

CITY OF VANDALIA



Single Audit Reports

December 31, 2014



Dave Yost • Auditor of State

City Council
City of Vandalia
333 James E. Bohanan Memorial Drive
Vandalia, Ohio 45377

We have reviewed the *Independent Auditor's Report* of the City of Vandalia, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2014 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 8, 2015

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CITY OF VANDALIA
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2014

Federal Grantor/Pass Through Grantor/Program Grant Title	Grant or Pass-Through Number	CFDA Number	Expenditures
FEDERAL HIGHWAY ADMINISTRATION			
<i>Passed through Ohio Department of Transportation</i>			
Highway Planning & Construction	HPC-1	20.205	\$1,393,901
Total Department of Transportation Federal Highway Administration			1,393,901
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed through Montgomery County:</i>			
Community Development Block Grant (Specific project grant)	CDBG-1	14.228	50,000
Total United States Department of Housing and Urban Development			50,000
Total Federal Awards Expenditures			\$1,443,901

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards is a summary of the activity of the City's federal awards programs. The schedule has been prepared on the cash basis of accounting.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

City Council
City of Vandalia
333 James E. Bohanan Memorial Drive
Vandalia, Ohio 45377

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Vandalia, Ohio (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 3, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated June 3, 2015.

Purpose of this Report

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

Plattenburg & Associates, Inc.

Dayton, Ohio
June 3, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

City Council
City of Vandalia
333 James E. Bohanan Memorial Drive
Vandalia, Ohio 45377

Report on Compliance for Each Major Federal Program

We have audited the City of Vandalia, Ohio's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements

that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 3, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plattenburg & Associates, Inc.

Dayton, Ohio
June 3, 2015

CITY OF VANDALIA, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2014

Section I – Summary of Auditor’s Results

<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any material reported non-compliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any other significant control deficiencies reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs’ Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under Section .510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (list):</i>	Highway Planning and Construction CFDA #20.205
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	No

Section II – Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None

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CITY OF VANDALIA
December 31, 2014

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133

The City of Vandalia had no prior audit findings or questioned costs.

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City of Vandalia, Ohio



Comprehensive Annual Financial Report

For the year ended
December 31, 2014

CITY OF VANDALIA
Montgomery County, Ohio

Comprehensive Annual Financial Report

Year Ended December 31, 2014

Issued by:
Director of Finance

City of Vandalia, Ohio
 Comprehensive Annual Financial Report
 Year Ended December 31, 2014

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City of Vandalia, Ohio
 Comprehensive Annual Financial Report
 Year Ended December 31, 2014

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INTRODUCTORY SECTION

333 James E. Bohanan Memorial Drive
Vandalia, Ohio 45377

PHONE (937) 898-5891
FAX (937) 898-6117



June 3, 2015

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, 2014 is hereby submitted for your review. I am pleased to report that this is the twenty sixth 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.

Plattenburg & Associates, Inc., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Vandalia's financial statements for the year ended December 31, 2014. The independent 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.

Local Economy

Over the last few years, the City of Vandalia has experienced significant development opportunities with new businesses as well as expansion from existing businesses. Calendar year 2014 was another solid year for the City of Vandalia from a development standpoint. The City participated in two Grand Opening Celebrations at the Stonequarry Crossings site for Independent Can Company, and White Castle Distribution, LLC.

Independent Can Company (ICC), headquartered in Belcamp, Maryland near Baltimore, is a family owned and operated 4th 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.

This was another great win for the Stonequarry Crossings Development. The company broke ground in July, 2013 just to the west of the White Castle Distribution Facility. In September, 2014, ICC celebrated the completion of an approximate 100,000 sf manufacturing and warehouse facility that will serve as a distribution site for products to be delivered all across the Midwest. The City was able to secure a \$200,000 ED/GE Grant to assist with the project, and the building has been constructed with expandable walls to the south and to the west. Expansion opportunities will be considered as the company gains momentum, grows its client base, and strengthens revenue opportunities. During 2014, City Council also agreed to extend an existing option for a 5.5 acre lot to the south of the existing facility through the end of 2015.

ICC committed to 30 FTE's in a three year period, and has hired over 20 employees to date. The future expansion opportunities would certainly create additional employment positions for future consideration.

White Castle opened its frozen food processing center on Capstone Way in Stonequarry Crossings in March, 2014. There was a grand opening held in April, 2014, and management shared that they planned to hire at least 100 employees by July of the following year, which was the original committed employment total over a 3 year period. For this project, we were able to secure a \$300,000 ED/GE Grant, and the State of Ohio also committed financing sources of approximately \$12,000,000 to help offset the \$19,000,000 total project amount.

This new plant will serve as a distribution center for various regional sites to support the frozen food packages that are sold in all 50 states across the country. You can buy these frozen hamburger packages at various retail outlets such as Sams Club, Walmart, and even some Kroger stores. White Castle was founded in 1921 and is a private family owned, 4th generation business. A wonderful fit for the City's family oriented philosophy and a tasty addition to the growing number of businesses committing to the vacant land off Peters Pike.

Manufactured Assemblies Corp (MAC) also expanded along Fieldstone Way in Stonequarry Crossings during 2014. The company completed a 14,000 sf addition to the east side of the facility. This expansion has provided additional space for cabling and assembly to support the diversification of product lines and revenue opportunities.

Management also decided to exercise an option to purchase 3.4 additional acres to the east of the existing property line late in the year. This purchase has provided the company additional space to grow. With over 100 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.

Office building vacancy has been the one of the biggest challenges for the City from a development standpoint in recent years, but the City received great news during the latter part of 2014 with a commitment from One Call Now. The company signed a long term lease at the Sandlake Building located at 6450 Poe Ave. One Call Now is a high-tech message notification provider and a seven-time honoree on the Inc. Magazine list of fastest growing companies, and has seen tremendous growth in North America, the United Kingdom, Europe and Africa.

The company has recently relocated 54 FTE's to the City with a commitment to grow to 80 FTE's by 2020. Great news, no doubt, and certainly helps fill a void from the recent departure of Progressive Insurance from the facility in 2013. One Call Now is America's largest message notification provider. Thousands of schools, businesses, churches, and organizations across the country rely on One Call Now to improve and to simplify their group's communications, sending voice, text and email messages to thousands of members simultaneously.

Other recent development news includes the opening of a Longhorn Steakhouse during the late Spring of 2014. This project has helped the City gain momentum on an area that was very stagnant for a number of years. The company has committed to 25 FTE's, and an additional 15 part-time employees over the next five years. This project has also spurred interest from additional retailers, and the City recently received plans from Red Robin for a new restaurant adjacent to Longhorn on the corner of Miller Lane and Benchwood in the Overlay District.

Along the north side of National Rd. near the I75 northbound on ramp, BJ's Drive Thru and Autozone partnered on a project that was basically a redevelopment of the corner lots on National Rd. and Foley Drive. BJ's was completely destroyed by a tornado that hit on Halloween night in 2013.

Also along the south side of National Rd., east of I75 near the Speedway Station, SVG Motors opened its doors in May, 2014. The company is a new and used automobile dealer, and early reports from management, are that the business is growing very quickly. They are expecting additional growth with the recent purchase of the former Vandalia Auto Clinic lot next door to Fricker's which was also renovated in 2014 due to the tornado that hit in the 4th quarter 2013.

The City is also actively marketing the former Morton Middle School site along National Rd. At this point, there have been no transactions to speak of, but stay tuned as there have been several interested parties of late.

Major Initiatives

A major street project is underway in Vandalia. The Dixie Drive reconstruction project will widen North Dixie to two lanes of traffic in each direction along with a center turn lane. The project is being done in phases, with one phase affecting the roadway just south of Stop Eight Road and another impacting traffic from Great Hill to Elva Court. The road is being widened to add additional capacity.

The Vandalia Farmer's Market continues to attract local produce farmers and people who appreciate fresh locally grown produce. The market is open on Friday evenings throughout the summer from 3 p.m. to 7 p.m.

The Vandalia Recreation Center is now accepting SilverSneakers, Forever Fit and Prime Members to the fitness center. Participating fitness locations must complete a rigorous certification process in order to become a member of the program, which uses Medicare funds to pay for admission to qualifying fitness centers.

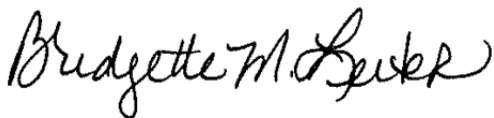
In an effort to promote Vandalia, the Perfect Fit website was created. The site gives community organizations an opportunity to post information about local events so that a broad audience can consider attending. Posting on the site is free.

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, 2013. This was the twenty fifth 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.



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, 2013

Executive Director/CEO

City of Vandalia
Montgomery County, Ohio
List of Principal Officials
December 31, 2014

Elected Officials

Mayor

Arlene Setzer

Vice Mayor

Candice Farst

Council Members

Bob Ahlers

Dave Gerhard

Mike Blakesly

David Lewis

H. David Brusman Jr.

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

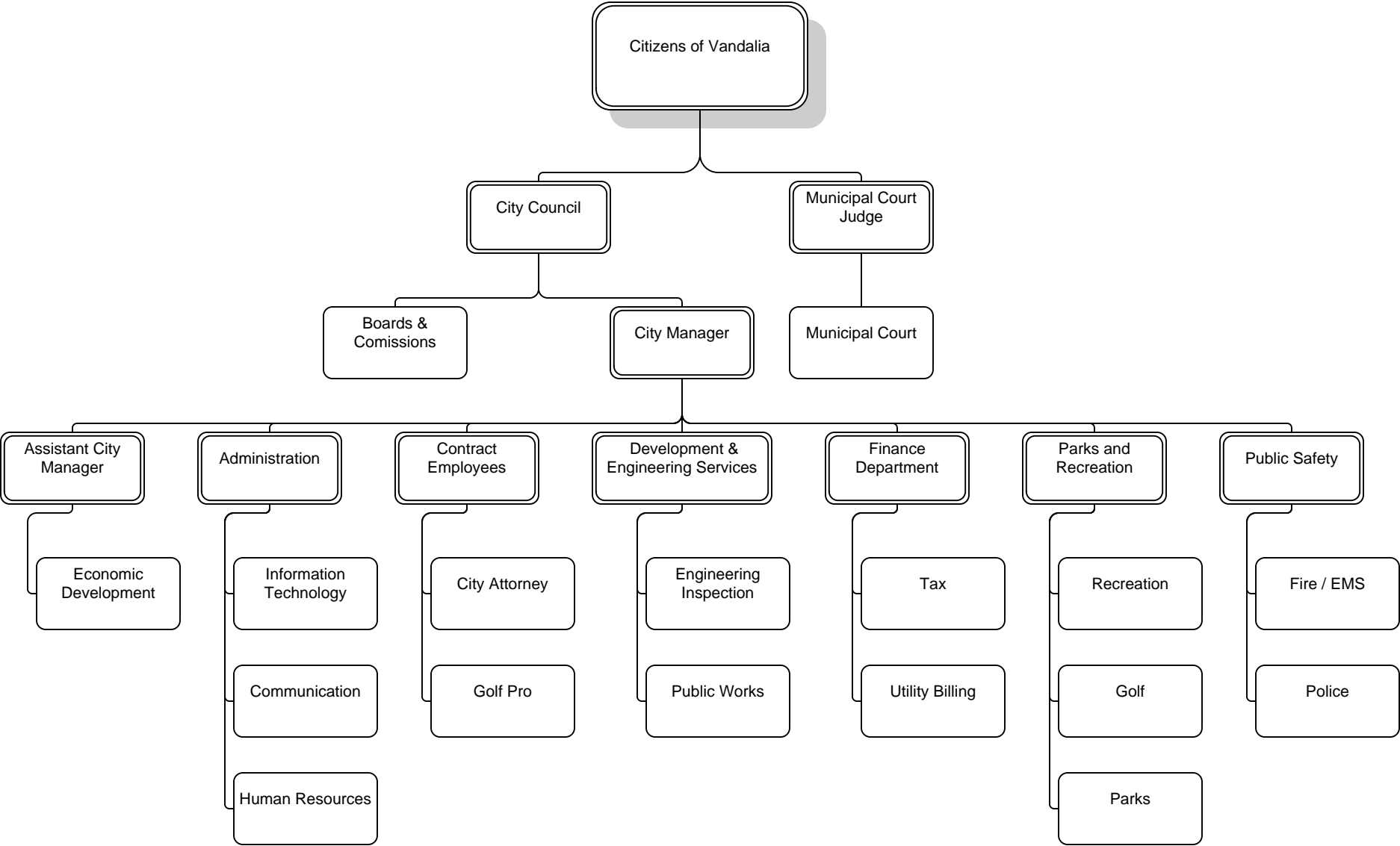
Chad Follick

Parks and Recreation Director

Steve Clark

City of Vandalia

Organizational Responsibilities



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

City Council
City of Vandalia
333 James E. Bohanan Memorial Drive
Vandalia, Ohio 45377

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Vandalia, Ohio (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2015, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Dayton, Ohio
June 3, 2015

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2014
(Unaudited)

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, 2014. 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 increased \$1,960,832 during 2014. The net position of the governmental activities increased \$2,264,635, while the net position of business-type activities decreased by \$303,803.
- General revenues, for governmental activities, accounted for \$15,488,289, or 64.1% of total governmental activities revenue. Program specific revenues accounted for \$8,677,841 or 35.9% of total governmental activities revenue.
- Governmental activities net capital assets increased \$1,365,402, due to current year additions exceeding current year depreciation expense.
- The City had \$22,099,073 in expenses related to governmental activities; \$8,677,841 of these expenses was offset by program specific charges for services, grants, contributions, or interest. General revenues (primarily taxes) of \$15,488,289 were sufficient to offset these program expenses.
- The general fund, the City's largest major governmental fund, had revenues of \$20,590,059 in 2014, or 85.6% of total governmental funds. Expenditures of the general fund were \$17,236,759, or 57.1% of total governmental funds. The general fund balance decreased \$103,540 or 0.83% in 2014.
- Business-type operations reflected an operating income of \$126,962 during 2014, and the business-type unrestricted net position was \$12,626,424.
- During the year the City issued refunding bond anticipation notes in the amount of \$5,710,000 in order to refund the 2004 various purpose refunding bonds.

