812        | \$ 2,885,481                    |
| Total liabilities                          | <u>\$ 2,244,995</u>           | <u>\$ 3,444,298</u> | <u>\$ 2,803,812</u> | <u>\$ 2,885,481</u>             |

|                                                  | Balance<br>January 1,<br>2017 | Additions           | Deletions           | Balance<br>December 31,<br>2017 |
|--------------------------------------------------|-------------------------------|---------------------|---------------------|---------------------------------|
| <b>Municipal Court</b>                           |                               |                     |                     |                                 |
| <u>Assets:</u>                                   |                               |                     |                     |                                 |
| Cash and cash equivalents in segregated accounts | \$ 113,338                    | \$ 1,535,561        | \$ 1,543,634        | \$ 105,265                      |
| Total assets                                     | <u>\$ 113,338</u>             | <u>\$ 1,535,561</u> | <u>\$ 1,543,634</u> | <u>\$ 105,265</u>               |
| <u>Liabilities:</u>                              |                               |                     |                     |                                 |
| Due to other governments                         | \$ 46,901                     | \$ 652,942          | \$ 653,603          | \$ 46,240                       |
| Undistributed monies                             | 66,437                        | 882,619             | 890,031             | 59,025                          |
| Total liabilities                                | <u>\$ 113,338</u>             | <u>\$ 1,535,561</u> | <u>\$ 1,543,634</u> | <u>\$ 105,265</u>               |

|                                            | Balance<br>January 1,<br>2017 | Additions           | Deletions           | Balance<br>December 31,<br>2017 |
|--------------------------------------------|-------------------------------|---------------------|---------------------|---------------------------------|
| <b>Multi-District Tax fund</b>             |                               |                     |                     |                                 |
| <u>Assets:</u>                             |                               |                     |                     |                                 |
| Equity in pooled cash and cash equivalents | \$ 5,758                      | \$ 3,674,845        | \$ 3,657,593        | \$ 23,010                       |
| Total assets                               | <u>\$ 5,758</u>               | <u>\$ 3,674,845</u> | <u>\$ 3,657,593</u> | <u>\$ 23,010</u>                |
| <u>Liabilities:</u>                        |                               |                     |                     |                                 |
| Undistributed monies                       | \$ 5,758                      | \$ 3,674,845        | \$ 3,657,593        | \$ 23,010                       |
| Total liabilities                          | <u>\$ 5,758</u>               | <u>\$ 3,674,845</u> | <u>\$ 3,657,593</u> | <u>\$ 23,010</u>                |

City of Vandalia, Ohio  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2017

|                                            | Balance<br>January 1,<br>2017 | Additions         | Deletions         | Balance<br>December 31,<br>2017 |
|--------------------------------------------|-------------------------------|-------------------|-------------------|---------------------------------|
| <b>Butler Township JEDD Tax Collection</b> |                               |                   |                   |                                 |
| <u>Assets:</u>                             |                               |                   |                   |                                 |
| Equity in pooled cash and cash equivalents | \$ 11,315                     | \$ 159,884        | \$ 153,481        | \$ 17,718                       |
| Total assets                               | <u>\$ 11,315</u>              | <u>\$ 159,884</u> | <u>\$ 153,481</u> | <u>\$ 17,718</u>                |
| <u>Liabilities:</u>                        |                               |                   |                   |                                 |
| Due to other governments                   | \$ 11,315                     | \$ 159,884        | \$ 153,481        | \$ 17,718                       |
| Total liabilities                          | <u>\$ 11,315</u>              | <u>\$ 159,884</u> | <u>\$ 153,481</u> | <u>\$ 17,718</u>                |

|                                            | Balance<br>January 1,<br>2017 | Additions         | Deletions         | Balance<br>December 31,<br>2017 |
|--------------------------------------------|-------------------------------|-------------------|-------------------|---------------------------------|
| <b>Butler Township JEDZ Tax Collection</b> |                               |                   |                   |                                 |
| <u>Assets:</u>                             |                               |                   |                   |                                 |
| Equity in pooled cash and cash equivalents | \$ 49,613                     | \$ 590,337        | \$ 590,455        | \$ 49,495                       |
| Total assets                               | <u>\$ 49,613</u>              | <u>\$ 590,337</u> | <u>\$ 590,455</u> | <u>\$ 49,495</u>                |
| <u>Liabilities:</u>                        |                               |                   |                   |                                 |
| Due to other governments                   | \$ 49,613                     | \$ 590,337        | \$ 590,455        | \$ 49,495                       |
| Total liabilities                          | <u>\$ 49,613</u>              | <u>\$ 590,337</u> | <u>\$ 590,455</u> | <u>\$ 49,495</u>                |

|                                            | Balance<br>January 1,<br>2017 | Additions       | Deletions        | Balance<br>December 31,<br>2017 |
|--------------------------------------------|-------------------------------|-----------------|------------------|---------------------------------|
| <b>Performance Bond</b>                    |                               |                 |                  |                                 |
| <u>Assets:</u>                             |                               |                 |                  |                                 |
| Equity in pooled cash and cash equivalents | \$ 38,910                     | \$ 3,901        | \$ 28,091        | \$ 14,720                       |
| Total assets                               | <u>\$ 38,910</u>              | <u>\$ 3,901</u> | <u>\$ 28,091</u> | <u>\$ 14,720</u>                |
| <u>Liabilities:</u>                        |                               |                 |                  |                                 |
| Undistributed monies                       | \$ 38,910                     | \$ 3,901        | \$ 28,091        | \$ 14,720                       |
| Total liabilities                          | <u>\$ 38,910</u>              | <u>\$ 3,901</u> | <u>\$ 28,091</u> | <u>\$ 14,720</u>                |

|                                                       | Balance<br>January 1,<br>2017 | Additions           | Deletions           | Balance<br>December 31,<br>2017 |
|-------------------------------------------------------|-------------------------------|---------------------|---------------------|---------------------------------|
| <b>Tri-Cities North Regional Wastewater Authority</b> |                               |                     |                     |                                 |
| <u>Assets:</u>                                        |                               |                     |                     |                                 |
| Equity in pooled cash and cash equivalents            | \$ 2,106,523                  | \$ 4,528,482        | \$ 3,315,061        | \$ 3,319,944                    |
| Investments                                           | 2,240,860                     | 747,660             | 2,240,860           | 747,660                         |
| Total assets                                          | <u>\$ 4,347,383</u>           | <u>\$ 5,276,142</u> | <u>\$ 5,555,921</u> | <u>\$ 4,067,604</u>             |
| <u>Liabilities:</u>                                   |                               |                     |                     |                                 |
| Due to others                                         | \$ 4,347,383                  | \$ 5,276,142        | \$ 5,555,921        | \$ 4,067,604                    |
| Total liabilities                                     | <u>\$ 4,347,383</u>           | <u>\$ 5,276,142</u> | <u>\$ 5,555,921</u> | <u>\$ 4,067,604</u>             |

City of Vandalia, Ohio  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2017

|                                                  | Balance<br>January 1,<br>2017 | Additions            | Deletions            | Balance<br>December 31,<br>2017 |
|--------------------------------------------------|-------------------------------|----------------------|----------------------|---------------------------------|
| <b>Employee Flex Account</b>                     |                               |                      |                      |                                 |
| <u>Assets:</u>                                   |                               |                      |                      |                                 |
| Equity in pooled cash and cash equivalents       | \$ 6,341                      | \$ 46,600            | \$ 46,772            | \$ 6,169                        |
| Total assets                                     | <u>\$ 6,341</u>               | <u>\$ 46,600</u>     | <u>\$ 46,772</u>     | <u>\$ 6,169</u>                 |
| <u>Liabilities:</u>                              |                               |                      |                      |                                 |
| Due to employees                                 | \$ 6,341                      | \$ 46,600            | \$ 46,772            | \$ 6,169                        |
| Total liabilities                                | <u>\$ 6,341</u>               | <u>\$ 46,600</u>     | <u>\$ 46,772</u>     | <u>\$ 6,169</u>                 |
| <br>                                             |                               |                      |                      |                                 |
|                                                  | Balance<br>January 1,<br>2017 | Additions            | Deletions            | Balance<br>December 31,<br>2017 |
| <b>Totals</b>                                    |                               |                      |                      |                                 |
| <u>Assets:</u>                                   |                               |                      |                      |                                 |
| Equity in pooled cash and cash equivalents       | \$ 4,464,357                  | \$ 12,452,513        | \$ 10,599,535        | \$ 6,317,335                    |
| Cash and cash equivalents in segregated accounts | 113,338                       | 1,535,561            | 1,543,634            | 105,265                         |
| Investments                                      | 2,240,860                     | 747,660              | 2,240,860            | 747,660                         |
| Total assets                                     | <u>\$ 6,818,555</u>           | <u>\$ 14,735,734</u> | <u>\$ 14,384,029</u> | <u>\$ 7,170,260</u>             |
| <u>Liabilities:</u>                              |                               |                      |                      |                                 |
| Due to other governments                         | \$ 108,731                    | \$ 1,407,329         | \$ 1,401,809         | \$ 114,251                      |
| Due to employees                                 | 6,341                         | 46,600               | 46,772               | 6,169                           |
| Undistributed monies                             | 111,105                       | 4,561,365            | 4,575,715            | 96,755                          |
| Due to others                                    | 6,592,378                     | 8,720,440            | 8,359,733            | 6,953,085                       |
| Total liabilities                                | <u>\$ 6,818,555</u>           | <u>\$ 14,735,734</u> | <u>\$ 14,384,029</u> | <u>\$ 7,170,260</u>             |



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## STATISTICAL SECTION



## Statistical Section

This part of the City's Comprehensive Annual 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.

| <b><u>Contents</u></b>                                                                                                                                                                                                                                                                                                           | <b><u>Page(s)</u></b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| <b>Financial Trends</b><br>These schedules contain trend information to help the reader understand how the City's financial position has changed over time.                                                                                                                                                                      | <b>S2 - S8</b>        |
| <b>Revenue Capacity</b><br>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(s), the property tax (and the income tax).                                                                                | <b>S9 - S14</b>       |
| <b>Debt Capacity</b><br>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.                                                                                                          | <b>S15 - S19</b>      |
| <b>Economic and Demographic Information</b><br>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. | <b>S20 - S21</b>      |
| <b>Operating Information</b><br>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.                                                                               | <b>S22 - S29</b>      |

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

CITY OF VANDALIA, OHIO  
Net Position by Component  
Last Ten Years

|                                             | <u>2008</u>          | <u>2009</u>          | <u>2010</u>          | Restated<br><u>2011</u> | <u>2012</u>          |
|---------------------------------------------|----------------------|----------------------|----------------------|-------------------------|----------------------|
| <b><u>Governmental Activities</u></b>       |                      |                      |                      |                         |                      |
| Net investment in capital assets            | \$ 36,535,266        | \$ 39,122,829        | \$ 42,469,073        | \$ 42,488,927           | \$ 42,909,665        |
| Restricted                                  | 4,489,010            | 5,991,019            | 5,776,138            | 2,032,828               | 3,006,345            |
| Unrestricted                                | <u>21,281,556</u>    | <u>14,113,877</u>    | <u>12,187,964</u>    | <u>15,743,855</u>       | <u>15,722,617</u>    |
| Total governmental activities net position  | <u>\$ 62,305,832</u> | <u>\$ 59,227,725</u> | <u>\$ 60,433,175</u> | <u>\$ 60,265,610</u>    | <u>\$ 61,638,627</u> |
| <b><u>Business-Type Activities</u></b>      |                      |                      |                      |                         |                      |
| Net investment in capital assets            | \$ 18,165,790        | \$ 18,217,454        | \$ 18,100,914        | \$ 18,332,521           | \$ 18,007,758        |
| Unrestricted                                | <u>9,385,576</u>     | <u>9,169,165</u>     | <u>10,846,059</u>    | <u>10,898,051</u>       | <u>11,833,535</u>    |
| Total business-type activities net position | <u>\$ 27,551,366</u> | <u>\$ 27,386,619</u> | <u>\$ 28,946,973</u> | <u>\$ 29,230,572</u>    | <u>\$ 29,841,293</u> |
| <b><u>Primary Government</u></b>            |                      |                      |                      |                         |                      |
| Net investment in capital assets            | \$ 54,701,056        | \$ 57,340,283        | \$ 60,569,987        | \$ 60,821,448           | \$ 60,917,423        |
| Restricted                                  | 4,489,010            | 5,991,019            | 5,776,138            | 2,032,828               | 3,006,345            |
| Unrestricted                                | <u>30,667,132</u>    | <u>23,283,042</u>    | <u>23,034,023</u>    | <u>26,641,906</u>       | <u>27,556,152</u>    |
| Total primary government net position       | <u>\$ 89,857,198</u> | <u>\$ 86,614,344</u> | <u>\$ 89,380,148</u> | <u>\$ 89,496,182</u>    | <u>\$ 91,479,920</u> |

(1) The City implemented GASB 68 during 2015 and as a result 2014 was restated.

|    |                   | Restated (1)      |                   |                   |                   |
|----|-------------------|-------------------|-------------------|-------------------|-------------------|
|    | 2013              | 2014              | 2015              | 2016              | 2017              |
| \$ | 43,255,312        | \$ 45,004,853     | \$ 47,900,553     | \$ 48,804,352     | \$ 49,337,872     |
|    | 3,047,614         | 3,895,737         | 3,929,597         | 3,939,012         | 3,695,303         |
|    | 15,697,621        | 3,669,638         | 4,639,893         | 5,874,223         | 4,238,058         |
|    | <u>62,000,547</u> | <u>52,570,228</u> | <u>56,470,043</u> | <u>58,617,587</u> | <u>57,271,233</u> |
|    |                   |                   |                   |                   |                   |
| \$ | 19,044,671        | \$ 18,585,891     | \$ 18,584,910     | \$ 18,740,110     | \$ 18,654,104     |
|    | 12,516,865        | 11,992,590        | 12,516,989        | 12,449,139        | 13,254,491        |
|    | <u>31,561,536</u> | <u>30,578,481</u> | <u>31,101,899</u> | <u>31,189,249</u> | <u>31,908,595</u> |
|    |                   |                   |                   |                   |                   |
| \$ | 62,299,983        | \$ 63,590,744     | \$ 66,485,463     | \$ 67,544,462     | \$ 67,991,976     |
|    | 3,047,614         | 3,895,737         | 3,929,597         | 3,939,012         | 3,695,303         |
|    | 28,214,486        | 15,662,228        | 17,156,882        | 18,323,362        | 17,492,549        |
|    | <u>93,562,083</u> | <u>83,148,709</u> | <u>87,571,942</u> | <u>89,806,836</u> | <u>89,179,828</u> |

CITY OF VANDALIA, OHIO  
Changes in Net Position  
Last Ten Years

| <b>Expenses</b>                                             | <b>2008</b>            | <b>2009</b>            | <b>2010</b>            | <b>2011</b>            | <b>2012</b>            |
|-------------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Governmental Activities:                                    |                        |                        |                        |                        |                        |
| General government                                          | \$ 6,403,491           | \$ 7,686,032           | \$ 5,582,027           | \$ 5,726,617           | \$ 5,782,863           |
| Public safety                                               | 6,608,469              | 6,605,685              | 6,531,788              | 6,911,373              | 6,811,934              |
| Public works                                                | 4,430,596              | 5,881,207              | 5,030,029              | 5,328,780              | 6,294,260              |
| Recreation                                                  | 4,016,239              | 4,099,980              | 3,984,048              | 3,958,580              | 3,847,357              |
| Interest and fiscal charges                                 | 625,917                | 758,879                | 736,084                | 661,538                | 601,289                |
| Total governmental activities expenses                      | <u>22,084,712</u>      | <u>25,031,783</u>      | <u>21,863,976</u>      | <u>22,586,888</u>      | <u>23,337,703</u>      |
| Business-Type Activities:                                   |                        |                        |                        |                        |                        |
| Water                                                       | 2,677,281              | 2,530,623              | 1,912,399              | 2,057,812              | 2,059,071              |
| Sewer                                                       | 1,574,798              | 1,699,742              | 450,852                | 1,741,089              | 1,512,536              |
| Golf                                                        | 1,137,838              | 1,057,710              | 1,087,328              | 965,069                | 1,042,176              |
| Total business-type activities                              | <u>5,389,917</u>       | <u>5,288,075</u>       | <u>3,450,579</u>       | <u>4,763,970</u>       | <u>4,613,783</u>       |
| Total primary government expenses                           | <u>\$ 27,474,629</u>   | <u>\$ 30,319,858</u>   | <u>\$ 25,314,555</u>   | <u>\$ 27,350,858</u>   | <u>\$ 27,951,486</u>   |
| <b>Program Revenues</b>                                     |                        |                        |                        |                        |                        |
| Governmental Activities:                                    |                        |                        |                        |                        |                        |
| Charges for services:                                       |                        |                        |                        |                        |                        |
| General government                                          | \$ 1,914,426           | \$ 1,821,605           | \$ 1,871,967           | \$ 1,871,826           | \$ 1,577,135           |
| Public safety                                               | 654,686                | 629,222                | 663,224                | 326,695                | 649,206                |
| Public works                                                | 1,132,996              | 1,245,630              | 1,333,534              | 1,706,801              | 1,400,408              |
| Recreation                                                  | 1,461,420              | 1,468,749              | 1,481,966              | 1,479,628              | 1,446,534              |
| Operating grants, contributions and interest                | 919,062                | 1,324,350              | 727,898                | 1,272,681              | 1,106,688              |
| Capital grants and contributions                            | 750,497                | 2,078,995              | 2,501,327              | 818,757                | 2,004,768              |
| Total governmental activities program revenues              | <u>6,833,087</u>       | <u>8,568,551</u>       | <u>8,579,916</u>       | <u>7,476,388</u>       | <u>8,184,739</u>       |
| Business-Type Activities:                                   |                        |                        |                        |                        |                        |
| Charges for services:                                       |                        |                        |                        |                        |                        |
| Water                                                       | 1,979,915              | 2,056,963              | 2,182,747              | 2,128,858              | 2,226,641              |
| Sewer                                                       | 1,072,501              | 1,254,928              | 1,300,559              | 1,378,273              | 1,584,806              |
| Golf                                                        | 951,835                | 935,518                | 930,933                | 863,896                | 973,947                |
| Operating grants, contributions and interest                | -                      | -                      | -                      | -                      | 130,340                |
| Capital grants and contributions                            | 103,784                | 412,108                | 108,770                | 1,052                  | 2,828                  |
| Total business-type activities program revenues             | <u>4,108,035</u>       | <u>4,659,517</u>       | <u>4,523,009</u>       | <u>4,372,079</u>       | <u>4,918,562</u>       |
| Total primary government program revenues                   | <u>\$ 10,941,122</u>   | <u>\$ 13,228,068</u>   | <u>\$ 13,102,925</u>   | <u>\$ 11,848,467</u>   | <u>\$ 13,103,301</u>   |
| <b>Net (expense)/revenue</b>                                |                        |                        |                        |                        |                        |
| Governmental activities                                     | \$ (15,251,625)        | \$ (16,463,232)        | \$ (13,284,060)        | \$ (15,110,500)        | \$ (15,152,964)        |
| Business-type activities                                    | (1,281,882)            | (628,558)              | 1,072,430              | (391,891)              | 304,779                |
| Total primary government net expense                        | <u>\$ (16,533,507)</u> | <u>\$ (17,091,790)</u> | <u>\$ (12,211,630)</u> | <u>\$ (15,502,391)</u> | <u>\$ (14,848,185)</u> |
| <b>General Revenues and Other Changes in Net Position</b>   |                        |                        |                        |                        |                        |
| Governmental Activities:                                    |                        |                        |                        |                        |                        |
| Property taxes levied for:                                  |                        |                        |                        |                        |                        |
| General purposes                                            | \$ 2,077,147           | \$ 1,670,726           | \$ 1,989,379           | \$ 1,548,086           | \$ 1,505,738           |
| Income tax levied for:                                      |                        |                        |                        |                        |                        |
| General purposes                                            | 11,391,659             | 9,222,083              | 10,889,271             | 11,709,263             | 13,025,898             |
| Grants and entitlements not restricted to specific programs | 1,977,904              | 1,931,238              | 1,539,008              | 1,764,465              | 1,556,563              |
| Payment in lieu of taxes                                    | -                      | 16,857                 | 108,512                | 107,720                | 43,957                 |
| Investment earnings                                         | 1,211,323              | 622,173                | 254,451                | 492,580                | 208,984                |
| Gain on the sale of capital assets                          | -                      | -                      | -                      | 11,040                 | 124,555                |
| Other                                                       | 154,641                | 114,904                | 131,464                | 59,415                 | 82,334                 |
| Total governmental activities                               | <u>16,812,674</u>      | <u>13,577,981</u>      | <u>14,912,085</u>      | <u>15,692,569</u>      | <u>16,548,029</u>      |
| Business-Type Activities:                                   |                        |                        |                        |                        |                        |
| Investment earnings                                         | 1,140                  | 483                    | 287                    | -                      | -                      |
| Other                                                       | 35,755                 | 270,472                | 65,062                 | 56,523                 | 283,894                |
| Total business-type activities                              | <u>36,895</u>          | <u>270,955</u>         | <u>65,349</u>          | <u>56,523</u>          | <u>283,894</u>         |
| Total primary government                                    | <u>\$ 16,849,569</u>   | <u>\$ 13,848,936</u>   | <u>\$ 14,977,434</u>   | <u>\$ 15,749,092</u>   | <u>\$ 16,831,923</u>   |
| <b>Change in net position</b>                               |                        |                        |                        |                        |                        |
| Governmental activities                                     | \$ 368,218             | \$ (3,078,107)         | \$ 1,205,450           | \$ (36,898)            | \$ 1,373,017           |
| Business-type activities                                    | (52,156)               | (164,747)              | 1,560,354              | 283,599                | 610,721                |
| Total primary government                                    | <u>\$ 316,062</u>      | <u>\$ (3,242,854)</u>  | <u>\$ 2,765,804</u>    | <u>\$ 246,701</u>      | <u>\$ 1,983,738</u>    |

| 2013                   | 2014                   | 2015                   | 2016                   | 2017                   |
|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$ 5,475,675           | \$ 5,520,951           | \$ 5,130,767           | \$ 4,836,921           | \$ 5,838,359           |
| 7,174,259              | 7,124,303              | 7,236,385              | 7,841,876              | 8,571,205              |
| 5,098,906              | 4,736,869              | 4,900,560              | 4,890,378              | 5,616,975              |
| 3,788,977              | 4,147,571              | 4,008,981              | 3,793,318              | 4,527,113              |
| 560,923                | 569,379                | 209,376                | 235,861                | 231,297                |
| <u>22,098,740</u>      | <u>22,099,073</u>      | <u>21,486,069</u>      | <u>21,598,354</u>      | <u>24,784,949</u>      |
| 1,909,167              | 2,072,336              | 2,151,550              | 2,010,094              | 1,942,016              |
| 1,552,360              | 1,814,270              | 1,694,090              | 1,944,231              | 1,703,795              |
| 1,097,625              | 1,019,002              | 1,035,124              | 1,064,705              | 1,113,928              |
| <u>4,559,152</u>       | <u>4,905,608</u>       | <u>4,880,764</u>       | <u>5,019,030</u>       | <u>4,759,739</u>       |
| <u>\$ 26,657,892</u>   | <u>\$ 27,004,681</u>   | <u>\$ 26,366,833</u>   | <u>\$ 26,617,384</u>   | <u>\$ 29,544,688</u>   |
| \$ 2,459,074           | \$ 2,435,013           | \$ 2,579,526           | \$ 2,712,465           | \$ 2,819,251           |
| 569,979                | 569,797                | 489,852                | 593,124                | 483,193                |
| 1,474,377              | 1,424,524              | 1,544,620              | 1,452,055              | 1,580,269              |
| 1,395,800              | 1,446,891              | 1,476,639              | 1,510,517              | 1,448,313              |
| 1,227,177              | 1,177,845              | 1,458,405              | 1,184,517              | 1,028,220              |
| 45,000                 | 1,623,771              | 2,399,492              | 151,524                | 131,649                |
| <u>7,171,407</u>       | <u>8,677,841</u>       | <u>9,948,534</u>       | <u>7,604,202</u>       | <u>7,490,895</u>       |
| 2,190,856              | 2,218,971              | 2,149,396              | 2,174,722              | 2,329,366              |
| 1,933,954              | 1,691,533              | 1,823,665              | 1,892,558              | 1,932,540              |
| 888,023                | 885,919                | 880,378                | 907,446                | 859,629                |
| -                      | -                      | -                      | -                      | -                      |
| <u>1,290,959</u>       | <u>2,960</u>           | <u>369,115</u>         | <u>121,799</u>         | <u>116,890</u>         |
| <u>6,303,792</u>       | <u>4,799,383</u>       | <u>5,222,554</u>       | <u>5,096,525</u>       | <u>5,238,425</u>       |
| <u>\$ 13,475,199</u>   | <u>\$ 13,477,224</u>   | <u>\$ 15,171,088</u>   | <u>\$ 12,700,727</u>   | <u>\$ 12,729,320</u>   |
| \$ (14,927,333)        | \$ (13,421,232)        | \$ (11,537,535)        | \$ (13,994,152)        | \$ (17,294,054)        |
| 1,744,640              | (106,225)              | 341,790                | 77,495                 | 478,686                |
| <u>\$ (13,182,693)</u> | <u>\$ (13,527,457)</u> | <u>\$ (11,195,745)</u> | <u>\$ (13,916,657)</u> | <u>\$ (16,815,368)</u> |
| \$ 1,221,094           | \$ 1,283,417           | \$ 1,272,611           | \$ 1,275,653           | \$ 1,289,362           |
| 12,709,385             | 13,021,106             | 13,682,940             | 14,247,899             | 13,897,814             |
| 1,098,778              | 761,023                | 408,435                | 345,958                | 615,526                |
| 84,136                 | 196,368                | 105,453                | 115,268                | 104,572                |
| 20,362                 | 215,329                | 129,436                | 119,752                | 273,681                |
| -                      | -                      | -                      | 7,906                  | -                      |
| 131,101                | 11,046                 | 20,103                 | 39,115                 | 7,405                  |
| <u>15,264,856</u>      | <u>15,488,289</u>      | <u>15,618,978</u>      | <u>16,151,551</u>      | <u>16,188,360</u>      |
| -                      | -                      | -                      | -                      | -                      |
| -                      | -                      | -                      | -                      | -                      |
| -                      | -                      | -                      | -                      | -                      |
| <u>\$ 15,264,856</u>   | <u>\$ 15,488,289</u>   | <u>\$ 15,618,978</u>   | <u>\$ 16,151,551</u>   | <u>\$ 16,188,360</u>   |
| \$ 361,920             | \$ 2,264,635           | \$ 3,899,815           | \$ 2,147,544           | \$ (1,346,354)         |
| 1,720,243              | (303,803)              | 523,418                | 87,350                 | 719,346                |
| <u>\$ 2,082,163</u>    | <u>\$ 1,960,832</u>    | <u>\$ 4,423,233</u>    | <u>\$ 2,234,894</u>    | <u>\$ (627,008)</u>    |