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, 2014
(Unaudited)

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, 2014
(Unaudited)

Reporting the City's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 18. 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, 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, 2014
(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 2014 compared to 2013:

**Table 1
Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>						
Current and other assets	\$ 26,549,164	\$ 27,143,102	\$ 4,909,095	\$ 4,369,905	\$ 31,458,259	\$ 31,513,007
Capital assets	54,538,839	53,173,437	18,585,891	19,044,671	73,124,730	72,218,108
Investment in joint venture	-	-	8,439,672	8,609,064	8,439,672	8,609,064
Total assets	<u>81,088,003</u>	<u>80,316,539</u>	<u>31,934,658</u>	<u>32,023,640</u>	<u>113,022,661</u>	<u>112,340,179</u>
<u>Deferred outflows of resources</u>						
Deferred charge on refunding	-	204,193	-	-	-	204,193
<u>Liabilities</u>						
Other liabilities	9,972,613	5,548,766	328,010	296,400	10,300,623	5,845,166
Long-term liabilities outstanding	<u>5,625,958</u>	<u>11,729,068</u>	<u>348,915</u>	<u>165,704</u>	<u>5,974,873</u>	<u>11,894,772</u>
Total liabilities	<u>15,598,571</u>	<u>17,277,834</u>	<u>676,925</u>	<u>462,104</u>	<u>16,275,496</u>	<u>17,739,938</u>
<u>Deferred inflows of resources</u>						
Property taxes	1,149,954	1,186,492	-	-	1,149,954	1,186,492
Payments in lieu of taxes	<u>74,296</u>	<u>55,859</u>	-	-	<u>74,296</u>	<u>55,859</u>
Total deferred inflows of resources	<u>1,224,250</u>	<u>1,242,351</u>	-	-	<u>1,224,250</u>	<u>1,242,351</u>
<u>Net position</u>						
Net investment in capital assets	45,004,853	43,255,312	18,585,891	19,044,671	63,590,744	62,299,983
Restricted	3,895,737	3,047,614	-	-	3,895,737	3,047,614
Unrestricted	<u>15,364,592</u>	<u>15,697,621</u>	<u>12,671,842</u>	<u>12,516,865</u>	<u>28,036,434</u>	<u>28,214,486</u>
Total net position	<u>\$ 64,265,182</u>	<u>\$ 62,000,547</u>	<u>\$ 31,257,733</u>	<u>\$ 31,561,536</u>	<u>\$ 95,522,915</u>	<u>\$ 93,562,083</u>

City of Vandalia, Ohio
 Management's Discussion and Analysis
 For The Year Ended December 31, 2014
 (Unaudited)

As displayed in Table 1, total net position of the City as a whole, increased \$1,960,832 from 2013 to 2014. This was due to an increase in capital assets and a decrease in long-term liabilities from the prior year.

Total net position of the City's governmental activities increased by \$2,264,635, and the unrestricted net position decreased \$333,029 from 2013 to 2014. The increase in governmental net position as mentioned above is due to an increase in current year capital assets for City projects, equipment and vehicles as well as a decrease in long-term liabilities.

The net position of the City's business type activities decreased by \$303,803. Two of the three enterprise funds reported operating income during 2014. Overall, program expenses increased \$346,456 from the prior year and had a decrease of \$216,410 in charges for services during 2014. The City strives to control operation expenses for business-type activities in order to maintain stability in charges for services rates.

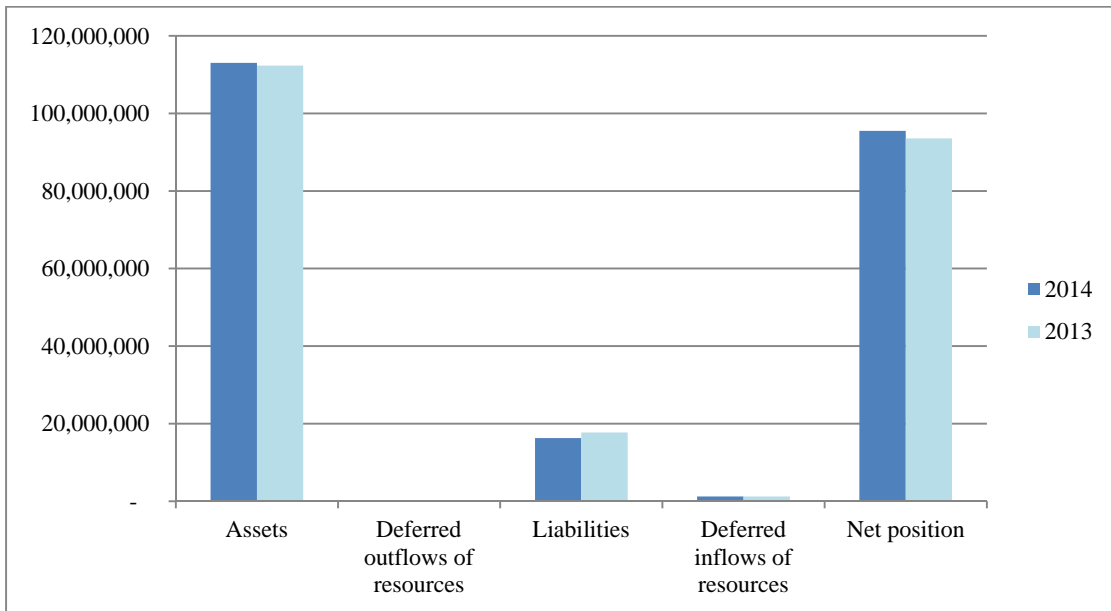


Table 2 shows the changes in net position for the year ended December 31, 2014, and revenue and expense comparisons to 2013.

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2014
(Unaudited)

Table 2
Changes in Net Position

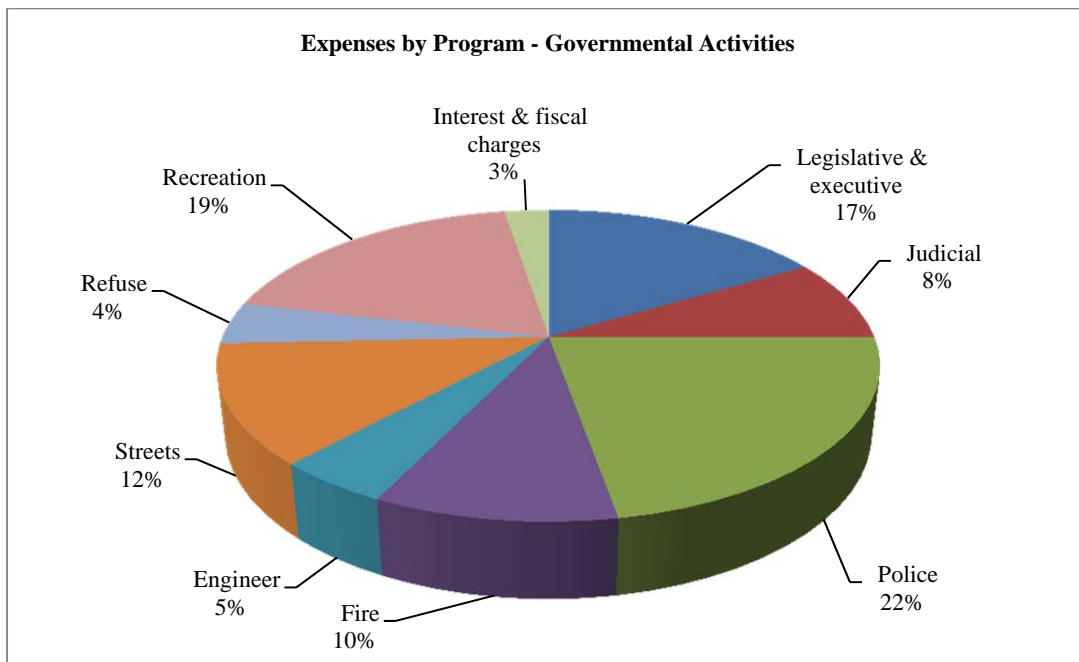
	Governmental Activities		Business-Type Activities		Total	Total
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues						
Program revenues:						
Charges for services	\$ 5,876,225	\$ 5,899,230	\$ 4,796,423	\$ 5,012,833	\$ 10,672,648	\$ 10,912,063
Operating grants, contributions, and interest	1,177,845	1,227,177	-	-	1,177,845	1,227,177
Capital grants and contributions	1,623,771	45,000	2,960	1,290,959	1,626,731	1,335,959
General revenues:						
Property taxes	1,283,417	1,221,094	-	-	1,283,417	1,221,094
Income taxes	13,021,106	12,709,385	-	-	13,021,106	12,709,385
Grants and entitlements	761,023	1,098,778	-	-	761,023	1,098,778
Payment in lieu of taxes	196,368	84,136	-	-	196,368	84,136
Investment earnings	215,329	20,362	-	-	215,329	20,362
Other	11,046	131,101	-	-	11,046	131,101
Total revenues	<u>24,166,130</u>	<u>22,436,263</u>	<u>4,799,383</u>	<u>6,303,792</u>	<u>28,965,513</u>	<u>28,740,055</u>
Program Expenses						
Governmental Activities:						
General government						
Legislative and executive	3,649,178	3,522,318	-	-	3,649,178	3,522,318
Judicial system	1,871,773	1,953,357	-	-	1,871,773	1,953,357
Public safety						
Police	4,909,476	4,844,631	-	-	4,909,476	4,844,631
Fire	2,214,827	2,329,628	-	-	2,214,827	2,329,628
Public works						
Engineer	1,042,219	1,132,840	-	-	1,042,219	1,132,840
Streets	2,733,633	3,085,046	-	-	2,733,633	3,085,046
Refuse	961,017	881,020	-	-	961,017	881,020
Recreation	4,147,571	3,788,977	-	-	4,147,571	3,788,977
Interest and fiscal charges	569,379	560,923	-	-	569,379	560,923
Business-Type Activities:						
Water	-	-	2,072,336	1,909,167	2,072,336	1,909,167
Sewer	-	-	1,814,270	1,552,360	1,814,270	1,552,360
Golf	-	-	1,019,002	1,097,625	1,019,002	1,097,625
Total program expenses	<u>22,099,073</u>	<u>22,098,740</u>	<u>4,905,608</u>	<u>4,559,152</u>	<u>27,004,681</u>	<u>26,657,892</u>
Increase in net position						
before transfers	2,067,057	337,523	(106,225)	1,744,640	1,960,832	2,082,163
Transfers	197,578	24,397	(197,578)	(24,397)	-	-
Change in net position	2,264,635	361,920	(303,803)	1,720,243	1,960,832	2,082,163
Net position beginning of year	62,000,547	61,638,627	31,561,536	29,841,293	93,562,083	91,479,920
Net position end of year	<u>\$ 64,265,182</u>	<u>\$ 62,000,547</u>	<u>\$ 31,257,733</u>	<u>\$ 31,561,536</u>	<u>\$ 95,522,915</u>	<u>\$ 93,562,083</u>

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2014
(Unaudited)

Governmental Activities

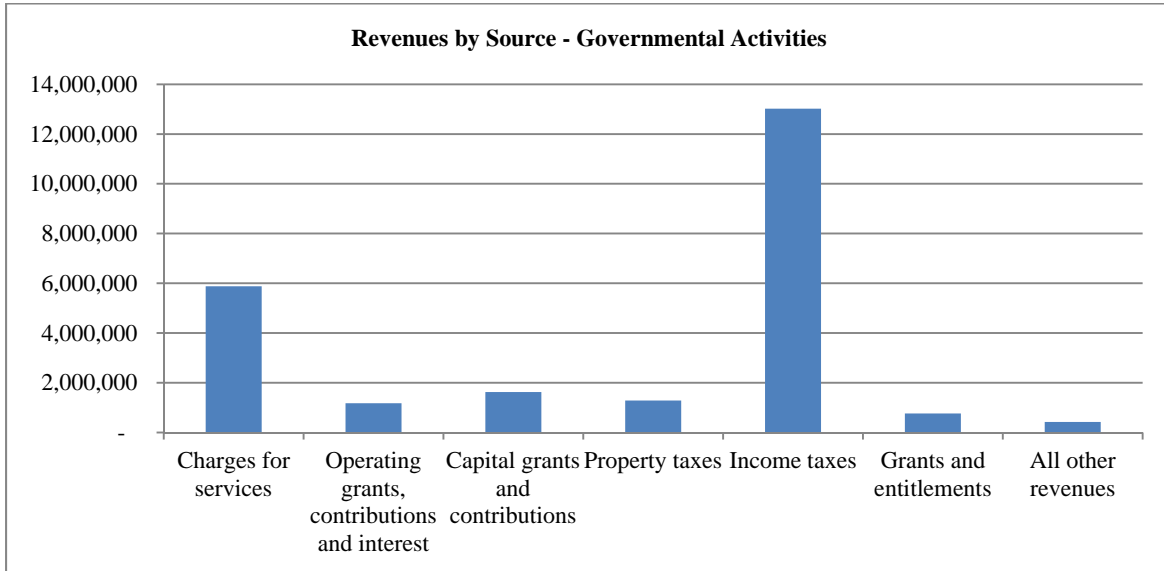
The City 2% income tax effective January 1, 2006, is the largest source of revenue for the City of Vandalia. The above table reflects that income tax receipts increased from the prior year.