CITY OF VANDALIA, OHIO  
Fund Balances, Governmental Funds  
Last Ten Years

|                                    | <u>2008</u>          | <u>2009</u>          | Restated<br><u>2010 (1)</u> | <u>2011</u>          | <u>2012</u>          |
|------------------------------------|----------------------|----------------------|-----------------------------|----------------------|----------------------|
| General Fund                       |                      |                      |                             |                      |                      |
| Nonspendable                       | \$ -                 | \$ -                 | \$ 42,721                   | \$ 42,034            | \$ 50,022            |
| Committed                          | -                    | -                    | 380,484                     | 360,215              | 442,531              |
| Assigned                           | -                    | -                    | 1,832,419                   | 2,287,384            | 1,348,736            |
| Unassigned                         | -                    | -                    | 10,266,922                  | 10,756,154           | 11,307,767           |
| Reserved                           | 1,952,111            | 1,304,239            | -                           | -                    | -                    |
| Unreserved, designated             | -                    | 915,000              | -                           | -                    | -                    |
| Unreserved                         | <u>19,029,818</u>    | <u>11,813,674</u>    | <u>-</u>                    | <u>-</u>             | <u>-</u>             |
| Total general fund                 | <u>\$ 20,981,929</u> | <u>\$ 14,032,913</u> | <u>\$ 12,522,546</u>        | <u>\$ 13,445,787</u> | <u>\$ 13,149,056</u> |
| All Other Governmental Funds       |                      |                      |                             |                      |                      |
| Nonspendable                       | \$ -                 | \$ -                 | \$ 3,763,299                | \$ 3,340,482         | \$ 2,849,291         |
| Restricted                         | -                    | -                    | 1,661,587                   | 1,788,921            | 1,937,880            |
| Committed                          | -                    | -                    | 3,165,623                   | 2,536,378            | 2,073,419            |
| Assigned                           | -                    | -                    | -                           | -                    | -                    |
| Unassigned                         | -                    | -                    | (3,195,166)                 | (3,755,190)          | (2,074,380)          |
| Reserved                           | 6,517,093            | 8,079,431            | -                           | -                    | -                    |
| Unreserved, reported in:           |                      |                      |                             |                      |                      |
| Special revenue funds              | 1,306,895            | 1,445,453            | -                           | -                    | -                    |
| Capital projects funds             | (4,158,504)          | (1,453,242)          | -                           | -                    | -                    |
| Debt service funds                 | <u>221,577</u>       | <u>243,154</u>       | <u>-</u>                    | <u>-</u>             | <u>-</u>             |
| Total all other governmental funds | <u>\$ 3,887,061</u>  | <u>\$ 8,314,796</u>  | <u>\$ 5,395,343</u>         | <u>\$ 3,910,591</u>  | <u>\$ 4,786,210</u>  |

(1) Prior year amounts have not been restated for the implementation of GASB Statement 54.

(2) The large change in fund balance during 2014 is due to the issuance of \$5,710,000 in refunding bond anticipation notes.

| <u>2013</u>          | <u>2014 (2)</u>      | <u>2015</u>          | <u>2016</u>          | <u>2017</u>          |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 39,372            | \$ 34,636            | \$ 27,552            | \$ 61,808            | \$ 58,110            |
| 542,531              | 642,531              | 281,103              | 793,528              | 778,590              |
| 1,549,018            | 683,527              | 708,434              | 593,417              | 1,289,226            |
| 10,402,258           | 11,068,945           | 12,284,198           | 13,978,050           | 13,952,840           |
| -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    |
| <u>\$ 12,533,179</u> | <u>\$ 12,429,639</u> | <u>\$ 13,301,287</u> | <u>\$ 15,426,803</u> | <u>\$ 16,078,766</u> |

|                     |                     |                   |                     |                     |
|---------------------|---------------------|-------------------|---------------------|---------------------|
| \$ 95,238           | \$ 115,829          | \$ 115,167        | \$ 94,393           | \$ 93,705           |
| 2,822,178           | 3,207,520           | 3,495,329         | 3,515,142           | 3,193,409           |
| 2,012,467           | 2,057,468           | 2,083,166         | 2,160,426           | 1,818,386           |
| -                   | -                   | -                 | -                   | -                   |
| -                   | (5,675,573)         | (5,070,761)       | (4,251,864)         | (3,619,658)         |
| -                   | -                   | -                 | -                   | -                   |
| -                   | -                   | -                 | -                   | -                   |
| -                   | -                   | -                 | -                   | -                   |
| -                   | -                   | -                 | -                   | -                   |
| <u>\$ 4,929,883</u> | <u>\$ (294,756)</u> | <u>\$ 622,901</u> | <u>\$ 1,518,097</u> | <u>\$ 1,485,842</u> |

CITY OF VANDALIA, OHIO  
Changes in Fund Balance, Governmental Funds  
Last Ten Years

|                                                         | 2008               | 2009                  | 2010                  | 2011                | 2012               | 2013                | 2014                  | 2015                | 2016                | 2017               |
|---------------------------------------------------------|--------------------|-----------------------|-----------------------|---------------------|--------------------|---------------------|-----------------------|---------------------|---------------------|--------------------|
| <b><u>REVENUES</u></b>                                  |                    |                       |                       |                     |                    |                     |                       |                     |                     |                    |
| Municipal income taxes                                  | \$ 11,905,601      | \$ 9,377,445          | \$ 11,031,533         | \$ 11,811,152       | \$ 12,554,400      | \$ 12,667,627       | \$ 13,019,647         | \$ 13,873,876       | \$ 14,553,185       | \$ 13,714,997      |
| Property and other taxes                                | 2,097,501          | 1,674,192             | 1,973,483             | 1,614,735           | 1,533,779          | 1,232,843           | 1,281,724             | 1,276,849           | 1,275,898           | 1,295,864          |
| Charges for services                                    | 3,625,059          | 3,544,147             | 3,647,220             | 3,685,674           | 3,485,052          | 3,463,040           | 3,669,349             | 3,750,556           | 3,592,620           | 3,638,049          |
| Fines, licenses and permits                             | 1,675,186          | 1,580,539             | 1,689,318             | 1,560,665           | 1,639,877          | 1,828,789           | 1,796,072             | 1,866,756           | 1,911,822           | 1,968,089          |
| Intergovernmental revenues                              | 3,703,037          | 3,891,817             | 5,034,523             | 3,669,156           | 3,544,825          | 2,712,119           | 3,562,887             | 3,817,380           | 2,284,559           | 2,097,904          |
| Special assessments                                     | 27,739             | 17,950                | 9,606                 | 7,862               | 10,231             | 7,757               | 6,018                 | 24,246              | 10,088              | 28,095             |
| Investment income                                       | 1,211,322          | 622,173               | 254,537               | 492,580             | 208,984            | 20,362              | 215,329               | 129,436             | 119,752             | 282,336            |
| Payments in lieu of taxes                               | 21,354             | 16,856                | 108,512               | 107,720             | 43,956             | 84,136              | 196,368               | 105,453             | 106,688             | 99,979             |
| Other                                                   | 146,798            | 39,536                | 132,485               | 76,244              | 103,708            | 545,020             | 309,685               | 164,552             | 282,277             | 377,171            |
| Total revenues                                          | <u>24,413,597</u>  | <u>20,764,655</u>     | <u>23,881,217</u>     | <u>23,025,788</u>   | <u>23,124,812</u>  | <u>22,561,693</u>   | <u>24,057,079</u>     | <u>25,009,104</u>   | <u>24,136,889</u>   | <u>23,502,484</u>  |
| <b><u>EXPENDITURES</u></b>                              |                    |                       |                       |                     |                    |                     |                       |                     |                     |                    |
| General government                                      | 6,076,275          | 7,381,632             | 5,374,258             | 5,410,595           | 5,496,187          | 5,276,604           | 5,252,837             | 4,894,718           | 4,527,753           | 4,981,109          |
| Public safety                                           | 6,105,935          | 6,105,910             | 6,096,542             | 6,308,866           | 6,187,676          | 6,822,655           | 6,832,743             | 6,813,125           | 6,952,097           | 7,408,236          |
| Public works                                            | 3,453,508          | 4,877,949             | 4,069,538             | 3,745,331           | 4,884,241          | 3,844,621           | 3,433,779             | 3,419,534           | 3,386,391           | 3,670,307          |
| Recreation                                              | 3,418,795          | 3,558,865             | 3,486,776             | 3,500,732           | 3,349,081          | 3,389,173           | 3,731,450             | 3,623,674           | 3,280,416           | 3,581,667          |
| Capital outlay                                          | 3,787,251          | 4,477,252             | 7,279,564             | 3,042,512           | 1,190,438          | 2,135,887           | 3,589,683             | 4,407,748           | 2,263,170           | 2,694,434          |
| Debt service:                                           |                    |                       |                       |                     |                    |                     |                       |                     |                     |                    |
| Principal retirement                                    | 632,844            | 1,011,352             | 935,008               | 963,819             | 997,791            | 1,021,931           | 6,847,216             | 520,306             | 563,031             | 545,311            |
| Interest and fiscal charges                             | 606,004            | 635,638               | 669,351               | 615,444             | 580,937            | 543,026             | 359,838               | 201,615             | 238,849             | 237,742            |
| Bond issuance costs                                     | -                  | 97,735                | -                     | -                   | -                  | -                   | -                     | 5,500               | 2,750               | -                  |
| Current refunding                                       | -                  | -                     | -                     | -                   | -                  | -                   | 149,300               | -                   | -                   | -                  |
| Total expenditures                                      | <u>24,080,612</u>  | <u>28,146,333</u>     | <u>27,911,037</u>     | <u>23,587,299</u>   | <u>22,686,351</u>  | <u>23,033,897</u>   | <u>30,196,846</u>     | <u>23,886,220</u>   | <u>21,214,457</u>   | <u>23,118,806</u>  |
| Excess of revenues over (under) expenditures            | <u>332,985</u>     | <u>(7,381,678)</u>    | <u>(4,029,820)</u>    | <u>(561,511)</u>    | <u>438,461</u>     | <u>(472,204)</u>    | <u>(6,139,767)</u>    | <u>1,122,884</u>    | <u>2,922,432</u>    | <u>383,678</u>     |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>            |                    |                       |                       |                     |                    |                     |                       |                     |                     |                    |
| Proceeds of loans                                       | -                  | -                     | -                     | -                   | -                  | -                   | 308,334               | 866,421             | 161,775             | 110,899            |
| Proceeds of bonds                                       | -                  | 4,755,000             | -                     | -                   | -                  | -                   | -                     | -                   | -                   | -                  |
| Inception of capital lease                              | -                  | -                     | -                     | -                   | -                  | -                   | 461,016               | -                   | -                   | -                  |
| Premium on bonds issued                                 | -                  | 50,304                | -                     | -                   | -                  | -                   | -                     | -                   | -                   | -                  |
| Sale of capital assets                                  | 34,755             | 55,093                | -                     | -                   | 140,427            | -                   | 42,238                | -                   | 24,889              | 485,131            |
| Transfers in                                            | 4,439,244          | 6,841,691             | 4,253,092             | 2,561,151           | 3,855,648          | 4,047,930           | 3,456,840             | 3,338,920           | 1,793,157           | 2,718,775          |
| Transfer out                                            | <u>(4,439,244)</u> | <u>(6,841,691)</u>    | <u>(4,653,092)</u>    | <u>(2,561,151)</u>  | <u>(3,855,648)</u> | <u>(4,047,930)</u>  | <u>(3,456,840)</u>    | <u>(3,538,920)</u>  | <u>(1,881,541)</u>  | <u>(3,078,775)</u> |
| Total other financing sources (uses)                    | <u>34,755</u>      | <u>4,860,397</u>      | <u>(400,000)</u>      | <u>-</u>            | <u>140,427</u>     | <u>-</u>            | <u>811,588</u>        | <u>666,421</u>      | <u>98,280</u>       | <u>236,030</u>     |
| Net change in fund balance                              | <u>\$ 367,740</u>  | <u>\$ (2,521,281)</u> | <u>\$ (4,429,820)</u> | <u>\$ (561,511)</u> | <u>\$ 578,888</u>  | <u>\$ (472,204)</u> | <u>\$ (5,328,179)</u> | <u>\$ 1,789,305</u> | <u>\$ 3,020,712</u> | <u>\$ 619,708</u>  |
| Debt service as a percentage of noncapital expenditures | 6.1%               | 7.0%                  | 7.8%                  | 7.7%                | 7.3%               | 7.5%                | 27.1%                 | 3.7%                | 4.2%                | 3.8%               |