Charges for services decreased \$23,005 and income tax revenues increased \$311,721 during 2014. Governmental activities program expenses increased only \$333 during 2014 not attributable to any one area. Expenses related to income tax collections for the municipalities of Brookville, Clayton, Union and West Milton 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.

City of Vandalia, Ohio
 Management's Discussion and Analysis
 For The Year Ended December 31, 2014
 (Unaudited)



When looking at the sources of income used to support governmental activities, it should be noted that charges for services of \$5,876,225 represent 24.3% of revenue. Revenues provided by sources other than city residents in the form of operating and capital grants comprise another \$2,801,616, or 11.6%, and unrestricted grants and entitlements accounted for \$761,023, which is another 3.1%. The remaining revenues are primarily generated locally through property taxes, \$1,283,417 or 5.3% and income taxes, \$13,021,106 at 53.9%. 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.

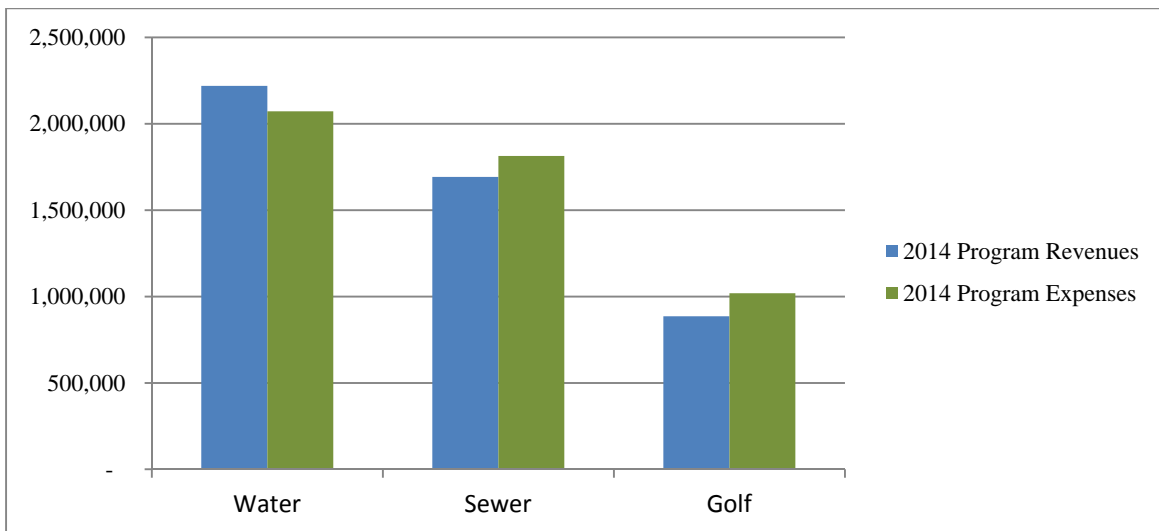
The water treatment plant became fully operational in June of 2007. The City of Dayton implemented water rate increases of 22% in 2005, 34% in January 2006 and 8% in January 2007. The City of Vandalia abandoned the final two years of its rate increases and passed a new ordinance to increase water rates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

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2014
(Unaudited)

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 2014, 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 \$4.79 million in program revenues during 2014, program expenses were \$4.9 million. Operating expenses in the business-type activities had a slight increase from the prior year due to the close monitoring of expenses. Charges for services in the water department increased slightly in 2014.



City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2014
(Unaudited)

Financial Analysis of the Government's Funds

Information about the City's major governmental funds begins on page 18. These funds are reported using the modified accrual basis of accounting. Governmental funds reported revenues of \$24 million and expenditures of \$30 million. The general fund net change in fund balance from 2013 to 2014 was a decrease of \$103,540. Within the general fund, revenues exceeded expenditures by \$3,353,300. The total revenues of the general fund increased from 2013 by \$136,606 with income tax increasing \$352,020. However, expenditures increased from 2013 by \$215,359. The expenditures increased more significantly in the Police, Fire and Recreation functions as compared to 2013 but not from any single event. Transfers to other funds such as the police, fire and street capital improvement fund, capital improvement fund, and the general obligation debt service fund equaled \$3.45 million. The funds transferred were used for capital assets, improvements, repairs, and debt.

The capital improvement fund balance decreased by \$381,999. Fund balance at December 31, 2014, was \$591,004. The general obligation bond retirement fund balance increased \$5,695,549 from 2013 to an ending deficit fund balance of \$5,675,573. All other governmental funds fund balance increased by \$852,909 during 2014.

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 showed an increase in cash during 2014.

The golf activity's operating loss of \$142,145 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 2014, 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 22. 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 \$6,299, from \$21,331,513 to the final budgeted amount of \$21,337,812 for the fiscal year end December 31, 2014. 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 \$122,239.

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2014
(Unaudited)

Original general fund expenditures and other financing uses increased \$277,775, from \$23,695,203 to the final budgeted amount of \$23,972,978. This increase was due to increases in transfers out appropriations. Actual expenditures were \$1,571,471 below final budget expenditures for 2014 due to the close monitoring of expenditures.

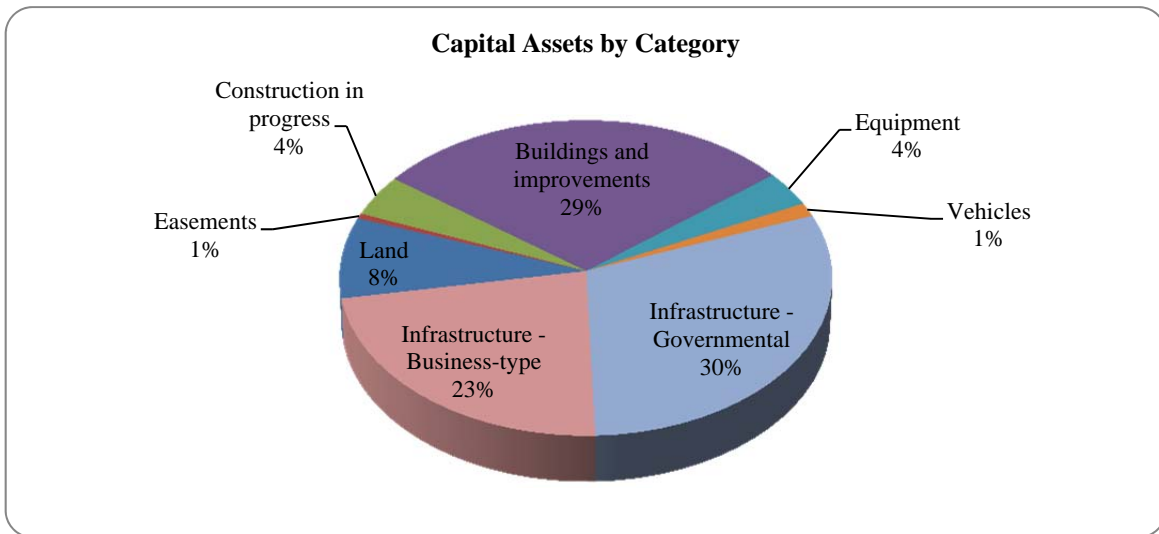
Capital Assets and Debt Administration

Capital Assets

(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 5,894,937	\$ 5,400,363	\$ 167,369	\$ 167,369	\$ 6,062,306	\$ 5,567,732
Easements	376,999	365,086	500	500	377,499	365,586
Construction in progress	3,084,088	1,391,443	7,884	-	3,091,972	1,391,443
Buildings and improvements	19,970,400	20,624,432	1,222,456	1,277,589	21,192,856	21,902,021
Equipment	2,114,513	1,958,914	490,930	441,293	2,605,443	2,400,207
Vehicles	978,810	561,461	33,747	56,161	1,012,557	617,622
Infrastructure	22,119,092	22,871,738	16,663,005	17,101,759	38,782,097	39,973,497
Total	<u>\$ 54,538,839</u>	<u>\$ 53,173,437</u>	<u>\$ 18,585,891</u>	<u>\$ 19,044,671</u>	<u>\$ 73,124,730</u>	<u>\$ 72,218,108</u>

Capital assets, net of depreciation, in governmental activities increased from the prior year. Increases were primarily due to a street widening project and the purchase of new equipment and vehicles during the year. Capital assets, net of depreciation, for the business-type activities decreased by \$458,780, primarily due to current year depreciation expense exceeding current year additions. See Note 7 of the notes to the basic financial statements for more detailed information on capital assets.



City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2014
(Unaudited)

Debt

At December 31, 2014, the City of Vandalia had \$9,810,575 in bonds, notes, loans and capital leases.

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Unvoted general obligation bonds						
Various purpose refunding	\$ -	\$ 6,499,005	\$ -	\$ -	\$ -	\$ 6,499,005
Various purpose limited tax	3,060,025	3,349,203	-	-	3,060,025	3,349,203
State infrastructure bank loan	308,334	-	-	-	308,334	-
Capital leases	562,910	274,110	169,306	-	732,216	274,110
	<u>\$ 3,931,269</u>	<u>\$ 10,122,318</u>	<u>\$ 169,306</u>	<u>\$ -</u>	<u>\$ 4,100,575</u>	<u>\$ 10,122,318</u>

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

The City also has short term note obligations being reported in the capital improvement capital projects fund and the general obligation bond retirement debt services fund in the amounts of \$2,381,000 and \$5,710,000, respectively. Revenues for payment of interest and principal on the bond anticipation notes will result from proceeds from new notes to be issued in 2015. The general obligation debt service fund will retire the debt.

The City's overall legal debt margin was \$26,520,777 at December 31, 2014. See Note 9, 10 and 11 of the notes to the basic financial statements for more detailed information on debt of the City.

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, 2014

	Governmental Activities	Business-Type Activities	Total
<u>Assets:</u>			
Equity in pooled cash and investments	\$ 18,271,022	\$ 4,450,542	\$ 22,721,564
Receivables:			
Income tax	2,726,606	-	2,726,606
Property and other taxes	1,246,446	-	1,246,446
Accounts	764,758	331,715	1,096,473
Revenue in lieu of taxes receivable	74,296	-	74,296
Special assessments	21,182	-	21,182
Accrued interest	15,927	-	15,927
Due from other governments	1,119,014	-	1,119,014
Materials and supplies inventory	122,387	28,513	150,900
Prepaid items	31,883	-	31,883
Restricted assets:			
Equity in pooled cash and cash equivalents	-	52,907	52,907
Investment in joint venture	-	8,439,672	8,439,672
Internal balances	(45,418)	45,418	-
Land held for resale	2,201,061	-	2,201,061
Nondepreciable capital assets	9,356,024	175,753	9,531,777
Depreciable capital assets, net	45,182,815	18,410,138	63,592,953
Total assets	<u>81,088,003</u>	<u>31,934,658</u>	<u>113,022,661</u>
<u>Liabilities:</u>			
Accounts payable	269,599	22,997	292,596
Contracts payable	101,933	-	101,933
Accrued wages and benefits	421,168	32,246	453,414
Matured compensated absences payable	35,482	4,921	40,403
Due to other governments	394,140	20,529	414,669
Due to related parties	-	190,742	190,742
Unearned revenue	3,279	3,668	6,947
Income tax refunds payable	406,263	-	406,263
Bond anticipation notes payable	2,381,000	-	2,381,000
Refunding bond anticipation notes payable	5,710,000	-	5,710,000
Accrued interest payable	49,940	-	49,940
Claims payable	199,809	-	199,809
Refundable deposits	-	52,907	52,907
Long-term liabilities:			
Due within one year	1,452,227	117,065	1,569,292
Due in more than one year	4,173,731	231,850	4,405,581
Total liabilities	<u>15,598,571</u>	<u>676,925</u>	<u>16,275,496</u>
<u>Deferred inflows of resources:</u>			
Property taxes	1,149,954	-	1,149,954
Payments in lieu of taxes	74,296	-	74,296
Total deferred inflows or resources	<u>1,224,250</u>	<u>-</u>	<u>1,224,250</u>
<u>Net position:</u>			
Net investment in capital assets	45,004,853	18,585,891	63,590,744
Restricted for:			
Capital projects	2,040,500	-	2,040,500
Debt service	13,662	-	13,662
Streets and highways	1,411,899	-	1,411,899
Other purposes	429,676	-	429,676
Unrestricted	15,364,592	12,671,842	28,036,434
Total net position	<u>\$ 64,265,182</u>	<u>\$ 31,257,733</u>	<u>\$ 95,522,915</u>

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Activities
For the Year Ended December 31, 2014