(1) Modified accrual basis of accounting.

CITY OF VANDALIA, OHIO  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Collection Years

| Collection<br>Year | Real Property (1) |                              |                           | Public Utility (2) |                           | Tangible Personal Property (3) |                           | Total          |                           | Weighted<br>Average<br>Tax Rate | Total<br>City<br>Direct<br>Rate |
|--------------------|-------------------|------------------------------|---------------------------|--------------------|---------------------------|--------------------------------|---------------------------|----------------|---------------------------|---------------------------------|---------------------------------|
|                    | Assessed Value    | Commercial/<br>Industrial/PU | Estimated<br>Actual Value | Assessed Value     | Estimated<br>Actual Value | Assessed Value                 | Estimated<br>Actual Value | Assessed Value | Estimated<br>Actual Value |                                 |                                 |
| 2017               | \$ 328,119,460    | \$ 38,830                    | \$ 937,595,114            | \$ 7,829,300       | \$ 20,107,066             | \$ -                           | \$ -                      | \$ 335,987,590 | \$ 957,702,180            | 35.98%                          | \$ 4.14                         |
| 2016               | 323,668,040       | 40,210                       | 924,880,714               | 7,364,480          | 18,913,324                | -                              | -                         | 331,072,730    | 943,794,038               | 35.98%                          | 4.14                            |
| 2015               | 326,292,560       | 39,830                       | 932,378,257               | 7,254,310          | 18,630,387                | -                              | -                         | 333,586,700    | 951,008,644               | 35.98%                          | 4.14                            |
| 2014               | 335,503,500       | 39,180                       | 958,693,371               | 7,037,090          | 18,072,527                | -                              | -                         | 342,579,770    | 976,765,898               | 35.98%                          | 4.14                            |
| 2013               | 332,400,670       | 37,770                       | 949,824,114               | 6,375,710          | 16,373,983                | -                              | -                         | 338,814,150    | 966,198,097               | 35.90%                          | 4.14                            |
| 2012               | 334,185,190       | 45,420                       | 954,944,600               | 5,995,890          | 15,398,536                | -                              | -                         | 340,226,500    | 970,343,136               | 35.84%                          | 4.14                            |
| 2011               | 358,924,870       | 40,320                       | 1,025,614,829             | 5,873,700          | 15,084,730                | -                              | -                         | 364,838,890    | 1,040,699,558             | 35.77%                          | 4.14                            |
| 2010               | 361,083,290       | 37,350                       | 1,031,773,257             | 5,638,060          | 14,479,563                | 116,150                        | 2,323,000                 | 366,874,850    | 1,048,575,820             | 35.77%                          | 4.14                            |
| 2009               | 362,557,370       | 32,220                       | 1,035,970,257             | 5,715,530          | 14,678,520                | 696,660                        | 6,966,600                 | 369,001,780    | 1,057,615,377             | 35.57%                          | 4.14                            |
| 2008               | 363,742,150       | 28,420                       | 1,039,344,486             | 5,625,360          | 14,446,947                | 25,112,712                     | 40,180,339                | 394,508,642    | 1,093,971,772             | 36.71%                          | 4.14                            |

Source: Montgomery County Auditor

(1) Real estate value is assessed at 35% of appraised market value.

(2) Public utility personal property is assessed at 88% of true value for half of 2008-2017, the other half at 25% of true value.

(3) Tangible personal property is assessed at 6.25% for 2008 and 0% for 2009-2017.

CITY OF VANDALIA, OHIO  
Property Tax Levies and Collections  
Last Ten Calendar Years

| Year | Current<br>Tax Levy | Current Tax<br>Collections (1) | Deliquent Tax<br>Collections | Total<br>Tax<br>Collections | Percent of<br>Levy<br>Collected | Outstanding<br>Delinquent<br>Taxes | Percent of<br>Outstanding<br>Deliquent Taxes to<br>Current Tax Levy | Total Direct<br>Tax Rate |
|------|---------------------|--------------------------------|------------------------------|-----------------------------|---------------------------------|------------------------------------|---------------------------------------------------------------------|--------------------------|
| 2017 | \$ 1,390,989        | \$ 1,354,172                   | \$ 30,666                    | \$ 1,384,838                | 97.35%                          | \$ 27,446                          | 1.97%                                                               | \$ 95.37                 |
| 2016 | 1,370,641           | 1,346,397                      | 35,325                       | 1,381,722                   | 98.23%                          | 33,702                             | 2.46%                                                               | 95.45                    |
| 2015 | 1,381,049           | 1,332,247                      | 44,994                       | 1,377,241                   | 99.72%                          | 33,976                             | 2.46%                                                               | 94.53                    |
| 2014 | 1,418,280           | 1,357,528                      | 10,260                       | 1,367,788                   | 96.44%                          | 37,865                             | 2.67%                                                               | 93.50                    |
| 2013 | 1,402,691           | 1,367,332                      | 32,882                       | 1,400,214                   | 99.82%                          | 33,275                             | 2.37%                                                               | 86.54                    |
| 2012 | 1,408,538           | 1,363,912                      | 42,503                       | 1,406,415                   | 99.85%                          | 30,429                             | 2.16%                                                               | 84.92                    |
| 2011 | 1,510,433           | 1,454,051                      | 44,039                       | 1,498,090                   | 99.18%                          | 39,136                             | 2.59%                                                               | 84.02                    |
| 2010 | 1,518,862           | 1,459,807                      | 48,781                       | 1,508,588                   | 99.32%                          | 88,379                             | 5.82%                                                               | 83.13                    |
| 2009 | 1,527,667           | 1,461,956                      | 44,273                       | 1,506,229                   | 98.60%                          | 107,679                            | 7.05%                                                               | 82.60                    |
| 2008 | 1,633,266           | 1,584,325                      | 47,460                       | 1,631,785                   | 99.91%                          | 83,409                             | 5.11%                                                               | 81.32                    |

Source: Montgomery County Auditor

(1) Represents amounts collected by the County for the City during the year indicated.

CITY OF VANDALIA, OHIO  
Property Tax Rates - Direct and Overlapping Governments  
(Per \$1,000 of Assessed Valuation)  
Last Ten Calendar Years

| Collection<br>Year | City Direct Rates |         |                   |               | Overlapping Rates |                                    |                                                |         |               |
|--------------------|-------------------|---------|-------------------|---------------|-------------------|------------------------------------|------------------------------------------------|---------|---------------|
|                    | General<br>Fund   | Charter | Police<br>Pension | Total<br>City | County<br>Levy    | Vandalia-Butler<br>City<br>Schools | Miami Valley<br>Career<br>Technology<br>Center | Library | Total<br>Levy |
| 2017               | \$ 1.54           | \$ 2.30 | \$ 0.30           | \$ 4.14       | \$ 22.94          | \$ 62.40                           | \$ 2.58                                        | \$ 3.31 | \$ 95.37      |
| 2016               | 1.54              | 2.30    | 0.30              | 4.14          | 22.94             | 62.48                              | 2.58                                           | 3.31    | 95.45         |
| 2015               | 1.54              | 2.30    | 0.30              | 4.14          | 21.94             | 62.56                              | 2.58                                           | 3.31    | 94.53         |
| 2014               | 1.54              | 2.30    | 0.30              | 4.14          | 20.94             | 62.53                              | 2.58                                           | 3.31    | 93.50         |
| 2013               | 1.54              | 2.30    | 0.30              | 4.14          | 20.94             | 55.57                              | 2.58                                           | 3.31    | 86.54         |
| 2012               | 1.54              | 2.30    | 0.30              | 4.14          | 20.94             | 55.51                              | 2.58                                           | 1.75    | 84.92         |
| 2011               | 1.54              | 2.30    | 0.30              | 4.14          | 20.94             | 54.61                              | 2.58                                           | 1.75    | 84.02         |
| 2010               | 1.54              | 2.30    | 0.30              | 4.14          | 20.94             | 53.72                              | 2.58                                           | 1.75    | 83.13         |
| 2009               | 1.54              | 2.30    | 0.30              | 4.14          | 20.94             | 53.69                              | 2.58                                           | 1.25    | 82.60         |
| 2008               | 1.54              | 2.30    | 0.30              | 4.14          | 20.24             | 53.11                              | 2.58                                           | 1.25    | 81.32         |

Source: Montgomery County Auditor

CITY OF VANDALIA, OHIO  
Schedules of Principal Taxpayers - Real Property  
2017 and 2008

|                                | 2008                         |      |                                                          | 2017                         |      |                                                          |
|--------------------------------|------------------------------|------|----------------------------------------------------------|------------------------------|------|----------------------------------------------------------|
|                                | Taxable<br>Assessed<br>Value | Rank | Percentage of<br>Total City<br>Taxable<br>Assessed Value | Taxable<br>Assessed<br>Value | Rank | Percentage of<br>Total City<br>Taxable<br>Assessed Value |
|                                |                              |      |                                                          |                              |      |                                                          |
| <b><u>Taxpayer</u></b>         |                              |      |                                                          |                              |      |                                                          |
| MO Northwoods LLC              | \$ 2,129,490                 | 5    | 0.59%                                                    | \$ 2,496,310                 | 1    | 0.76%                                                    |
| Anchor PH Vandalia LLC         | -                            |      | 0.00%                                                    | 2,467,500                    | 2    | 0.75%                                                    |
| Sand Lake Plaza LLC            | 2,310,910                    | 4    | 0.64%                                                    | 2,281,150                    | 3    | 0.70%                                                    |
| Realty Income Properties 6 LLC | -                            |      | 0.00%                                                    | 2,084,950                    | 4    | 0.64%                                                    |
| Garrett-Ryan LLC               | 1,511,720                    | 9    | 0.42%                                                    | 1,936,960                    | 5    | 0.59%                                                    |
| DDC Hotels Inc                 | -                            |      | 0.00%                                                    | 1,824,740                    | 6    | 0.56%                                                    |
| Floriday LLC                   | -                            |      | 0.00%                                                    | 1,770,840                    | 7    | 0.54%                                                    |
| Certa Vandalia LLC             | -                            |      | 0.00%                                                    | 1,612,800                    | 8    | 0.49%                                                    |
| 3920 Space Drive Building      | 1,718,380                    | 8    | 0.47%                                                    | 1,551,620                    | 9    | 0.47%                                                    |
| Eurand America Inc.            | -                            |      | 0.00%                                                    | 1,543,920                    | 10   | 0.47%                                                    |
| Dayton Power & Light Co.       | 5,358,160                    | 1    | 1.47%                                                    | -                            |      | 0.00%                                                    |
| Delphi Automotive System       | 3,791,260                    | 2    | 1.04%                                                    | -                            |      | 0.00%                                                    |
| The Iams Company               | 3,003,390                    | 3    | 0.83%                                                    | -                            |      | 0.00%                                                    |
| Timberlake Limited Partners    | 2,043,160                    | 6    | 0.56%                                                    | -                            |      | 0.00%                                                    |
| Poe Ave. 6196 LLC              | 1,918,070                    | 7    | 0.53%                                                    | -                            |      | 0.00%                                                    |
| 7124 Poe Ave LLC               | 1,494,850                    | 10   | 0.41%                                                    | -                            |      | 0.00%                                                    |
| Total of above                 | <u>\$ 25,279,390</u>         |      | <u>6.96%</u>                                             | <u>\$ 19,570,790</u>         |      | <u>5.97%</u>                                             |
| Total City                     | <u>\$ 363,770,570</u>        |      |                                                          | <u>\$ 328,158,290</u>        |      |                                                          |

Source: Montgomery County Auditor.