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<u>Governmental Activities:</u>				
General government				
Legislative and executive	\$ 3,649,178	\$ 1,152,561	\$ 15,116	\$ -
Judicial system	1,871,773	1,282,452	207,038	-
Public safety				
Police	4,909,476	68,519	2,320	26,237
Fire	2,214,827	501,278	2,490	7,321
Public works				
Engineer	1,042,219	382,757	-	-
Streets	2,733,633	51,697	933,200	1,590,213
Refuse	961,017	990,070	-	-
Recreation	4,147,571	1,446,891	17,681	-
Interest and fiscal charges	569,379	-	-	-
Total governmental activities	<u>22,099,073</u>	<u>5,876,225</u>	<u>1,177,845</u>	<u>1,623,771</u>
<u>Business-Type Activities:</u>				
Water	2,072,336	2,218,971	-	1,677
Sewer	1,814,270	1,691,533	-	1,283
Golf	1,019,002	885,919	-	-
Total business-type activities	<u>4,905,608</u>	<u>4,796,423</u>	<u>-</u>	<u>2,960</u>
Total primary government	<u>\$ 27,004,681</u>	<u>\$ 10,672,648</u>	<u>\$ 1,177,845</u>	<u>\$ 1,626,731</u>

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 Activities	Business-Type Activities	Total
\$ (2,481,501)	\$ -	\$ (2,481,501)
(382,283)	-	(382,283)
(4,812,400)	-	(4,812,400)
(1,703,738)	-	(1,703,738)
(659,462)	-	(659,462)
(158,523)	-	(158,523)
29,053	-	29,053
(2,682,999)	-	(2,682,999)
(569,379)	-	(569,379)
<u>(13,421,232)</u>	<u>-</u>	<u>(13,421,232)</u>
-	148,312	148,312
-	(121,454)	(121,454)
-	(133,083)	(133,083)
<u>-</u>	<u>(106,225)</u>	<u>(106,225)</u>
\$ (13,421,232)	\$ (106,225)	\$ (13,527,457)
1,283,417	-	1,283,417
13,021,106	-	13,021,106
761,023	-	761,023
196,368	-	196,368
215,329	-	215,329
11,046	-	11,046
197,578	(197,578)	-
<u>15,685,867</u>	<u>(197,578)</u>	<u>15,488,289</u>
2,264,635	(303,803)	1,960,832
62,000,547	31,561,536	93,562,083
<u>\$ 64,265,182</u>	<u>\$ 31,257,733</u>	<u>\$ 95,522,915</u>

City of Vandalia, Ohio
Balance Sheet
Governmental Funds
December 31, 2014

	General	Capital Improvement	General Obligation Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 12,108,097	\$ 881,211	\$ 52,142	4,798,050	\$ 17,839,500
Receivables:					
Income tax	2,726,606	-	-	-	2,726,606
Property and other taxes	1,246,446	-	-	-	1,246,446
Accounts	489,321	37,899	-	29,352	556,572
Revenue in lieu of taxes	-	-	-	74,296	74,296
Special assessments	-	21,182	-	-	21,182
Accrued interest	15,927	-	-	-	15,927
Restricted assets:					
Equity in pooled cash and cash equivalents	28,078	-	-	-	28,078
Due from other governments	256,998	-	-	862,016	1,119,014
Materials and supplies inventory	6,558	-	-	115,829	122,387
Interfund loan receivable	125,000	-	-	-	125,000
Land held for resale	-	2,201,061	-	-	2,201,061
Total assets	\$ 17,003,031	\$ 3,141,353	\$ 52,142	\$ 5,879,543	\$ 26,076,069
Liabilities:					
Accounts payable	\$ 218,639	\$ 34,774	\$ -	\$ 15,916	\$ 269,329
Contracts payable	-	101,933	-	-	101,933
Accrued wages and benefits	390,158	-	-	31,010	421,168
Matured compensated absences payable	33,629	-	-	1,853	35,482
Interfund payable	-	-	-	125,000	125,000
Due to other governments	248,518	-	-	145,622	394,140
Unearned revenue	3,279	-	-	-	3,279
Income tax refunds payable	406,263	-	-	-	406,263
Accrued interest payable	-	11,460	17,715	-	29,175
Bond anticipation notes payable	-	2,381,000	-	-	2,381,000
Refunding bond anticipation notes payable	-	-	5,710,000	-	5,710,000
Total liabilities	1,300,486	2,529,167	5,727,715	319,401	9,876,769
Deferred inflows of resources:					
Property taxes	1,149,954	-	-	-	1,149,954
Payments in lieu of taxes	-	-	-	74,296	74,296
Unavailable revenue - delinquent property taxes	73,215	-	-	-	73,215
Unavailable revenue - other	2,049,737	21,182	-	696,033	2,766,952
Total deferred inflows of resources	3,272,906	21,182	-	770,329	4,064,417
Fund balances:					
Nonspendable	34,636	-	-	115,829	150,465
Restricted	-	591,004	-	2,616,516	3,207,520
Committed	642,531	-	-	2,057,468	2,699,999
Assigned	683,527	-	-	-	683,527
Unassigned	11,068,945	-	(5,675,573)	-	5,393,372
Total fund balances	12,429,639	591,004	(5,675,573)	4,789,813	12,134,883
Total liabilities, deferred inflows of resources and fund balances	\$ 17,003,031	\$ 3,141,353	\$ 52,142	\$ 5,879,543	\$ 26,076,069

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
 Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2014

Total governmental fund balances		\$ 12,134,883
<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.		54,538,839
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.		443,434
The internal balance represents the portion of the internal service fund's assets and liabilities that are allocated to the proprietary funds.		(45,418)
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	\$ 73,215	
Income taxes	1,475,803	
Fines and forfeitures	12,283	
Intergovernmental	859,730	
Special assessments	21,182	
Charges for services	375,242	
Other	22,712	
Total	2,840,167	2,840,167
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(20,765)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	\$ (3,040,000)	
Premium on bonds	(20,025)	
State infrastructure bank loan	(308,334)	
Capital lease payable	(562,910)	
Compensated absences	(1,694,689)	
Total	(5,625,958)	(5,625,958)
Net position of governmental activities		\$ 64,265,182

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, 2014

	General	Capital Improvement	General Obligation Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Municipal income tax	\$ 13,019,647	\$ -	\$ -	\$ -	\$ 13,019,647
Property and other taxes	1,281,724	-	-	-	1,281,724
Charges for services	3,230,626	-	-	438,723	3,669,349
Licenses and permits	314,064	-	-	-	314,064
Fines and forfeitures	1,190,886	-	-	291,122	1,482,008
Intergovernmental	1,117,010	50,000	-	2,395,877	3,562,887
Special assessments	-	6,018	-	-	6,018
Interest	215,329	-	-	-	215,329
Payments in lieu of taxes	-	-	-	196,368	196,368
Other	220,773	58,473	-	30,439	309,685
Total revenue	<u>20,590,059</u>	<u>114,491</u>	<u>-</u>	<u>3,352,529</u>	<u>24,057,079</u>
Expenditures:					
Current:					
General government					
Legislative and executive	3,231,577	40,074	-	202,521	3,474,172
Judicial system	1,683,347	-	-	95,318	1,778,665
Public safety					
Police	4,557,459	-	-	233,968	4,791,427
Fire	1,983,789	-	-	57,527	2,041,316
Public works					
Engineer	855,025	2,789	-	182,777	1,040,591
Streets	646,165	4,671	-	781,335	1,432,171
Refuse	961,017	-	-	-	961,017
Recreation	3,313,075	250,237	-	168,138	3,731,450
Capital outlay	5,305	909,435	-	2,674,943	3,589,683
Debt service:					
Principal retirement	-	23,560	6,496,247	327,409	6,847,216
Interest and fiscal charges	-	31,667	198,784	129,387	359,838
Current refunding	-	-	149,300	-	149,300
Total expenditures	<u>17,236,759</u>	<u>1,262,433</u>	<u>6,844,331</u>	<u>4,853,323</u>	<u>30,196,846</u>
Excess of revenues over (under) expenditures	<u>3,353,300</u>	<u>(1,147,942)</u>	<u>(6,844,331)</u>	<u>(1,500,794)</u>	<u>(6,139,767)</u>
Other financing sources (uses):					
Proceeds of loans	-	-	-	308,334	308,334
Sale of capital assets	-	42,238	-	-	42,238
Inception of capital lease	-	-	-	461,016	461,016
Transfers - in	-	723,705	1,148,782	1,584,353	3,456,840
Transfers - out	(3,456,840)	-	-	-	(3,456,840)
Total other financing sources (uses)	<u>(3,456,840)</u>	<u>765,943</u>	<u>1,148,782</u>	<u>2,353,703</u>	<u>811,588</u>
Net change in fund balance	(103,540)	(381,999)	(5,695,549)	852,909	(5,328,179)
Fund balances at beginning of year	12,533,179	973,003	19,976	3,936,904	17,463,062
Fund balances at end of year	<u>\$ 12,429,639</u>	<u>\$ 591,004</u>	<u>\$ (5,675,573)</u>	<u>\$ 4,789,813</u>	<u>\$ 12,134,883</u>

See accompanying notes to the basic financial statements.

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, 2014

Net change in fund balances - Total governmental funds		\$ (5,328,179)
<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	\$ 3,589,683	
Capital contributions from enterprise fund	197,578	
Depreciation expense	<u>(2,401,543)</u>	
Excess of capital asset additions and contributions over depreciation expense		1,385,718
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.		
		(20,316)
Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statements of net position, the lease obligation is reported as a liability.		
		(461,016)
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	\$ 1,693	
Income taxes	1,459	
Fines and forfeitures	7,440	
Intergovernmental	127,713	
Special assessments	(6,018)	
Charges for services	(20,825)	
Other	<u>(2,411)</u>	
Net change in deferred inflows of resources during the year		109,051
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	\$ (87,939)	
Decrease in accrued interest	<u>30,769</u>	
Total additional expenditures		(57,170)
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.		
		188,675
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		6,675,000
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.		
		172,216
Bond anticipation note proceeds and 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.		
		(308,334)
The amortization of issuance costs and bond premium is reflected as an expense in the statement of activities.		
Accounting loss	\$ (204,193)	
Premium	<u>113,183</u>	
Total additional expenses		<u>(91,010)</u>
Change in net position of governmental activities		<u>\$ 2,264,635</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, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal income tax	\$ 13,500,000	\$ 13,500,000	\$ 13,377,761	\$ (122,239)
Property and other taxes	1,275,261	1,260,411	1,266,240	5,829
Charges for services	3,326,600	3,336,900	3,224,937	(111,963)
Licenses and permits	350,500	350,500	311,970	(38,530)
Fines and forfeitures	1,248,500	1,248,500	1,176,585	(71,915)
Intergovernmental	1,368,152	1,369,951	1,141,176	(228,775)
Interest	150,000	150,000	138,696	(11,304)
Other	111,500	120,550	278,428	157,878
Total revenues	<u>21,330,513</u>	<u>21,336,812</u>	<u>20,915,793</u>	<u>(421,019)</u>
Expenditures:				
Current:				
General government				
Legislative and executive	5,173,082	5,271,578	4,440,629	830,949
Judicial system	1,836,669	1,838,709	1,717,439	121,270
Public safety				
Police	4,774,502	4,774,501	4,590,394	184,107
Fire	2,094,257	2,106,459	2,012,157	94,302
Public works				
Engineer	985,383	985,383	874,039	111,344
Streets	676,773	676,773	631,529	45,244
Refuse	1,096,351	1,084,864	1,056,999	27,865
Recreation	3,564,424	3,574,724	3,396,481	178,243
Total expenditures	<u>20,201,441</u>	<u>20,312,991</u>	<u>18,719,667</u>	<u>1,593,324</u>
Excess of revenues over expenditures	<u>1,129,072</u>	<u>1,023,821</u>	<u>2,196,126</u>	<u>1,172,305</u>
Other financing sources (uses):				
Sale of capital assets	1,000	1,000	-	(1,000)
Advances - out	-	-	(125,000)	(125,000)
Transfers - out	(3,493,762)	(3,659,987)	(3,556,840)	103,147
Total other financing sources (uses)	<u>(3,492,762)</u>	<u>(3,658,987)</u>	<u>(3,681,840)</u>	<u>(22,853)</u>
Net change in fund balance	(2,363,690)	(2,635,166)	(1,485,714)	1,149,452
Fund balance at beginning of year	10,820,596	10,820,596	10,820,596	-
Prior year encumbrances appropriated	<u>1,697,847</u>	<u>1,697,847</u>	<u>1,697,847</u>	<u>-</u>
Fund balance at end of year	<u>\$ 10,154,753</u>	<u>\$ 9,883,277</u>	<u>\$ 11,032,729</u>	<u>\$ 1,149,452</u>

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2014

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Golf	Total	Internal Service
<u>Assets:</u>					
Current assets:					
Equity in pooled cash and investments	\$ 2,540,660	\$ 1,696,960	\$ 212,922	\$ 4,450,542	\$ 403,444
Receivables:					
Accounts	185,541	146,174	-	331,715	208,186
Materials and supplies inventory	7,790	-	20,723	28,513	-
Prepaid items	-	-	-	-	31,883
Restricted assets:					
Equity in pooled cash and cash equivalents	35,448	17,459	-	52,907	-
Total current assets	<u>2,769,439</u>	<u>1,860,593</u>	<u>233,645</u>	<u>4,863,677</u>	<u>643,513</u>
Noncurrent assets:					
Investment in joint venture	297,196	8,142,476	-	8,439,672	-
Capital assets:					
Land and easements	58,424	500	108,945	167,869	-
Construction in progress	7,884	-	-	7,884	-
Depreciable capital assets, net	7,886,860	9,547,935	975,343	18,410,138	-
Total noncurrent assets	<u>8,250,364</u>	<u>17,690,911</u>	<u>1,084,288</u>	<u>27,025,563</u>	<u>-</u>
Total assets	<u>\$ 11,019,803</u>	<u>\$ 19,551,504</u>	<u>\$ 1,317,933</u>	<u>\$ 31,889,240</u>	<u>\$ 643,513</u>
<u>Liabilities:</u>					
Current liabilities:					
Accounts payable	\$ 9,763	\$ 5,107	\$ 8,127	\$ 22,997	\$ 270
Accrued wages and benefits	11,910	10,810	9,526	32,246	-
Matured compensated absences payable	1,310	1,311	2,300	4,921	-
Due to other governments	6,494	6,073	7,962	20,529	-
Due to related parties	112,392	78,350	-	190,742	-
Unearned revenue	-	-	3,668	3,668	-
Compensated absences payable	33,073	33,073	12,633	78,779	-
Capital leases payable	19,143	19,143	-	38,286	-
Claims payable	-	-	-	-	199,809
Refundable deposits	35,448	17,459	-	52,907	-
Total current liabilities	<u>229,533</u>	<u>171,326</u>	<u>44,216</u>	<u>445,075</u>	<u>200,079</u>
Long-term liabilities:					
Compensated absences payable	41,665	41,665	17,500	100,830	-
Capital leases payable, net of current portion	65,510	65,510	-	131,020	-
Total liabilities	<u>336,708</u>	<u>278,501</u>	<u>61,716</u>	<u>676,925</u>	<u>200,079</u>
<u>Net position:</u>					
Invested in capital assets	7,953,168	9,548,435	1,084,288	18,585,891	-
Unrestricted	2,729,927	9,724,568	171,929	12,626,424	443,434
Total net position	<u>\$ 10,683,095</u>	<u>\$ 19,273,003</u>	<u>\$ 1,256,217</u>	<u>31,212,315</u>	<u>\$ 443,434</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.

45,418

Net position of business-type activities

\$ 31,257,733

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, 2014

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Golf	Total	Internal Service
<u>Operating revenues:</u>					
Charges for services	\$ 2,130,469	\$ 1,683,686	\$ 881,771	\$ 4,695,926	\$ 2,206,559
Tap-in fees	4,123	2,867	-	6,990	-
Other	54,075	4,980	4,148	63,203	302,195
Total operating revenue	<u>2,188,667</u>	<u>1,691,533</u>	<u>885,919</u>	<u>4,766,119</u>	<u>2,508,754</u>
<u>Operating expenses:</u>					
Personal services	350,176	334,888	441,633	1,126,697	-
Contractual services	1,430,138	908,049	321,907	2,660,094	402,827
Supplies and materials	51,745	34,270	163,559	249,574	-
Claims	-	-	-	-	1,896,148
Depreciation	242,638	257,122	73,142	572,902	-
Utility deposits returned	-	6	-	6	-
Other	2,061	-	27,823	29,884	-
Total operating expenses	<u>2,076,758</u>	<u>1,534,335</u>	<u>1,028,064</u>	<u>4,639,157</u>	<u>2,298,975</u>
Operating income (loss)	<u>111,909</u>	<u>157,198</u>	<u>(142,145)</u>	<u>126,962</u>	<u>209,779</u>
<u>Nonoperating revenue (expenses):</u>					
Investment in joint venture	30,304	(284,357)	-	(254,053)	-
Loss on sale of capital assets	(98,789)	(98,789)	-	(197,578)	-
Interest and fiscal charges	(1,599)	(1,599)	-	(3,198)	-
Total nonoperating revenue	<u>(70,084)</u>	<u>(384,745)</u>	<u>-</u>	<u>(454,829)</u>	<u>-</u>
Income (loss) before contributions	<u>41,825</u>	<u>(227,547)</u>	<u>(142,145)</u>	<u>(327,867)</u>	<u>209,779</u>
Capital contributions	<u>1,677</u>	<u>1,283</u>	<u>-</u>	<u>2,960</u>	<u>-</u>
Change in net position	43,502	(226,264)	(142,145)	(324,907)	209,779
Net position at beginning of year	10,639,593	19,499,267	1,398,362		233,655
Net position at end of year	<u>\$ 10,683,095</u>	<u>\$ 19,273,003</u>	<u>\$ 1,256,217</u>		<u>\$ 443,434</u>

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. 21,104

Change in net position of business-type activities \$ (303,803)

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Golf	Total	Internal Service
Cash flows from operating activities:					
Cash received from customers	\$ 2,175,015	\$ 1,682,264	\$ 887,265	\$ 4,744,544	\$ -
Cash received from interfund services provided	-	-	-	-	2,486,570
Cash payments for employee services and benefits	(338,816)	(323,830)	(442,418)	(1,105,064)	-
Cash payments to suppliers for goods and services	(1,465,787)	(944,853)	(513,307)	(2,923,947)	(407,033)
Cash payments for claims	-	-	-	-	(2,076,675)
Utility deposits received	6,466	3,184	-	9,650	-
Utility deposits returned	(4,735)	(2,338)	-	(7,073)	-
Net cash provided by (used) for operating activities	<u>372,143</u>	<u>414,427</u>	<u>(68,460)</u>	<u>718,110</u>	<u>2,862</u>
Cash flows from capital and related financing activities:					
Capital lease	98,789	98,789	-	197,578	-
Interest paid on capital lease	(1,599)	(1,599)	-	(3,198)	-
Principal payment on capital lease	(14,136)	(14,136)	-	(28,272)	-
Tap in fees	1,677	1,283	-	2,960	-
Acquisition of capital assets	(106,673)	(170,200)	(34,827)	(311,700)	-
Net cash used for capital and related financing activities	<u>(21,942)</u>	<u>(85,863)</u>	<u>(34,827)</u>	<u>(142,632)</u>	<u>-</u>
Cash flows from investing activities:					
Investment in joint venture	(84,661)	-	-	(84,661)	-
Net cash used for investing activities	<u>(84,661)</u>	<u>-</u>	<u>-</u>	<u>(84,661)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	265,540	328,564	(103,287)	490,817	2,862
Cash and cash equivalents at beginning of year	<u>2,310,568</u>	<u>1,385,855</u>	<u>316,209</u>	<u>4,012,632</u>	<u>400,582</u>
Cash and cash equivalents at end of year	<u>\$ 2,576,108</u>	<u>\$ 1,714,419</u>	<u>\$ 212,922</u>	<u>\$ 4,503,449</u>	<u>\$ 403,444</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 111,909	\$ 157,198	\$ (142,145)	\$ 126,962	\$ 209,779
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	242,638	257,122	73,142	572,902	-
Change in assets and liabilities:					
(Increase) decrease in assets:					
Accounts receivable	(13,652)	(9,269)	131	(22,790)	(22,184)
Materials and supplies inventory	1,338	-	(5,817)	(4,479)	-
Prepaid items	-	-	-	-	(4,476)

(Continued)

City of Vandalia, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Golf	Total	Internal Service
Increase (decrease) in liabilities:					
Accounts payable	5,115	945	6,525	12,585	270
Refundable deposits	1,731	852	-	2,583	-
Claims payable	-	-	-	-	(180,527)
Unearned revenue	-	-	1,215	1,215	-
Accrued wages and benefits	3,217	2,203	887	6,307	-
Compensated absences	7,849	8,970	(1,475)	15,344	-
Due to related parties	11,704	(3,479)	-	8,225	-
Due to other governments	294	(115)	(923)	(744)	-
Net cash provided by (used for) operating activities	<u>\$ 372,143</u>	<u>\$ 414,427</u>	<u>\$ (68,460)</u>	<u>\$ 718,110</u>	<u>\$ 2,862</u>

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Fiduciary Assets and Liabilities
December 31, 2014

	Agency
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 5,098,423
Cash and cash equivalents in segregated accounts	150,739
Investments	1,752,622
Total assets	\$ 7,001,784
 <u>Liabilities:</u>	
Due to other governments	\$ 359,627
Due to employees	9,243
Undistributed monies	128,581
Due to others	6,504,333
Total liabilities	\$ 7,001,784

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, 2014

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, 2014

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.

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, 2014

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 and all liabilities 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
For The Year Ended December 31, 2014

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.

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, 2014, but which were levied to finance year 2015 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 government wide statement of net position and 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.

Expenses/Expenditures

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

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 Municipal Court is included in this line item.

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 STAR Ohio, an investment pool managed by the State Treasurer's Office. STAR Ohio, which allows governments within the State to pool their funds for investment purposes, is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2014.

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 2014 amounted to \$215,329 which includes \$104,487 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.

Inventory consists of expendable supplies held for consumption.

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.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

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, 2014 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.

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 fair market 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 expended. 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 Class	Governmental Activities Estimated Useful Life	Business-Type Activities Estimated Useful 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. 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.

M. 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 and compensated absences, 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.

N. 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:

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.

City of Vandalia, Ohio
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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.

O. 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.

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Net position restricted for other purposes include street construction, maintenance and repair, operations of the baseball and soccer recreations 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.

P. 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.

Q. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

R. Bond Premiums/Issuance Costs/Accounting Loss

Bond premiums, and the accounting loss 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 and the accounting loss are presented as a reduction/addition of the face amount of the bonds payable. The entire accounting loss was recognized as an expense during 2014 as a result of the current refunding.

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.

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).
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).

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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	\$ (103,540)
Revenue accruals	262,530
Expenditure accruals	(1,268,980)
Change in fair value of investments - 2013	72,969
Change in fair value of investments - 2014	(9,765)
Perspective differences from funds budgeted as special revenue funds:	
Other financing sources	(100,000)
Encumbrances (Budget Basis) outstanding at year end	<u>(338,928)</u>
Budget Basis	<u>\$ (1,485,714)</u>

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:

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Fund Balances	<u>General</u>	<u>Capital Improvement</u>	<u>General Obligation Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Nonspendable</u>					
Materials and supplies inventory	\$ 6,558	\$ -	\$ -	\$ 115,829	\$ 122,387
Unclaimed monies	28,078	-	-	-	28,078
Total nonspendable	<u>34,636</u>	<u>-</u>	<u>-</u>	<u>115,829</u>	<u>150,465</u>
<u>Restricted for</u>					
Streets and highways	-	-	-	1,018,249	1,018,249
Court activities	-	-	-	227,087	227,087
Police services	-	-	-	218,165	218,165
Capital improvements	-	591,004	-	1,153,015	1,744,019
Total restricted	<u>-</u>	<u>591,004</u>	<u>-</u>	<u>2,616,516</u>	<u>3,207,520</u>
<u>Committed</u>					
Employee retirements	642,531	-	-	-	642,531
Capital improvements	-	-	-	1,661,615	1,661,615
Recreation	-	-	-	74,796	74,796
Stormwater system	-	-	-	321,057	321,057
Total committed	<u>642,531</u>	<u>-</u>	<u>-</u>	<u>2,057,468</u>	<u>2,699,999</u>
<u>Assigned</u>					
Encumbrances	186,481	-	-	-	186,481
Next year's budget	497,046	-	-	-	497,046
Total assigned	<u>683,527</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>683,527</u>
Unassigned (deficit)	<u>11,068,945</u>	<u>-</u>	<u>(5,675,573)</u>	<u>-</u>	<u>5,393,372</u>
Total fund balances	<u>\$12,429,639</u>	<u>\$ 591,004</u>	<u>\$(5,675,573)</u>	<u>\$ 4,789,813</u>	<u>\$ 12,134,883</u>

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 \$9,900 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 \$15,717,595 and the bank balance was \$16,135,882. 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 Type	Fair Value	<u>Investment Maturities (in Years)</u>	
		Less Than 1	1-5
Federal Home Loan Bank Bonds	\$ 1,989,660	\$ -	\$ 1,989,660
Federal Home Loan Mortgage Corporation Bonds	8,499,955	-	8,499,955
Federal National Mortgage Association Bonds	1,014,000	1,014,000	-
GE Interest Plus	2,889	2,889	-
STAR Ohio	27,882	27,882	-
Investments recorded in agency fund:			
Federal Home Loan Bank Bonds	498,802	-	498,802
Federal Home Loan Mortgage Corporation Bonds	1,000,192	-	1,000,192
Federal National Mortgage Association Bonds	253,628	253,628	-
Open-ended mutual fund	<u>761,752</u>	<u>-</u>	<u>761,752</u>
Total investments recorded in agency fund	<u>2,514,374</u>	<u>253,628</u>	<u>2,260,746</u>
Total investments	<u>\$ 14,048,760</u>	<u>\$ 1,298,399</u>	<u>\$ 12,750,361</u>

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 Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC) and Federal National Mortgage Association (FNMA) are held by the counterparty's trust department or agent and not in the City's name.

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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 2015. In addition, some of the agency securities have coupon rates that step-up over the lives of the security.

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 investment in GE Interest Plus has an AAA credit rating. The City’s investments in mortgage securities have an AA+ credit rating. The City’s investment in STAR Ohio has an AAAM credit rating and the City’s investments in the open-ended mutual funds have 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. 5% or more of the City’s investments are in the following:

<u>Investment</u>	<u>Percent</u>
Federal Home Loan Bank Bonds	17.71%
Federal National Mortgage Association Bonds	9.02%
Federal Home Loan Mortgage Corporation Bonds	67.62%
Open-ended mutual funds	5.42%

NOTE 5 – RECEIVABLES

Receivables at December 31, 2014, 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 \$21,182 in the capital improvement fund. As of December 31, 2014, the City had less than \$1,000 in delinquent special assessments outstanding.