CITY OF VANDALIA, OHIO  
Schedules of Principal Taxpayers - Public Utility  
2017 and 2008

|                                 | 2008                             |      |                                                          | 2017                         |      |                                                          |
|---------------------------------|----------------------------------|------|----------------------------------------------------------|------------------------------|------|----------------------------------------------------------|
|                                 | Taxable<br>Assessed<br>Value (1) | Rank | Percentage of<br>Total City<br>Taxable<br>Assessed Value | Taxable<br>Assessed<br>Value | Rank | Percentage of<br>Total City<br>Taxable<br>Assessed Value |
| <b><u>Taxpayer</u></b>          |                                  |      |                                                          |                              |      |                                                          |
| Dayton Power                    | \$ 5,358,160                     | 1    | 95.25%                                                   | \$ 7,112,070                 | 1    | 90.84%                                                   |
| Vectren Energy Delivery of Ohio | -                                |      | 0.00%                                                    | 716,320                      | 2    | 9.15%                                                    |
| Buckeye Power Inc.              | -                                |      | 0.00%                                                    | 910                          | 3    | 0.01%                                                    |
| Ohio Bell Telephone Co.         | 523,070                          | 2    | 9.30%                                                    | -                            |      | 0.00%                                                    |
| Total of above                  | <u>\$ 5,881,230</u>              |      | <u>104.55%</u>                                           | <u>\$ 7,829,300</u>          |      | <u>100.00%</u>                                           |
| Total City                      | <u>\$ 5,625,360</u>              |      |                                                          | <u>\$ 7,829,300</u>          |      |                                                          |

Source: Montgomery County Auditor.

(1) The City's total assessed values is an estimate provided by the County Auditor that is reduced to reflect collections based upon the phase out of personal property. Reduced valuation amounts are not available by individual taxpayers.

CITY OF VANDALIA, OHIO  
Income Tax Rates and Collections  
Last Ten Calendar Years

| <u>Tax<br/>Year</u> | <u>Tax<br/>Rate</u> | <u>Total Tax<br/>Collected</u> | <u>Taxes from<br/>Withholding</u> | <u>Percentage<br/>of Taxes<br/>from<br/>Withholding</u> | <u>Taxes From<br/>Net Profits</u> | <u>Percentage<br/>of Taxes<br/>from<br/>Net Profits</u> | <u>Taxes<br/>From<br/>Individuals</u> | <u>Percentage<br/>of Taxes<br/>from<br/>Individuals</u> |
|---------------------|---------------------|--------------------------------|-----------------------------------|---------------------------------------------------------|-----------------------------------|---------------------------------------------------------|---------------------------------------|---------------------------------------------------------|
| 2017                | 2.00%               | \$ 14,471,223                  | \$ 11,571,527                     | 79.96%                                                  | \$ 1,545,989                      | 10.68%                                                  | \$ 1,353,708                          | 9.35%                                                   |
| 2016                | 2.00                | 15,434,555                     | 11,575,620                        | 75.00                                                   | 2,291,415                         | 14.85                                                   | 1,567,520                             | 10.16                                                   |
| 2015                | 2.00                | 14,449,582                     | 10,791,743                        | 74.69                                                   | 2,226,693                         | 15.41                                                   | 1,431,146                             | 9.90                                                    |
| 2014                | 2.00                | 13,873,413                     | 10,518,990                        | 75.82                                                   | 1,953,374                         | 14.08                                                   | 1,401,049                             | 10.10                                                   |
| 2013                | 2.00                | 13,234,807                     | 10,015,750                        | 75.68                                                   | 1,826,881                         | 13.80                                                   | 1,392,176                             | 10.52                                                   |
| 2012                | 2.00                | 12,947,429                     | 9,590,711                         | 74.07                                                   | 1,978,254                         | 15.28                                                   | 1,378,464                             | 10.65                                                   |
| 2011                | 2.00                | 12,086,039                     | 9,108,148                         | 75.36                                                   | 1,594,969                         | 13.20                                                   | 1,382,922                             | 11.44                                                   |
| 2010                | 2.00                | 11,174,601                     | 8,741,078                         | 78.22                                                   | 1,185,925                         | 10.61                                                   | 1,247,598                             | 11.16                                                   |
| 2009                | 2.00                | 11,422,710                     | 9,110,018                         | 79.75                                                   | 1,047,443                         | 9.17                                                    | 1,265,248                             | 11.08                                                   |
| 2008                | 2.00                | 12,939,570                     | 10,114,059                        | 78.16                                                   | 1,462,797                         | 11.30                                                   | 1,362,714                             | 10.53                                                   |

Source: City income tax records.

CITY OF VANDALIA, OHIO  
Ratios of Outstanding Debt by Type  
Last Ten Years

| Fiscal<br>Year | Governmental Activities (1)    |               |                 |                   | Business-Type<br>Activities |                   | Total<br>Primary<br>Govern-<br>ment | Percentage<br>of Personal<br>Income | Total<br>Debt<br>Per<br>Capita |
|----------------|--------------------------------|---------------|-----------------|-------------------|-----------------------------|-------------------|-------------------------------------|-------------------------------------|--------------------------------|
|                | General<br>Obligation<br>Bonds | OPWC<br>Loans | Loan<br>Payable | Capital<br>Leases | OPWC<br>Loans               | Capital<br>Leases |                                     |                                     |                                |
| 2017           | \$ 2,144,682                   | \$ 35,508     | \$ 1,130,750    | \$ 120,433        | \$ 67,061                   | \$ 51,614         | \$ 3,550,048                        | 0.85%                               | \$ 233                         |
| 2016           | 2,457,755                      | -             | 1,196,910       | 214,193           | -                           | 91,797            | 3,960,655                           | 0.95%                               | 260                            |
| 2015           | 2,761,205                      | -             | 1,149,528       | 362,831           | -                           | 131,020           | 4,404,584                           | 1.06%                               | 289                            |
| 2014           | 3,060,025                      | -             | 308,334         | 562,910           | -                           | 169,306           | 4,100,575                           | 0.99%                               | 269                            |
| 2013           | 9,644,015                      | -             | -               | 274,110           | -                           | -                 | 9,918,125                           | 2.39%                               | 651                            |
| 2012           | 10,543,316                     | -             | -               | 376,041           | -                           | -                 | 10,919,357                          | 2.63%                               | 716                            |
| 2011           | 11,420,417                     | -             | -               | 473,832           | -                           | -                 | 11,894,249                          | 2.86%                               | 780                            |
| 2010           | 12,265,384                     | -             | -               | 567,651           | -                           | -                 | 12,833,035                          | 3.09%                               | 842                            |
| 2009           | 13,083,289                     | -             | -               | 657,659           | -                           | -                 | 13,740,948                          | 3.89%                               | 941                            |
| 2008           | 9,109,619                      | -             | -               | 744,011           | -                           | -                 | 9,853,630                           | 2.79%                               | 675                            |

(1) Details regarding the City's outstanding debt can be found in Note 9 & 11 in the current financial statements.

CITY OF VANDALIA, OHIO  
Ratios of General Bonded Debt Outstanding  
Last Ten Years

| Fiscal<br>Year | Governmental Activities (1)    |                                                         |               |
|----------------|--------------------------------|---------------------------------------------------------|---------------|
|                | General<br>Obligation<br>Bonds | Percentage of<br>Actual Taxable<br>Value of<br>Property | Per<br>Capita |
| 2017           | \$ 2,144,682                   | 0.65%                                                   | \$ 141        |
| 2016           | 2,457,755                      | 0.74%                                                   | 161           |
| 2015           | 2,761,205                      | 0.83%                                                   | 181           |
| 2014           | 3,060,025                      | 0.89%                                                   | 201           |
| 2013           | 9,644,015                      | 2.85%                                                   | 633           |
| 2012           | 10,543,316                     | 3.10%                                                   | 692           |
| 2011           | 11,420,417                     | 3.13%                                                   | 749           |
| 2010           | 12,265,384                     | 3.34%                                                   | 804           |
| 2009           | 13,083,289                     | 3.55%                                                   | 896           |
| 2008           | 9,109,619                      | 2.31%                                                   | 624           |

(1) Details regarding the City's outstanding debt can be found in Note 9 & 11 in the current financial statements.

CITY OF VANDALIA, OHIO  
Direct and Overlapping Governmental Activities Debt  
December 31, 2017

| <b>Governmental Unit</b>                                    | <b>Debt<br/>Outstanding (2)</b> | <b>Percentage<br/>applicable<br/>to City (1)</b> | <b>Amount<br/>applicable<br/>to City</b> |
|-------------------------------------------------------------|---------------------------------|--------------------------------------------------|------------------------------------------|
| Vandalia-Butler City School District                        | \$ 55,223,822                   | 56.83%                                           | \$ 31,383,698                            |
| Montgomery County                                           | 30,723,402                      | 3.69%                                            | <u>1,133,694</u>                         |
| Subtotal, overlapping debt                                  |                                 |                                                  | 32,517,392                               |
| <b>City of Vandalia governmental activities direct debt</b> |                                 |                                                  | <u>3,431,373</u>                         |
| <b>Total direct and overlapping debt</b>                    |                                 |                                                  | <u><u>\$ 35,948,765</u></u>              |

(1) Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

(2) All debt reported as of December 31, 2017, except for Vandalia-Butler School District which is reported as of June 30, 2017.