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 2014 for real and public utility property taxes represents collections of the 2013 taxes. Property tax payments received during 2014 for tangible personal property (other than public utility property) is for 2014 taxes.

City of Vandalia, Ohio
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2014 real property taxes are levied after October 1, 2014, on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35% of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

Public utility property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2014 public utility property taxes became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2014, was \$4.14 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2013 property tax receipts were based are as follows:

<u>Property Category</u>	<u>Assessed Value</u>
<u>Real Property</u>	
Residential and agricultural	\$ 226,771,760
Commercial and industrial	108,731,740
Public utilities	39,180
<u>Personal Property</u>	
Public utilities	<u>7,037,090</u>
Total	<u>\$ 342,579,770</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, 2014, 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 2014 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.

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 allocated to the general fund.

City of Vandalia, Ohio
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Due from Other Governments

A summary of due from other governments follows:

	<u>Amounts</u>
<u>Governmental Activities</u>	
Local Government and Local Government	
Revenue Assistance	\$ 128,990
Homestead and Rollback	78,636
Gasoline and Excise Tax	212,448
Motor Vehicle License Fees	213,135
Permissive Motor Vehicle License Tax	26,495
Grants	392,979
Other	<u>66,331</u>
Total	<u>\$ 1,119,014</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 at limits as follows:

Property - \$1,000,000,000 per occurrence
Crime - \$2,000,000 per occurrence
Liability - \$10,000,000 per occurrence
Boiler & Machinery - \$100,000,000 per occurrence
Public Official Liability - \$10,000,000 per occurrence

The deductible per occurrence for all types is \$2,500. Pool coverage is \$7,500 - \$347,500 for boiler and machinery, \$0 - \$47,500 for crime, \$247,500 for property, and \$500,000 for liability. Excess insurance coverage, provided by commercial companies, is the amount in excess of pool coverage to the limits stated above.

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, 2014, indicates reserves in excess of anticipated claims.

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.

City of Vandalia, Ohio
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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 with a \$400 deductible for single and \$800 deductible for families who use providers within the City’s preferred provider organization (PPO). 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 \$40,000 per employee, per year. During 2014, a total of \$2,298,975 was paid in benefits and administrative costs. The liability for unpaid claims cost of \$199,809, reported in the hospital care internal service fund at December 31, 2014, is based on the requirements of Governmental Accounting Standards Board Statement No. 30 and will be processed and paid in 2015. 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 2015, which were incurred in 2014 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> <u>beginning of year</u>	<u>Current</u> <u>year claims</u>	<u>Claim</u> <u>payments</u>	<u>Balance at</u> <u>end of year</u>
2013 \$	233,738	1,870,239	1,723,641	380,336
2014 \$	380,336	1,896,148	2,076,675	199,809

City of Vandalia, Ohio
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NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, was as follows:

	Balance <u>12/31/2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>12/31/2014</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 5,400,363	\$ 494,574	\$ -	\$ 5,894,937
Easements	365,086	11,913	-	376,999
Construction in progress	<u>1,391,443</u>	<u>1,704,558</u>	<u>(11,913)</u>	<u>3,084,088</u>
Total capital assets, not being depreciated	<u>7,156,892</u>	<u>2,211,045</u>	<u>(11,913)</u>	<u>9,356,024</u>
Capital assets, being depreciated				
Buildings and improvements	31,070,158	35,783	-	31,105,941
Equipment	5,717,677	440,868	(349,447)	5,809,098
Vehicles	4,176,210	697,188	(172,656)	4,700,742
Infrastructure				
Storm sewers, bridges and culverts	11,456,882	-	-	11,456,882
Streets, sidewalks and curbs	30,939,031	414,290	-	31,353,321
Traffic signals	2,270,809	-	-	2,270,809
Street lighting	<u>1,001,908</u>	<u>-</u>	<u>-</u>	<u>1,001,908</u>
Total capital assets, being depreciated	<u>86,632,675</u>	<u>1,588,129</u>	<u>(522,103)</u>	<u>87,698,701</u>
Less: accumulated depreciation				
Buildings and improvements	(10,445,726)	(689,815)	-	(11,135,541)
Equipment	(3,758,763)	(276,863)	341,041	(3,694,585)
Vehicles	(3,614,749)	(267,929)	160,746	(3,721,932)
Infrastructure				
Storm sewers, bridges and culverts	(5,106,070)	(215,659)	-	(5,321,729)
Streets, sidewalks and curbs	(16,827,780)	(788,142)	-	(17,615,922)
Traffic signals	(675,869)	(113,040)	-	(788,909)
Street lighting	<u>(187,173)</u>	<u>(50,095)</u>	<u>-</u>	<u>(237,268)</u>
Total accumulated depreciation	<u>(40,616,130)</u>	<u>(2,401,543)</u>	<u>501,787</u>	<u>(42,515,886)</u>
Total capital assets, being depreciated, net	<u>46,016,545</u>	<u>(813,414)</u>	<u>(20,316)</u>	<u>45,182,815</u>
Governmental activities capital assets, net	<u>\$ 53,173,437</u>	<u>\$ 1,397,631</u>	<u>\$ (32,229)</u>	<u>\$ 54,538,839</u>

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

General government	
Legislative and executive	\$ 186,073
Judicial system	77,883
Public safety	
Police	175,651
Fire	206,311
Public works	
Engineer	12,466
Streets	1,309,892
Recreation	<u>433,267</u>
Total depreciation expense	<u>\$ 2,401,543</u>

	<u>Balance</u> <u>12/31/2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2014</u>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 167,369	\$ -	\$ -	\$ 167,369
Easements	500	-	-	500
Construction in progress	<u>-</u>	<u>7,884</u>	<u>-</u>	<u>7,884</u>
Total assets not being depreciated	<u>167,869</u>	<u>7,884</u>	<u>-</u>	<u>175,753</u>
Capital assets, being depreciated				
Buildings and improvements	2,861,679	-	-	2,861,679
Equipment	1,025,236	106,238	(20,450)	1,111,024
Vehicles	602,765	197,578	(327,994)	472,349
Infrastructure				
Water lines	11,816,728	-	-	11,816,728
Sewer lines	16,528,933	-	-	16,528,933
Golf cart paths and sprinkler systems	<u>364,253</u>	<u>-</u>	<u>-</u>	<u>364,253</u>
Total capital assets, being depreciated	<u>33,199,594</u>	<u>303,816</u>	<u>(348,444)</u>	<u>33,154,966</u>
Less: accumulated depreciation				
Buildings and improvements	(1,584,090)	(55,133)	-	(1,639,223)
Equipment	(583,943)	(56,601)	20,450	(620,094)
Vehicles	(546,604)	(22,414)	130,416	(438,602)
Infrastructure				
Water lines	(4,602,633)	(181,009)	-	(4,783,642)
Sewer lines	(6,840,018)	(251,843)	-	(7,091,861)
Golf cart paths and sprinkler systems	<u>(165,504)</u>	<u>(5,902)</u>	<u>-</u>	<u>(171,406)</u>
Total accumulated depreciation	<u>(14,322,792)</u>	<u>(572,902)</u>	<u>150,866</u>	<u>(14,744,828)</u>
Total capital assets, being depreciated, net	<u>18,876,802</u>	<u>(269,086)</u>	<u>(197,578)</u>	<u>18,410,138</u>
Business-type activities capital assets, net	<u>\$ 19,044,671</u>	<u>\$ (261,202)</u>	<u>\$ (197,578)</u>	<u>\$ 18,585,891</u>

City of Vandalia, Ohio
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An asset valued at \$22,048 with \$1,715 of accumulated depreciation was reclassified from infrastructure to equipment during 2014. The vehicles acquired in the water and sewer funds were subsequently transferred to governmental activities in the amount of \$98,789 each.

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

Water	\$ 242,638
Sewer	257,122
Golf	<u>73,142</u>
Total depreciation expense	<u>\$ 572,902</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 – SHORT TERM OBLIGATIONS

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

	Balance <u>12/31/2013</u>	Increase	Decreases	Balance <u>12/31/2014</u>
Capital Projects Fund:				
Capital Improvement, 0.75%	\$ 2,381,600	\$ -	\$ (2,381,600)	\$ -
Capital Improvement, 1.25%	-	2,381,000	-	2,381,000
Debt Service Fund:				
Refunding Various Purpose, 1.00%	<u>-</u>	<u>5,710,000</u>	<u>-</u>	<u>5,710,000</u>
Total	<u>\$ 2,381,600</u>	<u>\$ 8,091,000</u>	<u>\$ (2,381,600)</u>	<u>\$ 8,091,000</u>

In August of 2014, the City paid off \$2,381,600 in bond anticipation notes and issued \$2,381,000 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 2015.

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In September of 2014, the City used a bond anticipation note for a current refunding of 2004 Refunding Various Purpose bonds. The general obligation bond retirement debt service fund will retire these debts.

NOTE 10 - LONG-TERM DEBT

A schedule of changes in bonds and other long-term obligations of the City during 2014 follows:

	Amount Outstanding <u>12/31/2013</u>	<u>Increases</u>	<u>Decreases</u>	Amount Outstanding <u>12/31/2014</u>	Amount Due in <u>One Year</u>
Governmental activities					
<u>Unvoted general obligation bonds</u>					
2004 Various purpose refunding bonds, 2.0% - 5.25%	\$ 6,390,000	\$ -	\$ (6,390,000)	\$ -	\$ -
Premium on refunding bonds	109,005	-	(109,005)	-	-
2009 Various purpose limited tax bonds, 2.0% - 4.1%	3,325,000	-	(285,000)	3,040,000	295,000
Premium on bonds	<u>24,203</u>	<u>-</u>	<u>(4,178)</u>	<u>20,025</u>	<u>-</u>
Total unvoted general obligation bonds	<u>9,848,208</u>	<u>-</u>	<u>(6,788,183)</u>	<u>3,060,025</u>	<u>295,000</u>
 <u>Loans</u>					
2014 State infrastructure bank loan	<u>-</u>	<u>308,334</u>	<u>-</u>	<u>308,334</u>	<u>86,679</u>
 Other long-term obligations:					
Capital lease	274,110	461,016	(172,216)	562,910	200,079
Compensated absences	<u>1,606,750</u>	<u>930,644</u>	<u>(842,705)</u>	<u>1,694,689</u>	<u>870,469</u>
Total governmental activities long-term liabilities	<u>\$ 11,729,068</u>	<u>\$ 1,699,994</u>	<u>\$ (7,803,104)</u>	<u>\$ 5,625,958</u>	<u>\$ 1,452,227</u>
 Business-type activities					
Capital lease	\$ -	\$ 197,578	\$ (28,272)	\$ 169,306	\$ 38,286
Compensated absences	<u>165,704</u>	<u>91,085</u>	<u>(77,180)</u>	<u>179,609</u>	<u>78,779</u>
Total business-type activities long-term liabilities	<u>\$ 165,704</u>	<u>\$ 288,663</u>	<u>\$ (105,452)</u>	<u>\$ 348,915</u>	<u>\$ 117,065</u>

During 2004, the City issued \$10,840,000 General Obligation Various Purpose Refunding Bonds to advance refund a portion of the 1996 General Obligation Various Improvement Bonds. The 1996 General Obligation Various Improvement Bonds were called and in December 2006 were subsequently redeemed.

City of Vandalia, Ohio
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During 2014, the City issued a 2014 Refunding bond anticipation note for \$5,710,000 as a means to a current refunding of the 2004 General Obligation Various Purpose Refunding Bonds. The note matures on September 9, 2015 with an interest rate of 1% but will be refinanced in 2015. The 2014 Refunding bond anticipation note proceeds consisted of bond principal and \$39,684 of premium. The net proceeds of \$5,720,000 (after payment of underwriting fees, insurance, and other issuance costs) and \$149,000 of available funds were deposited in an irrevocable trust with an escrow agent to provide for current debt service payments of the called 2004 Various Purpose Refunding Bonds. The old bonds were called on December 1, 2014 and subsequently repaid.

The City refunded the old bonds to reduce their total debt service payments over the next eight years and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,037,789.

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 \$1,776,000 of which \$308,334 was received in 2014. The remaining amount is anticipated to be received in 2015.

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

Capital lease obligations will be paid from the debt service fund, 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, 2014, are as follows:

Year ending <u>December 31,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 295,000	\$ 114,615	\$ 409,615
2016	300,000	105,765	405,765
2017	310,000	96,015	406,015
2018	325,000	85,165	410,165
2019	335,000	72,978	407,978
2020-2023	<u>1,475,000</u>	<u>152,522</u>	<u>1,627,522</u>
Total	<u>\$ 3,040,000</u>	<u>\$ 627,060</u>	<u>\$ 3,667,060</u>

City of Vandalia, Ohio
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For The Year Ended December 31, 2014

Year ending December 31,	<u>State SIB Loan</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 86,679	\$ 26,640	\$ 113,319
2016	177,278	49,360	226,638
2017	182,636	44,002	226,638
2018	188,157	38,481	226,638
2019	193,844	32,794	226,638
2020-2023	947,406	72,466	1,019,872
Total	<u>\$ 1,776,000</u>	<u>\$ 263,743</u>	<u>\$ 2,039,743</u>

NOTE 11 – CAPITALIZED LEASE

During 2014, the City entered into a new 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. In a prior year, the City entered into a capital lease for the acquisition of energy savings equipment. These assets consisting of equipment have been capitalized in the amount of \$340,993 in the governmental 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, 2014:

<u>Year</u>	<u>Lease Payments</u>	<u>Lease Payments</u>
	<u>Governmental</u>	<u>Business-type</u>
	<u>Activities</u>	<u>Activities</u>
2015	\$ 214,538	\$ 41,960
2016	156,222	41,961
2017	97,908	41,961
2018	97,908	41,960
2019	24,478	10,490
Total minimum lease payments	591,054	178,332
Less: amount representing interest	(28,144)	(9,026)
Total	<u>\$ 562,910</u>	<u>\$ 169,306</u>

NOTE 12 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

The City participates 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.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or 800-222-7377, or by visiting the OPERS website at <https://www.opers.org/investments/cafr.shtml>.

Member and employer contributions rates were consistent across all three plans (TP, MD and CP). For the year ended December 31, 2014, City employees were required to contribute 10% of their annual covered salary. The City's contribution rate for 2014 was 14%. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional plan for the years ended December 31, 2014, 2013 and 2012 were \$870,242, \$971,489 and \$537,700 respectively; 95.5% has been contributed for 2014 and 100% for 2013 and 2012. \$39,088 representing the unpaid contribution for fiscal year 2014 is recorded as an intergovernmental payable.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. 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 for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the OP&F website at www.op-f.org.

From January 1, 2014 through July 1, 2014, plan members are required to contribute 10.75% of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members are required to contribute 11.5% of their annual covered salary. Throughout 2014, the City is required to contribute 19.5% for police officers and 24% for firefighters. The City's contributions to the Fund for the years ended December 31, 2014, 2013 and 2012 were \$597,534, \$407,429 and \$385,142 respectively, equal to the required contributions for each year. The full amount has been contributed for 2013 and 2012. 98.7% has been contributed for 2014 with the remainder being reported as a liability. \$7,512 representing the unpaid contribution for fiscal year 2014 is recorded as an intergovernmental payable.

NOTE 13 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage, commonly referred to OPEB (other postemployment benefits). OPERS administers three separate pension plans, the Traditional Pension Plan (TP), the Member-Directed Plan (MD) and the Combined Plan (CP), all of which are described in Note 12.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement health care coverage, age and service retirees under the traditional pension and combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor 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 No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained in writing to OPERS, 227 E. Town St., Columbus, OH, 43215-4642, or by calling (614) 222-5601 or (800) 222-7377 or by visiting <https://www.opers.org/investments/cafr.shtml>.

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 2014, 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.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan and Combined Plan was 2.0% during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to healthcare remains at 2 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Actual employer contributions which were used to fund postemployment benefits for the years ended December 31, 2014, 2013 and 2012 were \$145,040, \$69,364 and \$153,629 respectively; 95.5% has been contributed for 2014 and 100% for 2013 and 2012. \$6,515 representing the unpaid contribution for fiscal year 2014 is recorded as an intergovernmental payable. The actual contribution and the actuarially required contribution amounts are the same.

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Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

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.

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.

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 .5% of covered payroll from January 1, 2014 through December 31, 2014. 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, 2014, 2013 and 2012 were \$15,088, \$74,835 and \$191,907 respectively, 98.9 percent has been contributed, for 2014 with the remainder being reported as a liability. \$172 representing the unpaid contribution for fiscal year 2014 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.

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 \$8,142,476 which represents 26.34% 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 \$859,601 for services provided in 2014. Tri-Cities had five OWDA Loans outstanding at December 31, 2014, in the amounts of \$749,973, \$2,362,823, \$275,748, \$138,641, and \$5,471,584 for a total of \$8,998,769. 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 2014, the City's equity interest is \$297,196 which represents 50% of the total equity of NAWA as of December 31, 2014.

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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, 2014, NAWA has one outstanding loan with OWDA in the amount of \$20,633,889 for the water treatment plant construction. The City of Vandalia paid \$1,472,698 for services provided in 2014. 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 2014. 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, 2014, 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.

City of Vandalia, Ohio
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NOTE 17 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers and Due to/from other funds for the year ended December 31, 2014, consisted of the following:

	<u>Transfer from</u>
<u>Transfer to</u>	<u>General</u>
Capital improvement fund	\$ 723,705
General obligation bond retirement fund	1,148,782
Other governmental funds	1,584,353
Total	\$ 3,456,840

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.

Interfund balances at December 31, 2014 consisted of the following:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General fund	\$ 125,000	\$ -
Other governmental funds	-	125,000

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of December 31, 2014, all interfund loans outstanding are anticipated to be repaid by 2015.

NOTE 18 – OPERATING LEASE

On February 28, 2012, the City entered into an operating lease to lease computers and software. The lease agreement began on February 28, 2012 and is in effect until March 10, 2015 with an option to purchase the equipment anytime during the life of the lease. Total payments for the use of this equipment was \$109,670, payable in monthly installments on the tenth day of each month.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

The following is a schedule of the future minimum lease payments as of December 31, 2014:

<u>Year</u>	<u>Lease Payments</u>
2015	\$ 10,209
Total minimum lease payments	10,209
Less: amount representing interest	<u>(131)</u>
Total	<u>\$ 10,078</u>

NOTE 19 – ACCOUNTABILITY

At December 31, 2014, the general obligation bond retirement fund, a major fund, has a deficit fund balance of \$5,675,573. It is unusual for a debt service 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.

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.

Baseball Recreation

To account for fund raising programs and fees collected and committed for the purpose of funding the Vandalia baseball program.

Combining Statements – Nonmajor Governmental Funds (Continued)

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Soccer Recreation

To account for fund raising programs and fees collected and committed for the youth soccer program for the City of Vandalia.

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.

Chuck Gabbard Memorial

To account for donations restricted for the police department.

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.

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.

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.

Public Works Vehicle

To account for the receipt and dispersal of lease monies for the purchase of five public works vehicles.

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.

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, 2014

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 1,849,191	\$ 2,948,859	\$ 4,798,050
Receivables:			
Accounts	29,352	-	29,352
Revenue in lieu of taxes	-	74,296	74,296
Due from other governments	469,037	392,979	862,016
Materials and supplies inventory	115,829	-	115,829
Total assets	<u>\$ 2,463,409</u>	<u>\$ 3,416,134</u>	<u>\$ 5,879,543</u>
Liabilities:			
Accounts payable	\$ 15,916	\$ -	\$ 15,916
Accrued wages	24,621	6,389	31,010
Matured compensated absences payable	1,853	-	1,853
Interfund payable	-	125,000	125,000
Due to other governments	28,528	117,094	145,622
Total liabilities	<u>70,918</u>	<u>248,483</u>	<u>319,401</u>
Deferred inflows of resources:			
Payments in lieu of taxes	-	74,296	74,296
Unavailable revenue - other	417,308	278,725	696,033
Total deferred inflows of resources	<u>417,308</u>	<u>353,021</u>	<u>770,329</u>
Fund balances:			
Nonspendable	115,829	-	115,829
Restricted	1,463,501	1,153,015	2,616,516
Committed	395,853	1,661,615	2,057,468
Total fund balances	<u>1,975,183</u>	<u>2,814,630</u>	<u>4,789,813</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,463,409</u>	<u>\$ 3,416,134</u>	<u>\$ 5,879,543</u>

City of Vandalia, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Charges for services	\$ 438,723	\$ -	\$ 438,723
Fines and forfeitures	291,122	-	291,122
Intergovernmental	1,100,831	1,295,046	2,395,877
Payments in lieu of taxes	-	196,368	196,368
Other	29,400	1,039	30,439
Total revenue	<u>1,860,076</u>	<u>1,492,453</u>	<u>3,352,529</u>
Expenditures:			
Current:			
General government			
Legislative and executive	139,701	62,820	202,521
Judicial system	95,318	-	95,318
Public safety			
Police	70,081	163,887	233,968
Fire	-	57,527	57,527
Public works			
Engineer	182,777	-	182,777
Streets	781,335	-	781,335
Recreation	168,138	-	168,138
Capital outlay	124,340	2,550,603	2,674,943
Debt service:			
Principal retirement	42,409	285,000	327,409
Interest and fiscal charges	4,797	124,590	129,387
Total expenditures	<u>1,608,896</u>	<u>3,244,427</u>	<u>4,853,323</u>
Excess of revenues over (under) expenditures	<u>251,180</u>	<u>(1,751,974)</u>	<u>(1,500,794)</u>
Other financing sources:			
Proceeds of loans	-	308,334	308,334
Inception of capital lease	-	461,016	461,016
Transfers - in	-	1,584,353	1,584,353
Total other financing sources	<u>-</u>	<u>2,353,703</u>	<u>2,353,703</u>
Net change in fund balance	251,180	601,729	852,909
Fund balances at beginning of year	<u>1,724,003</u>	<u>2,212,901</u>	<u>3,936,904</u>
Fund balances at end of year	<u>\$ 1,975,183</u>	<u>\$ 2,814,630</u>	<u>\$ 4,789,813</u>

City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	Street Fund	State Highway Fund	Permissive Motor Vehicle Tax Fund	Law Enforcement Fund	Drug Law Enforcement Fund
Assets:					
Equity in pooled cash and investments	\$ 891,095	\$ 65,957	\$ 32,289	\$ 10,018	\$ 1,974
Receivables:					
Accounts	801	-	-	-	-
Due from other governments	393,664	31,919	26,495	-	-
Materials and supplies inventory	115,083	-	-	-	-
Total assets	<u>\$ 1,400,643</u>	<u>\$ 97,876</u>	<u>\$ 58,784</u>	<u>\$ 10,018</u>	<u>\$ 1,974</u>
Liabilities:					
Accounts payable	\$ 9,971	\$ 72	\$ 3,789	\$ -	\$ -
Accrued wages	15,609	-	-	-	-
Matured compensated absences payable	1,440	-	-	-	-
Due to other governments	9,783	6,833	-	-	-
Total liabilities	<u>36,803</u>	<u>6,905</u>	<u>3,789</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Unavailable revenue - other	<u>327,201</u>	<u>26,465</u>	<u>22,808</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable	115,083	-	-	-	-
Restricted	921,556	64,506	32,187	10,018	1,974
Committed	-	-	-	-	-
Total fund balances	<u>1,036,639</u>	<u>64,506</u>	<u>32,187</u>	<u>10,018</u>	<u>1,974</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,400,643</u>	<u>\$ 97,876</u>	<u>\$ 58,784</u>	<u>\$ 10,018</u>	<u>\$ 1,974</u>

OMVI Education and Enforcement Fund	OMVI Indigent Fund	Computer Legal Research Fund	Indigent Drivers IAM Fund	Baseball Recreation Fund	Soccer Recreation Fund	Police Continuous Professional Training Fund
\$ 5,188	\$ 198,727	\$ 87,920	\$ 115,878	\$ 28,986	\$ 50,724	\$ -
-	-	-	-	597	-	-
-	9,763	3,993	3,203	-	-	-
-	-	-	-	373	373	-
<u>\$ 5,188</u>	<u>\$ 208,490</u>	<u>\$ 91,913</u>	<u>\$ 119,081</u>	<u>\$ 29,956</u>	<u>\$ 51,097</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 31	\$ -	\$ -
-	-	2,300	-	211	107	-
-	-	-	-	-	-	-
-	-	1,910	-	2,526	2,039	-
-	-	4,210	-	2,768	2,146	-
-	9,763	-	2,520	597	-	-
-	-	-	-	373	373	-
5,188	198,727	87,703	116,561	-	-	-
-	-	-	-	26,218	48,578	-
<u>5,188</u>	<u>198,727</u>	<u>87,703</u>	<u>116,561</u>	<u>26,591</u>	<u>48,951</u>	<u>-</u>
<u>\$ 5,188</u>	<u>\$ 208,490</u>	<u>\$ 91,913</u>	<u>\$ 119,081</u>	<u>\$ 29,956</u>	<u>\$ 51,097</u>	<u>\$ -</u>

(Continued)

City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	Stormwater Fund	Chuck Gabbard Memorial Fund	Magistrate Fund	Total Nonmajor Special Revenue Funds
Assets:				
Equity in pooled cash and investments	\$ 331,337	\$ 2,258	\$ 26,840	\$ 1,849,191
Receivables:				
Accounts	27,954	-	-	29,352
Due from other governments	-	-	-	469,037
Materials and supplies inventory	-	-	-	115,829
Total assets	<u>\$ 359,291</u>	<u>\$ 2,258</u>	<u>\$ 26,840</u>	<u>\$ 2,463,409</u>
Liabilities:				
Accounts payable	\$ 2,053	\$ -	\$ -	\$ 15,916
Accrued wages	4,139	-	2,255	24,621
Matured compensated absences payable	413	-	-	1,853
Due to other governments	3,675	-	1,762	28,528
Total liabilities	<u>10,280</u>	<u>-</u>	<u>4,017</u>	<u>70,918</u>
Deferred inflows of resources:				
Unavailable revenue	<u>27,954</u>	<u>-</u>	<u>-</u>	<u>417,308</u>
Fund balances:				
Nonspendable	-	-	-	115,829
Restricted	-	2,258	22,823	1,463,501
Committed	321,057	-	-	395,853
Total fund balances	<u>321,057</u>	<u>2,258</u>	<u>22,823</u>	<u>1,975,183</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 359,291</u>	<u>\$ 2,258</u>	<u>\$ 26,840</u>	<u>\$ 2,463,409</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, 2014