CITY OF VANDALIA, OHIO  
Legal Debt Margin Information  
Last Ten Years

| Legal Debt Margin Calculation for<br>Year Ending December 31, 2017 | <u>Unvoted</u>       | <u>Overall</u>       |
|--------------------------------------------------------------------|----------------------|----------------------|
| Total assessed valuation                                           | \$335,987,590        | \$335,987,590        |
| Debt limitation - 5.5% of assessed valuation                       | <u>18,479,317</u>    |                      |
| Debt limitation - 10.5% of assessed valuation                      |                      | <u>35,278,697</u>    |
| Debt applicable to limitation:                                     |                      |                      |
| Gross indebtedness                                                 | 8,755,048            | 8,755,048            |
| Exempt debt:                                                       |                      |                      |
| Bond anticipation notes                                            | (5,205,000)          | (5,205,000)          |
| State infrastructure bank loan                                     | (1,130,750)          | (1,130,750)          |
| OPWC loans                                                         | (102,569)            | (102,569)            |
| Amount available in debt service fund                              | <u>(95,062)</u>      | <u>(95,062)</u>      |
| Total debt applicable to limitation                                | <u>2,221,667</u>     | <u>2,221,667</u>     |
| Legal debt margin                                                  | <u>\$ 16,257,650</u> | <u>\$ 33,057,030</u> |

|                                                                     | <u>2008</u>   | <u>2009</u>   | <u>2010</u>   | <u>2011</u>   | <u>2012</u>   | <u>2013</u>   | <u>2014</u>   | <u>2015</u>   | <u>2016</u>   | <u>2017</u>   |
|---------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Debt limit                                                          | \$ 41,423,407 | \$ 38,745,187 | \$ 38,521,859 | \$ 38,308,083 | \$ 35,723,783 | \$ 35,575,486 | \$ 35,970,876 | \$ 35,026,604 | \$ 34,762,637 | \$ 35,278,697 |
| Total net debt applicable to limit                                  | 9,184,580     | 13,006,846    | 12,155,698    | 11,279,512    | 10,627,927    | 9,695,024     | 9,450,099     | 3,185,511     | 2,681,210     | 2,221,667     |
| Legal debt margin                                                   | \$ 32,238,827 | \$ 25,738,341 | \$ 26,366,161 | \$ 27,028,571 | \$ 25,095,856 | \$ 25,880,462 | \$ 26,520,777 | \$ 31,841,093 | \$ 32,081,427 | \$ 33,057,030 |
| Total net debt applicable to limit<br>as a percentage of debt limit | 22.17%        | 33.57%        | 31.56%        | 29.44%        | 29.75%        | 27.25%        | 26.27%        | 9.09%         | 7.71%         | 6.30%         |

CITY OF VANDALIA, OHIO  
Schedule of Ratio of Annual Debt Service Expenditures for General Bonded Debt  
to Total General Governmental Expenditures  
Last Ten Years

|                                                               | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>GENERAL BONDED DEBT</u>                                    |             |             |             |             |             |             |             |             |             |             |
| Debt service                                                  | 996,927     | 1,409,691   | 1,408,129   | 1,409,648   | 1,414,384   | 1,406,946   | 1,245,640   | 409,615     | 405,765     | 406,015     |
| General governmental<br>expenditures                          | 24,080,612  | 28,146,333  | 27,911,037  | 23,587,299  | 22,686,351  | 23,033,897  | 30,196,846  | 23,886,220  | 21,214,457  | 23,118,806  |
| Ratio of debt service to general<br>governmental expenditures | 4.14%       | 5.01%       | 5.05%       | 5.98%       | 6.23%       | 6.11%       | 4.13%       | 1.71%       | 1.91%       | 1.76%       |

Note: All years presented are reported on a GAAP basis.

CITY OF VANDALIA, OHIO  
Schedule of Principal Employers  
2008 and 2017

| <u>Employer (1)</u>                                      | <u>Industry</u>                               | <u>2017</u>      |             |                                            | <u>2008</u>      |             |                                            |
|----------------------------------------------------------|-----------------------------------------------|------------------|-------------|--------------------------------------------|------------------|-------------|--------------------------------------------|
|                                                          |                                               | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| Staffmark Investment LLC (formerly CBS Personnel)        | Employment Agency                             | 702              | 1           | 1.47%                                      | -                |             | 0.00%                                      |
| GE Aviation (formerly Smiths Aerospace)                  | Aerospace Engineering & Manufacturing         | 528              | 2           | 1.11%                                      | 423              | 4           | 0.76%                                      |
| All Service Plastic Molding                              | Injection Molding                             | 526              | 3           | 1.10%                                      | -                |             | 0.00%                                      |
| Vandalia - Butler Schools                                | Schools                                       | 512              | 4           | 1.07%                                      | 674              | 2           | 1.22%                                      |
| City of Vandalia                                         | Local Government                              | 477              | 5           | 1.00%                                      | 553              | 3           | 1.00%                                      |
| SAIA Burgess, Inc. (formerly Johnson Controls)           | Electronics Manufacturing                     | 301              | 6           | 0.63%                                      | 300              | 6           | 0.54%                                      |
| Kroger Limited Partnership                               | Grocery Retail                                | 295              | 7           | 0.62%                                      | -                |             | 0.00%                                      |
| Dayton Freight Lines, Inc.                               | Trucking Company                              | 276              | 8           | 0.58%                                      | -                |             | 0.00%                                      |
| Adare Pharmaceuticals Inc. (formerly Aptalis Pharmatech) | Specialty Pharmaceutical Company              | 252              | 9           | 0.53%                                      | -                |             | 0.00%                                      |
| Projects Unlimited                                       | Manufacturing electronic parts                | 212              | 10          | 0.44%                                      | -                |             | 0.00%                                      |
| Delphi Automotive System)                                | Automotive Manufacturing & Engineering        | -                |             | 0.00%                                      | 1,015            | 1           | 1.84%                                      |
| Coorstek Medical LLC (formerly IMDS Holding Corp)        | Medical Device Design & Manufacturing         | -                |             | 0.00%                                      | 306              | 5           | 0.55%                                      |
| P&G Pet Care (formerly Iams)                             | Headquarters - Cat & Dog Food                 | -                |             | 0.00%                                      | 234              | 7           | 0.42%                                      |
| Evenflo                                                  | Headquarters - Juvenile Products Manufacturer | -                |             | 0.00%                                      | 188              | 8           | 0.34%                                      |
| Eurand                                                   | Pharmaceutical and biopharmaceutical products | -                |             | 0.00%                                      | 170              | 9           | 0.31%                                      |
| Exhibit Concepts                                         | Trade Show Design and Fabrication             | -                |             | 0.00%                                      | 120              | 10          | 0.22%                                      |
|                                                          |                                               | <u>4,081</u>     |             | <u>8.55%</u>                               | <u>3,983</u>     |             | <u>7.20%</u>                               |

Source: City Income Tax Department W2 Audit Listing.

(1) Number of employees are based on W-2's filed within the City income tax department without direct contact or confirmation from the employers.  
The totals may not include part-time and temporary employees.

CITY OF VANDALIA, OHIO  
Demographic and Economic Statistics  
Last Ten Years

| <u>Year</u> | <u>Population (1)</u> | <u>Total Personal<br/>Income (5)</u> | <u>Personal<br/>Income<br/>Per Capita (1)</u> | <u>Median<br/>Household<br/>Income (1)</u> | <u>Median<br/>Age (1)</u> | <u>Educational<br/>Attainment:<br/>Bachelor's<br/>Degree<br/>or Higher (1)</u> | <u>School<br/>Enrollment (2)</u> | <u>City of<br/>Vandalia<br/>Unemployment<br/>Rate (3)</u> | <u>Average<br/>Sales<br/>Price of<br/>Residential<br/>Property (4)</u> | <u>Total<br/>Assessed<br/>Property<br/>Value (4)</u> |
|-------------|-----------------------|--------------------------------------|-----------------------------------------------|--------------------------------------------|---------------------------|--------------------------------------------------------------------------------|----------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------|
| 2017        | 15,246                | \$ 415,514,484                       | \$ 27,254                                     | \$ 49,539                                  | 41.3                      | 3,095                                                                          | 3,065                            | 4.4%                                                      | \$ 155,762                                                             | \$ 335,987,590                                       |
| 2016        | 15,246                | 415,514,484                          | 27,254                                        | 49,539                                     | 41.3                      | 3,095                                                                          | 3,071                            | 4.6%                                                      | 156,896                                                                | 331,072,730                                          |
| 2015        | 15,246                | 415,514,484                          | 27,254                                        | 49,539                                     | 41.3                      | 3,095                                                                          | 2,999                            | 4.7%                                                      | 136,890                                                                | 333,586,700                                          |
| 2014        | 15,246                | 415,514,484                          | 27,254                                        | 49,539                                     | 41.3                      | 3,095                                                                          | 3,156                            | 4.6%                                                      | 133,490                                                                | 342,579,770                                          |
| 2013        | 15,246                | 415,514,484                          | 27,254                                        | 49,539                                     | 41.3                      | 3,095                                                                          | 3,324                            | 7.0%                                                      | 135,048                                                                | 338,814,150                                          |
| 2012        | 15,246                | 415,514,484                          | 27,254                                        | 49,539                                     | 41.3                      | 3,095                                                                          | 3,325                            | 7.0%                                                      | 119,712                                                                | 340,226,500                                          |
| 2011        | 15,246                | 415,514,484                          | 27,254                                        | 49,539                                     | 41.3                      | 3,095                                                                          | 3,331                            | 8.5%                                                      | 166,450                                                                | 364,838,890                                          |
| 2010        | 15,246                | 415,514,484                          | 27,254                                        | 49,539                                     | 41.3                      | 3,095                                                                          | 3,351                            | 10.1%                                                     | 124,840                                                                | 366,874,850                                          |
| 2009        | 14,603                | 353,377,997                          | 24,199                                        | 44,463                                     | 38.1                      | 2,215                                                                          | 3,422                            | 11.4%                                                     | 122,681                                                                | 369,001,780                                          |
| 2008        | 14,603                | 353,377,997                          | 24,199                                        | 44,463                                     | 38.1                      | 2,215                                                                          | 3,411                            | 7.2%                                                      | 137,168                                                                | 394,508,642                                          |

(1) Source: U. S. Census

(a) Years 2008 through 2009 - 2000 Federal Census

(b) Years 2010 through 2017 - 2010 Federal Census

(2) Source: Ohio Department of Education

(3) Source: Ohio Department of Job and Family Services

(4) Source: Montgomery County Auditor

(5) Computation of per capita personal income multiplied by population

CITY OF VANDALIA, OHIO  
Full-Time Equivalent City Government Employees by Function/Program  
Last Ten Years

| Function/Program                  | 2017          | 2016          | 2015          | 2014          | 2013          | 2012          | 2011          | 2010          | 2009          | 2008          |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Government                |               |               |               |               |               |               |               |               |               |               |
| Council                           | 7.00          | 7.00          | 7.00          | 7.00          | 7.00          | 7.00          | 7.00          | 7.00          | 7.00          | 7.00          |
| Finance                           | 6.50          | 6.00          | 5.00          | 5.50          | 5.50          | 6.50          | 6.00          | 6.00          | 6.00          | 6.50          |
| Tax                               | 9.00          | 4.50          | 8.00          | 8.50          | 8.50          | 8.50          | 9.50          | 11.00         | 10.50         | 9.00          |
| City Manager                      | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          |
| Law                               | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          |
| Administration                    | 7.00          | 7.00          | 6.50          | 6.50          | 6.50          | 8.00          | 6.50          | 7.00          | 7.50          | 7.00          |
| Engineer                          | 9.00          | 7.50          | 9.50          | 9.50          | 9.50          | 9.50          | 8.50          | 9.00          | 9.50          | 9.00          |
| Planning                          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          |
| Court                             | 27.50         | 24.50         | 26.00         | 26.00         | 26.00         | 26.00         | 26.00         | 29.00         | 30.00         | 27.50         |
| Public Building                   | 19.00         | 7.00          | 7.50          | 7.50          | 7.50          | 8.50          | 18.00         | 18.00         | 17.00         | 19.00         |
| Security of Persons and Property  |               |               |               |               |               |               |               |               |               |               |
| Police                            | 32.00         | 32.00         | 32.00         | 32.00         | 32.00         | 32.00         | 32.00         | 32.00         | 31.00         | 32.00         |
| Police - Auxiliary/Guards         | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Police - Dispatchers/Office/Other | 12.00         | 9.00          | 9.00          | 9.00          | 9.00          | 9.00          | 10.50         | 12.00         | 12.00         | 12.00         |
| Fire                              | 44.00         | 46.50         | 37.50         | 37.50         | 37.50         | 37.50         | 40.50         | 49.00         | 43.00         | 44.00         |
| Fire - Secretary - Other          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          |
| Leisure Time Activities           |               |               |               |               |               |               |               |               |               |               |
| Recreation                        | 118.00        | 126.00        | 119.00        | 119.00        | 119.00        | 123.50        | 103.50        | 122.00        | 112.50        | 118.00        |
| Municipal Pool                    | 6.00          | 3.00          | 4.50          | 4.50          | 4.50          | 8.50          | 5.50          | 7.00          | 4.50          | 6.00          |
| Golf Course                       | 32.50         | 24.00         | 21.50         | 21.50         | 21.50         | 22.50         | 20.00         | 25.00         | 29.50         | 32.50         |
| Transportation                    |               |               |               |               |               |               |               |               |               |               |
| Service                           | 19.00         | 18.00         | 18.00         | 18.00         | 18.00         | 20.00         | 20.50         | 21.00         | 19.50         | 19.00         |
| Basic Utility Services            |               |               |               |               |               |               |               |               |               |               |
| Water                             | 2.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 2.00          | 2.00          | 2.00          | 2.00          |
| Wastewater                        | 0.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Totals:                           | <u>354.50</u> | <u>328.00</u> | <u>317.00</u> | <u>318.00</u> | <u>318.00</u> | <u>333.00</u> | <u>320.00</u> | <u>361.00</u> | <u>345.50</u> | <u>354.50</u> |

Source: City Payroll Department W2 Audit Listing  
Method: Using 1.0 for each full-time employee and 0.50 for each  
part-time and seasonal employee at year end.

CITY OF VANDALIA, OHIO  
Capital Assets Statistics by Function/Program  
Last Ten Years

| Function/Program                    | 2017   | 2016   | 2015   | 2014   | 2013   | 2012   | 2011   | 2010   | 2009   | 2008   |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>General Government</b>           |        |        |        |        |        |        |        |        |        |        |
| Square Footage Occupied             | 23,843 | 23,843 | 23,843 | 23,843 | 23,843 | 23,843 | 23,843 | 23,843 | 23,843 | 23,843 |
| Administrative Vehicles             | 3      | 3      | 3      | 3      | 3      | 2      | 2      | 2      | 2      | 1      |
| Inspection Vehicles                 | 5      | 7      | 7      | 7      | 7      | 8      | 8      | 8      | 8      | 8      |
| Municipal Court Vehicles            | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| <b>Police</b>                       |        |        |        |        |        |        |        |        |        |        |
| Stations                            | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Square Footage of Building          | 43,219 | 43,219 | 43,219 | 43,219 | 43,219 | 43,219 | 43,219 | 43,219 | 43,219 | 43,219 |
| Vehicles                            | 26     | 25     | 25     | 21     | 21     | 21     | 21     | 21     | 21     | 21     |
| <b>Fire</b>                         |        |        |        |        |        |        |        |        |        |        |
| Stations                            | 3      | 3      | 3      | 3      | 3      | 3      | 3      | 3      | 2      | 2      |
| Number of fire hydrants             | 802    | 802    | 802    | 770    | 770    | 770    | 770    | 770    | 770    | 765    |
| Square Footage of Building          | 33,443 | 33,443 | 33,443 | 33,443 | 33,443 | 33,443 | 33,443 | 33,443 | 18,000 | 18,000 |
| Vehicles                            | 14     | 15     | 15     | 17     | 17     | 17     | 16     | 16     | 19     | 18     |
| <b>Recreation</b>                   |        |        |        |        |        |        |        |        |        |        |
| Number of Parks                     | 11     | 11     | 11     | 11     | 11     | 11     | 11     | 11     | 11     | 11     |
| Number of Pools                     | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Number of Golf Courses              | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Number of Tennis Courts             | 11     | 11     | 11     | 11     | 11     | 11     | 11     | 11     | 11     | 11     |
| Number of Baseball Fields           | 15     | 15     | 15     | 15     | 15     | 15     | 15     | 15     | 15     | 15     |
| Number of Senior Centers            | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Number of Soccer Fields             | 12     | 12     | 12     | 12     | 12     | 12     | 12     | 12     | 12     | 12     |
| Square Footage of Recreation Center | 58,357 | 58,357 | 58,357 | 58,357 | 58,357 | 58,357 | 58,357 | 58,357 | 58,357 | 58,357 |
| Vehicles                            | 21     | 21     | 21     | 20     | 20     | 20     | 20     | 20     | 20     | 20     |
| <b>Other Public Works</b>           |        |        |        |        |        |        |        |        |        |        |
| Streets (miles)                     | 86.0   | 86.0   | 86.0   | 86.0   | 86.0   | 86.0   | 86.0   | 89.0   | 82.5   | 83.5   |
| Service Vehicles                    | 28     | 26     | 26     | 24     | 24     | 24     | 29     | 29     | 27     | 25     |
| <b>Wastewater</b>                   |        |        |        |        |        |        |        |        |        |        |
| Sanitary Sewers (miles)             | 74     | 74     | 74     | 74     | 74     | 73     | 73     | 73     | 73     | 73     |
| Storm Sewers (miles)                | 78     | 78     | 78     | 78     | 77     | 76     | 76     | 75     | 74     | 73     |
| <b>Water Department</b>             |        |        |        |        |        |        |        |        |        |        |
| Water Lines (miles)                 | 87     | 87     | 87     | 87     | 87     | 85     | 85     | 85     | 85     | 85     |
| Vehicles                            | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |

Source: City of Vandalia

CITY OF VANDALIA, OHIO  
Operating Indicators by Function/Program  
Last Ten Years

| Function/Program                                           | 2017        | 2016        | 2015         | 2014        | 2013         |
|------------------------------------------------------------|-------------|-------------|--------------|-------------|--------------|
| <b>General Government</b>                                  |             |             |              |             |              |
| <b><i>Council and Clerk</i></b>                            |             |             |              |             |              |
| Number of Ordinances Passed                                | 33          | 36          | 26           | 33          | 18           |
| Number of Resolutions Passed                               | 93          | 103         | 111          | 74          | 64           |
| Number of Planning Commission docket items                 | 33          | 44          | 1            | 1           | 14           |
| Zoning Board of Appeals docket items                       | 16          | 17          | 5            | 12          | 13           |
| <b><i>Finance Department</i></b>                           |             |             |              |             |              |
| Number of payroll checks issued                            | 74          | 87          | 104          | 116         | 117          |
| Number of payroll direct deposits issued                   | 9,619       | 9,161       | 9,854        | 9,571       | 9,580        |
| Number of checks/ vouchers issued                          | 3,665       | 3,988       | 4,426        | 4,917       | 4,774        |
| Amount of checks written (\$000 omitted)                   | \$16,129    | \$15,231    | \$18,278     | \$20,342    | \$19,613     |
| Interest earnings for fiscal year (cash basis)             | \$201,158   | \$146,071   | \$137,269    | \$138,696   | \$161,018    |
| Number of Budget Adjustments issued                        | 6           | 3           | 4            | 7           | 6            |
| Agency Ratings - Moody's Financial Services                | Aa2         | Aa2         | Aa2          | Aa2         | Aa2          |
| Health Insurance Costs vs General Fund Expenditures %      | 6.31%       | 7.02%       | 7.94%        | 6.68%       | 7.67%        |
| General Fund Receipts (cash basis, \$000 omitted)          | \$23,592    | \$22,808    | \$21,971     | \$20,829    | \$20,856     |
| General Fund Expenditures (cash basis, \$000 omitted)      | \$22,261    | \$21,673    | \$21,131     | \$21,980    | \$21,885     |
| General Fund Cash Balances (\$000 omitted)                 | \$14,595    | \$13,263    | \$12,128     | \$11,288    | \$12,439     |
| <b><i>Income Tax Department</i></b>                        |             |             |              |             |              |
| Number of Individual/Business Returns                      | 12,291      | 12,949      | 22,605       | 24,212      | 23,466       |
| Number of business withholding accounts                    | 2,520       | 2,649       | 2,331        | 3,604       | 3,604        |
| Amount of Penalties and Interest Collected                 | \$ 101,284  | \$ 122,520  | \$ 113,693   | \$ 118,174  | \$ 109,648   |
| Annual number of withholding forms processed               | 22,603      | 21,906      | 32,757       | 36,703      | 44,153       |
| Annual number of balance due statements forms processed    | 4,811       | 6,257       | 10,626       | 10,431      | 8,759        |
| Annual number of estimated payment forms processed         | 3,023       | 3,508       | 5,613        | 5,779       | 5,397        |
| Annual number of reconciliations of withholdings processed | 2,520       | 2,649       | 4,617        | 4,360       | 4,321        |
| <b><i>Engineer Contracted Services</i></b>                 |             |             |              |             |              |
| Dollar amount of Construction overseen by Engineer         | \$1,325,899 | \$1,531,693 | \$1,047,864  | \$512,644   | \$831,792    |
| <b><i>Municipal Court</i></b>                              |             |             |              |             |              |
| Number of Civil Cases                                      | 1,996       | 1,807       | 1,628        | 2,065       | 2,040        |
| Number of Criminal/Traffic cases                           | 14,533      | 14,471      | 14,293       | 14,000      | 12,398       |
| <b><i>Civil Service</i></b>                                |             |             |              |             |              |
| Number of police entry tests administered                  | 2           | 1           | 1            | 0           | 1            |
| Number of fire entry tests administered                    | 4           | 1           | 1            | 0           | 0            |
| Number of police promotional tests administered            | 0           | 0           | 0            | 0           | 0            |
| Number of hires of Police Officers from certified lists    | 3           | 2           | 0            | 1           | 0            |
| Number of hires of Fire/Medics from certified lists        | 2           | 2           | 0            | 0           | 0            |
| Number of promotions from police certified lists           | 0           | 1           | 0            | 0           | 0            |
| <b><i>Building Department Indicators</i></b>               |             |             |              |             |              |
| Construction Permits Issued                                | 67          | 72          | 71           | 69          | 85           |
| Estimated Value of Construction                            | \$7,543,900 | \$4,680,457 | \$21,137,691 | \$8,783,595 | \$31,879,840 |
| Number of permits issued                                   | 741         | 739         | 815          | 754         | 750          |
| Amount of Revenue generated from permits                   | \$177,673   | \$138,914   | \$202,980    | \$110,652   | \$162,512    |
| Revenue generated from above 1,2,3,4                       | \$177,673   | \$138,914   | \$202,980    | \$110,652   | \$162,512    |

| 2012         | 2011         | 2010         | 2009         | 2008         |
|--------------|--------------|--------------|--------------|--------------|
| 16           | 23           | 16           | 26           | 36           |
| 45           | 59           | 73           | 50           | 32           |
| 8            | 9            | 7            | 11           | 12           |
| 6            | 12           | 9            | 12           | 14           |
| 212          | 152          | 2,887        | 9,821        | 10,223       |
| 9,061        | 9,072        | 6,728        | 0            | 0            |
| 4,339        | 4,994        | 4,420        | 5,414        | 5,483        |
| \$16,016     | \$24,159     | \$25,311     | \$27,569     | \$25,584     |
| \$231,689    | \$302,177    | \$482,534    | \$869,217    | \$1,152,344  |
| 6            | 5            | 2            | 8            | 5            |
| Aa2          | Aa2          | Aa2          | Aa3          | Aa3          |
| 8.55%        | 6.82%        | 8.20%        | 5.69%        | 8.06%        |
| \$20,496     | \$20,059     | \$19,407     | \$20,269     | \$22,013     |
| \$21,111     | \$19,467     | \$20,891     | \$25,217     | \$21,297     |
| \$13,468     | \$14,083     | \$13,491     | \$14,974     | \$19,921     |
| 14,984       | 22,614       | 23,042       | 21,443       | 22,735       |
| 3,296        | 2,520        | 3,248        | 3,033        | 3,870        |
| \$ 112,041   | \$ 106,639   | \$ 102,271   | \$ 79,520    | \$ 104,063   |
| 26,641       | 38,118       | 31,205       | 26,310       | 27,470       |
| 6,252        | 9,808        | 9,521        | 5,839        | 7,103        |
| 3,564        | 5,325        | 5,045        | 4,508        | 4,825        |
| 2,640        | 3,446        | 4,146        | 4,130        | 4,001        |
| \$1,266,695  | \$1,157,591  | \$2,240,166  | \$1,653,024  | \$2,988,960  |
| 2,040        | 3,029        | 2,284        | 2,090        | 2,339        |
| 11,754       | 14,269       | 14,666       | 15,779       | 17,872       |
| 1            | 0            | 0            | 1            | 1            |
| 0            | 0            | 1            | 0            | 0            |
| 0            | 0            | 0            | 1            | 0            |
| 0            | 0            | 1            | 2            | 0            |
| 0            | 0            | 1            | 0            | 5            |
| 0            | 0            | 0            | 2            | 0            |
| 83           | 78           | 97           | 96           | 145          |
| \$12,735,073 | \$17,119,415 | \$52,879,415 | \$12,029,682 | \$17,258,702 |
| 750          | 761          | 725          | 751          | 910          |
| \$166,082    | \$140,656    | \$210,717    | \$125,340    | \$193,684    |
| \$166,082    | \$140,656    | \$210,717    | \$125,340    | \$193,684    |

CITY OF VANDALIA, OHIO  
Operating Indicators by Function/Program  
Last Ten Years

| Function/Program                                             | 2017             | 2016             | 2015             | 2014             | 2013             |
|--------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Security of Persons &amp; Property</b>                    |                  |                  |                  |                  |                  |
| <i><b>Police</b></i>                                         |                  |                  |                  |                  |                  |
| Total Calls for Services                                     | 14,405           | 13,545           | 12,983           | 13,610           | 14,029           |
| Number of traffic citations issued                           | 1,394            | 1,213            | 1,365            | 1,342            | 1,372            |
| Number of parking citations issued                           | 57               | 103              | 61               | 100              | 101              |
| Number of criminal arrests                                   | 607              | 626              | 574              | 622              | 678              |
| Number of accident reports completed                         | 358              | 339              | 312              | 270              | 259              |
| Part 1 Offenses (major offenses)                             | 376              | 400              | 521              | 440              | 418              |
| Reserve officers hours worked                                | 0                | 320              | 235              | 6                | 88               |
| DUI Arrests                                                  | 77               | 75               | 86               | 101              | 69               |
| Prisoners Processed - Temporary Holdings                     | 55               | 67               | 78               | 124              | 143              |
| Property damage accidents                                    | 286              | 263              | 229              | 210              | 199              |
| Fatalities from Motor Vehicle Accidents                      | 0                | 0                | 2                | 0                | 0                |
| Gasoline costs of fleet                                      | \$44,659         | \$42,436         | \$62,658         | \$80,138         | \$85,806         |
| DARE youth program                                           | 0                | 0                | 0                | 0                | 255              |
| Community Diversion Program Youths (Be Proud)                | 0                | 0                | 0                | 0                | 0                |
| Volunteer Service Program                                    | 0                | 207              | 139              | 164              | 0                |
| <i><b>Fire</b></i>                                           |                  |                  |                  |                  |                  |
| EMS Calls                                                    | 2,554            | 2,526            | 2,441            | 2,199            | 2,932            |
| Ambulance Billing Collections (net)                          | \$530,308        | \$451,399        | \$521,946        | \$500,094        | \$499,769        |
| Fire Calls                                                   | 898              | 1,066            | 859              | 1,056            | 956              |
| Fires with Loss                                              | 15               | 11               | 78               | 30               | 28               |
| Fires with Losses exceeding \$10K                            | 1                | 5                | 7                | 5                | 1                |
| Fire Losses \$                                               | \$50,275         | \$408,852        | \$749,186        | \$87,850         | \$51,300         |
| Fire Safety Inspections                                      | 339              | 332              | 721              | 801              | 408              |
| Number of times Mutual Aid given to Fire and EMS             | 174              | 121              | 96               | 79               | 262              |
| Number of times Mutual Aid received for Fire and EMS         | 117              | 83               | 105              | 63               | 150              |
| <b>Public Health and Welfare</b>                             |                  |                  |                  |                  |                  |
| Cemetery burials                                             | 22               | 29               | 27               | 27               | 16               |
| Cemetery cremations                                          | 15               | 11               | 3                | 18               | 12               |
| Cemetery sale of lots                                        | 32               | 30               | 29               | 46               | 64               |
| Cemetery receipts                                            | \$31,883         | \$27,267         | \$25,273         | \$30,778         | \$37,876         |
| <b>Leisure Time Activities</b>                               |                  |                  |                  |                  |                  |
| <i><b>Recreation</b></i>                                     |                  |                  |                  |                  |                  |
| Recreation Swimming pool receipts                            | \$50,196         | \$49,242         | \$44,568         | \$36,525         | \$31,896         |
| Recreation Mens & Womens Leagues receipts                    | 38,270           | 39,781           | 40,697           | 42,743           | 46,295           |
| Recreation Programs                                          | 95,371           | 108,290          | 100,509          | 99,033           | 95,015           |
| Youth Soccer League                                          | 30,129           | 32,674           | 30,920           | 33,378           | 30,202           |
| Youth Baseball League                                        | 55,395           | 37,729           | 35,838           | 38,024           | 42,134           |
| Facilities rentals                                           | 44,631           | 58,113           | 59,922           | 98,894           | 102,826          |
| Total Recreation Department receipts                         | <u>\$313,992</u> | <u>\$325,829</u> | <u>\$312,454</u> | <u>\$348,597</u> | <u>\$348,368</u> |
| <b>Community Development</b>                                 |                  |                  |                  |                  |                  |
| Grant amounts received due to Economic Development Dept.     | \$282,500        | \$0              | \$25,000         | \$500,000        | \$500,000        |
| <b>Basic Utility Services</b>                                |                  |                  |                  |                  |                  |
| Refuse disposal per year (in tons) January through December  | 5,920            | 5,615            | 5,511            | 5,466            | 5,509            |
| Refuse disposal costs per year January through December      | \$940,552        | \$862,134        | \$870,856        | \$912,886        | \$880,000        |
| Annual recycling tonnage (excluding leaf, and compost items) | 810              | 718              | 666              | 662              | 719              |

| 2012             | 2011             | 2010             | 2009             | 2008             |
|------------------|------------------|------------------|------------------|------------------|
| 14,241           | 14,395           | 13,496           | 13,335           | 13,714           |
| 1,370            | 801              | 1,052            | 957              | 1,371            |
| 90               | 113              | 72               | 33               | 49               |
| 761              | 596              | 596              | 547              | 703              |
| 239              | 246              | 256              | 266              | 316              |
| 461              | 425              | 462              | 346              | 114              |
| 786              | 415              | 119              | 162              | 774              |
| 67               | 90               | 77               | 88               | 90               |
| 179              | 177              | 146              | 213              | 210              |
| 178              | 192              | 206              | 193              | 250              |
| 0                | 0                | 0                | 1                | 0                |
| \$91,232         | \$101,826        | \$70,170         | \$59,080         | \$83,611         |
| 260              | 294              | 293              | 400              | 267              |
| 0                | 0                | 0                | 0                | 2                |
| 0                | 0                | 0                | 0                | 0                |
| 2,721            | 2,266            | 2,062            | 2,031            | 1,995            |
| \$472,184        | \$548,836        | \$554,865        | \$529,248        | \$581,785        |
| 754              | 470              | 455              | 527              | 850              |
| 21               | 7                | 7                | 8                | 21               |
| 7                | 2                | 2                | 2                | 8                |
| \$921,550        | \$76,200         | \$197,110        | \$471,600        | \$609,050        |
| 368              | 300              | 477              | 473              | 457              |
| 247              | 184              | 116              | 159              | 212              |
| 192              | 118              | 167              | 145              | 85               |
| 26               | 29               | 34               | 26               | 24               |
| 8                | 5                | 2                | 5                | 7                |
| 43               | 34               | 53               | 22               | 47               |
| \$30,178         | \$29,938         | \$40,914         | \$22,150         | \$25,215         |
| \$38,150         | \$51,388         | \$54,193         | \$43,000         | \$46,586         |
| 41,948           | 50,892           | 49,863           | 13,774           | 12,160           |
| 95,980           | 86,748           | 92,790           | 79,216           | 85,573           |
| 28,965           | 31,051           | 33,230           | 31,940           | 32,880           |
| 43,929           | 44,368           | 43,767           | 47,468           | 49,597           |
| 134,581          | 152,995          | 155,517          | 153,177          | 100,782          |
| <u>\$383,553</u> | <u>\$417,442</u> | <u>\$429,360</u> | <u>\$368,575</u> | <u>\$327,578</u> |
| \$475,000        | \$628,748        | \$109,957        | \$727,677        | \$472,736        |
| 5,770            | 5,805            | 5,835            | 6,036            | 6,360            |
| \$855,695        | \$843,000        | \$805,000        | \$786,883        | \$742,000        |
| 644              | 723              | 683              | 622              | 638              |

CITY OF VANDALIA, OHIO  
Operating Indicators by Function/Program  
Last Ten Years

| Function/Program                                               | 2017        | 2016        | 2015        | 2014        | 2013        |
|----------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Transportation</b>                                          |             |             |             |             |             |
| Street Improvements - asphalt overlay (linear feet)            | 17,921      | 21,152      | 17,773      | 13,310      | 15,963      |
| Rejuvenating Spray on Streets (Miles)                          | 0           | 0           | 0           | 0           | 0           |
| Crackseal Coating Program (Miles)                              | 0           | 0           | 0           | 0           | 0           |
| Street Repair (Concrete, asphalt, crack sealing) (hours)       | 2,886       | 3,361       | 3,895       | 3,758       | 3,750       |
| Mowing (hours)                                                 | 888         | 690         | 562         | 658         | 962         |
| Paint Striping (hours)                                         | 1,098       | 1,180       | 784         | 872         | 1,118       |
| Street Sweeper (hours)                                         | 915         | 1,084       | 993         | 849         | 758         |
| Snow & Ice Removal regular hours                               | 248         | 488         | 844         | 735         | 910         |
| Sewer and Sanitary calls for service (hours)                   | 1,382       | 124         | 1,234       | 794         | 643         |
| Fire hydrants (hours)                                          | 184         | 244         | 356         | 401         | 528         |
| Catch basin (hours)                                            | 2,762       | 1,932       | 2,705       | 2,489       | 1,898       |
| Water and Water calls for service (hours)                      | 2,337       | 2,044       | 2,006       | 3,039       | 2,503       |
| Leaf collection (hours)                                        | 1,476       | 1,660       | 1,454       | 1,792       | 1,512       |
| Holiday lights setup (hours)                                   | 241         | 240         | 310         | 244         | 384         |
| Burial services (hours)                                        | 584         | 564         | 431         | 516         | 278         |
| Equipment repair/body shop (hours)                             | 3,557       | 3,528       | 3,542       | 3,738       | 3,960       |
| Sign department (hours)                                        | 2,460       | 2,898       | 2,764       | 2,838       | 3,079       |
| Building maintenance (hours)                                   | 758         | 1,242       | 1,178       | 1,382       | 1,004       |
| Other (hours)                                                  | 2,429       | 1,886       | 1,325       | 1,365       | 1,476       |
| <b>Water Department</b>                                        |             |             |             |             |             |
| Water Rates per 1st 300 Cu ft of water used (2,250 gallons)    | \$ 14.80    | \$ 13.34    | \$ 13.34    | \$ 13.34    | \$ 13.34    |
| Avg. number of water accounts billed monthly (Cu. Ft.)         | 5,400       | 5,390       | 5,425       | 5,444       | 5,427       |
| Total Water Collections Annually (Including P&I)               | \$2,226,045 | \$2,084,024 | \$2,074,955 | \$2,079,548 | \$2,112,547 |
| <b>Wastewater Department</b>                                   |             |             |             |             |             |
| Wastewater Rates per 1st 300 Cu ft of water used               | \$4.40      | \$4.86      | \$4.86      | \$4.86      | \$4.86      |
| Total flow of wastewater treatment plant (Millions of Gallons) | 4,085       | 3,655       | 3,803       | 2,958       | 3,540       |
| Average daily flow (Millions of gallons per day)               | 11          | 10          | 8           | 8           | 10          |

Source: City of Vandalia

| 2012        | 2011        | 2010        | 2009        | 2008        |
|-------------|-------------|-------------|-------------|-------------|
| 30,121      | 21,714      | 39,807      | 34,069      | 0           |
| 0           | 0           | 2           | 2           | 0           |
| 0           | 0           | 0           | 0           | 0           |
| 4,066       | 4,340       | 5,169       | 4,711       | 3,596       |
| 1,310       | 1,176       | 556         | 822         | 2,296       |
| 1,313       | 668         | 660         | 508         | 483         |
| 1,086       | 1,030       | 980         | 946         | 897         |
| 376         | 890         | 1,205       | 816         | 761         |
| 892         | 558         | 596         | 768         | 187         |
| 220         | 291         | 212         | 220         | 364         |
| 2,494       | 1,196       | 2,344       | 3,245       | 2,490       |
| 2,851       | 3,003       | 2,893       | 3,701       | 3,877       |
| 1,904       | 1,798       | 1,735       | 1,356       | 1,526       |
| 408         | 296         | 297         | 138         | 0           |
| 417         | 469         | 730         | 292         | 325         |
| 3,521       | 3,631       | 3,960       | 3,850       | 1,991       |
| 2,112       | 2,375       | 2,097       | 2,517       | 2,661       |
| 1,334       | 896         | 779         | 1,054       | 756         |
| 1,740       | 1,846       | 1,677       | 1,464       | 1,407       |
| \$ 13.34    | \$ 13.34    | \$ 13.34    | \$ 13.34    | \$ 12.58    |
| 5,418       | 5,480       | 5,409       | 5,389       | 5,369       |
| \$2,196,006 | \$2,118,302 | \$2,130,194 | \$2,087,631 | \$2,376,917 |
| \$4.86      | \$4.42      | \$4.02      | \$3.65      | \$3.02      |
| 3,141       | 3,890       | 2,852       | 2,852       | 2,901       |
| 9           | 11          | 8           | 8           | 9           |