	Street Fund	State Highway Fund	Permissive Motor Vehicle Tax Fund	Law Enforcement Fund	Drug Law Enforcement Fund
Revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	174	325
Intergovernmental	955,023	77,434	47,873	-	-
Other	16,371	-	-	-	-
Total revenue	<u>971,394</u>	<u>77,434</u>	<u>47,873</u>	<u>174</u>	<u>325</u>
Expenditures:					
Current:					
General government					
Legislative and executive	-	-	-	-	-
Judicial system	-	-	-	-	-
Public safety					
Police	-	-	-	-	-
Public works					
Engineer	-	-	-	-	-
Streets	618,119	111,538	51,678	-	-
Recreation	-	-	-	-	-
Capital outlay	85,453	9,919	28,968	-	-
Debt service:					
Principal retirement	32,985	-	-	-	-
Interest and fiscal charges	3,731	-	-	-	-
Total expenditures	<u>740,288</u>	<u>121,457</u>	<u>80,646</u>	<u>-</u>	<u>-</u>
Net change in fund balance	231,106	(44,023)	(32,773)	174	325
Fund balances at beginning of year	805,533	108,529	64,960	9,844	1,649
Fund balances at end of year	<u>\$ 1,036,639</u>	<u>\$ 64,506</u>	<u>\$ 32,187</u>	<u>\$ 10,018</u>	<u>\$ 1,974</u>

OMVI Education and Enforcement Fund	OMVI Indigent Fund	Computer Legal Research Fund	Indigent Drivers IAM Fund	Baseball Recreation Fund	Soccer Recreation Fund	Continuous Professional Training Fund
\$ -	\$ -	\$ -	\$ -	\$ 106,114	\$ 49,468	\$ -
969	40,869	138,564	18,655	-	-	-
-	-	18,181	-	-	-	2,320
-	-	933	-	8,579	1,463	-
<u>969</u>	<u>40,869</u>	<u>157,678</u>	<u>18,655</u>	<u>114,693</u>	<u>50,931</u>	<u>2,320</u>
-	-	139,701	-	-	-	-
-	-	-	-	-	-	-
-	66,677	-	1,084	-	-	2,320
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	126,783	41,355	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>66,677</u>	<u>139,701</u>	<u>1,084</u>	<u>126,783</u>	<u>41,355</u>	<u>2,320</u>
969	(25,808)	17,977	17,571	(12,090)	9,576	-
4,219	224,535	69,726	98,990	38,681	39,375	-
<u>\$ 5,188</u>	<u>\$ 198,727</u>	<u>\$ 87,703</u>	<u>\$ 116,561</u>	<u>\$ 26,591</u>	<u>\$ 48,951</u>	<u>\$ -</u>

(Continued)

City of Vandalia, Ohio
Statement of Revenues, Expenditures and Changes in Fu
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014

	Stormwater Fund	Chuck Gabbard Memorial Fund	Magistrate Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Charges for services	\$ 283,141	\$ -	\$ -	\$ 438,723
Fines and forfeitures	-	-	91,566	291,122
Intergovernmental	-	-	-	1,100,831
Other	1,436	-	618	29,400
Total revenue	<u>284,577</u>	<u>-</u>	<u>92,184</u>	<u>1,860,076</u>
Expenditures:				
Current:				
General government				
Legislative and executive	-	-	-	139,701
Judicial system	-	-	95,318	95,318
Public safety				
Police	-	-	-	70,081
Public works				
Engineer	182,777	-	-	182,777
Streets	-	-	-	781,335
Recreation	-	-	-	168,138
Capital outlay	-	-	-	124,340
Debt service:				
Principal retirement	9,424	-	-	42,409
Interest and fiscal charges	1,066	-	-	4,797
Total expenditures	<u>193,267</u>	<u>-</u>	<u>95,318</u>	<u>1,608,896</u>
Net change in fund balance	91,310	-	(3,134)	251,180
Fund balances at beginning of year	<u>229,747</u>	<u>2,258</u>	<u>25,957</u>	<u>1,724,003</u>
Fund balances at end of year	<u>\$ 321,057</u>	<u>\$ 2,258</u>	<u>\$ 22,823</u>	<u>\$ 1,975,183</u>



City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2014

	Police, Fire and Street Capital Improvements Fund	TIF Fund	Public Works Vehicle Fund	Dixie Drive Phase 3 Widening Project Fund	Stonequarry Crossings TIF Fund
Assets:					
Equity in pooled cash and investments	\$ 985,031	\$ 92,920	\$ -	\$ 125,000	\$ 84,293
Receivables:					
Revenue in lieu of taxes	-	50,710	-	-	23,586
Due from other governments	-	-	-	392,979	-
Total assets	<u>\$ 985,031</u>	<u>\$ 143,630</u>	<u>\$ -</u>	<u>\$ 517,979</u>	<u>\$ 107,879</u>
Liabilities:					
Accrued wages	\$ 6,389	\$ -	\$ -	\$ -	\$ -
Interfund payable	-	-	-	125,000	-
Due to other governments	2,840	-	-	114,254	-
Total liabilities	<u>9,229</u>	<u>-</u>	<u>-</u>	<u>239,254</u>	<u>-</u>
Deferred inflows of resources:					
Payments in lieu of taxes	-	50,710	-	-	23,586
Unavailable revenue - other	-	-	-	278,725	-
Total deferred inflows of resources	<u>-</u>	<u>50,710</u>	<u>-</u>	<u>278,725</u>	<u>23,586</u>
Fund balances:					
Restricted	975,802	92,920	-	-	84,293
Committed	-	-	-	-	-
Total fund balances	<u>975,802</u>	<u>92,920</u>	<u>-</u>	<u>-</u>	<u>84,293</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 985,031</u>	<u>\$ 143,630</u>	<u>\$ -</u>	<u>\$ 517,979</u>	<u>\$ 107,879</u>

Capital Improvement Reserve Fund	Facilities Improvement & Maintenance Reserve Fund	Total Nonmajor Capital Projects Funds
\$ 661,615	\$ 1,000,000	\$ 2,948,859
-	-	74,296
-	-	392,979
<u>\$ 661,615</u>	<u>\$ 1,000,000</u>	<u>\$ 3,416,134</u>
\$ -	\$ -	\$ 6,389
-	-	125,000
-	-	117,094
<u>-</u>	<u>-</u>	<u>248,483</u>
-	-	74,296
-	-	278,725
<u>-</u>	<u>-</u>	<u>353,021</u>
-	-	1,153,015
<u>661,615</u>	<u>1,000,000</u>	<u>1,661,615</u>
<u>661,615</u>	<u>1,000,000</u>	<u>2,814,630</u>
<u>\$ 661,615</u>	<u>\$ 1,000,000</u>	<u>\$ 3,416,134</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, 2014

	Police, Fire and Street Capital Improvements Fund	TIF Fund	Public Works Vehicle Fund	Dixie Drive Phase 3 Widening Project Fund	Stonequarry Crossings TIF Fund
Revenues:					
Intergovernmental	\$ 33,558	\$ -	\$ -	\$ 1,261,488	\$ -
Payments in lieu of taxes	-	72,179	-	-	124,189
Other	1,039	-	-	-	-
Total revenue	<u>34,597</u>	<u>72,179</u>	<u>-</u>	<u>1,261,488</u>	<u>124,189</u>
Expenditures:					
Current:					
General government					
Legislative and executive	-	22,924	-	-	39,896
Public safety					
Police	163,887	-	-	-	-
Fire	57,527	-	-	-	-
Public works					
Capital outlay	476,716	-	461,016	1,569,822	-
Debt service:					
Principal retirement	285,000	-	-	-	-
Interest and fiscal charges	124,590	-	-	-	-
Total expenditures	<u>1,107,720</u>	<u>22,924</u>	<u>461,016</u>	<u>1,569,822</u>	<u>39,896</u>
Excess of revenues over (under) expenditures	<u>(1,073,123)</u>	<u>49,255</u>	<u>(461,016)</u>	<u>(308,334)</u>	<u>84,293</u>
Other financing sources:					
Proceeds of loans	-	-	-	308,334	-
Inception of capital lease	-	-	461,016	-	-
Transfers - in	1,584,353	-	-	-	-
Total other financing sources	<u>1,584,353</u>	<u>-</u>	<u>461,016</u>	<u>308,334</u>	<u>-</u>
Net change in fund balance	511,230	49,255	-	-	84,293
Fund balances at beginning of year	464,572	43,665	-	-	-
Fund balances at end of year	<u>\$ 975,802</u>	<u>\$ 92,920</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,293</u>

Capital Improvement Reserve Fund	Facilities Improvement & Maintenance Reserve Fund	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ 1,295,046
-	-	196,368
-	-	1,039
-	-	1,492,453
-	-	62,820
-	-	163,887
-	-	57,527
43,049	-	2,550,603
-	-	285,000
-	-	124,590
43,049	-	3,244,427
(43,049)	-	(1,751,974)
-	-	308,334
-	-	461,016
-	-	1,584,353
-	-	2,353,703
(43,049)	-	601,729
704,664	1,000,000	2,212,901
\$ 661,615	\$ 1,000,000	\$ 2,814,630

**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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Municipal income tax	\$ 13,500,000	\$ 13,500,000	\$ 13,377,761	\$ (122,239)
Property and other taxes	1,275,261	1,260,411	1,266,240	5,829
Charges for services	3,326,600	3,336,900	3,224,937	(111,963)
Licenses and permits	350,500	350,500	311,970	(38,530)
Fines and forfeitures	1,248,500	1,248,500	1,176,585	(71,915)
Intergovernmental	1,368,152	1,369,951	1,141,176	(228,775)
Interest	150,000	150,000	138,696	(11,304)
Other	111,500	120,550	278,428	157,878
Total revenues	<u>21,330,513</u>	<u>21,336,812</u>	<u>20,915,793</u>	<u>(421,019)</u>
<u>Expenditures:</u>				
Current:				
General government				
Legislative and executive				
Personal services	2,026,082	2,026,082	1,921,144	104,938
Operations and maintenance	3,147,000	3,245,496	2,519,485	726,011
Total legislative and executive	<u>5,173,082</u>	<u>5,271,578</u>	<u>4,440,629</u>	<u>830,949</u>
Judicial system				
Personal services	1,556,316	1,556,316	1,471,434	84,882
Operations and maintenance	280,353	282,393	246,005	36,388
Total judicial system	<u>1,836,669</u>	<u>1,838,709</u>	<u>1,717,439</u>	<u>121,270</u>
Total general government	<u>7,009,751</u>	<u>7,110,287</u>	<u>6,158,068</u>	<u>952,219</u>
Public safety				
Police				
Personal services	4,329,617	4,329,617	4,198,854	130,763
Operations and maintenance	444,885	444,884	391,540	53,344
Total police	<u>4,774,502</u>	<u>4,774,501</u>	<u>4,590,394</u>	<u>184,107</u>
Fire				
Personal services	1,766,023	1,766,023	1,667,892	98,131
Operations and maintenance	328,234	340,436	344,265	(3,829)
Total fire	<u>2,094,257</u>	<u>2,106,459</u>	<u>2,012,157</u>	<u>94,302</u>
Total public safety	<u>6,868,759</u>	<u>6,880,960</u>	<u>6,602,551</u>	<u>278,409</u>
Public works				
Engineer				
Personal services	831,219	831,219	801,397	29,822
Operations and maintenance	154,164	154,164	72,642	81,522
Total engineer	<u>985,383</u>	<u>985,383</u>	<u>874,039</u>	<u>111,344</u>

(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, 2014
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Streets				
Service department				
Personal services	133,454	133,454	117,630	15,824
Operations and maintenance	6,645	6,645	4,804	1,841
Street lighting				
Operations and maintenance	180,551	180,551	165,410	15,141
Street maintenance				
Personal services	345,973	345,973	337,319	8,654
Operations and maintenance	10,150	10,150	6,366	3,784
Total streets	<u>676,773</u>	<u>676,773</u>	<u>631,529</u>	<u>45,244</u>
Refuse				
Operations and maintenance	1,096,351	1,084,864	1,056,999	27,865
Total public works	<u>2,758,507</u>	<u>2,747,020</u>	<u>2,562,567</u>	<u>184,453</u>
Recreation				
Parks				
Personal services	2,579,739	2,579,739	2,443,710	136,029
Operations and maintenance	984,685	994,985	952,771	42,214
Total recreation	<u>3,564,424</u>	<u>3,574,724</u>	<u>3,396,481</u>	<u>178,243</u>
Total expenditures	<u>20,201,441</u>	<u>20,312,991</u>	<u>18,719,667</u>	<u>1,593,324</u>
Excess of revenues over expenditures	<u>1,129,072</u>	<u>1,023,821</u>	<u>2,196,126</u>	<u>1,172,305</u>
Other financing sources (uses):				
Sale of capital assets	1,000	1,000	-	(1,000)
Advances - out	-	-	(125,000)	(125,000)
Transfers - out	(3,493,762)	(3,659,987)	(3,556,840)	103,147
Total other financing sources (uses)	<u>(3,492,762)</u>	<u>(3,658,987)</u>	<u>(3,681,840)</u>	<u>(22,853)</u>
Net change in fund balance	(2,363,690)	(2,635,166)	(1,485,714)	1,149,452
Fund balance at beginning of year	10,820,596	10,820,596	10,820,596	-
Prior year encumbrances appropriated	1,697,847	1,697,847	1,697,847	-
Fund balance at end of year	<u>\$ 10,154,753</u>	<u>\$ 9,883,277</u>	<u>\$ 11,032,729</u>	<u>\$ 1,149,452</u>

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Personal services	47,362	47,362	-	47,362
Fire				
Personal services	10,039	10,039	-	10,039
Total public safety	57,401	57,401	-	57,401
Public works				
Streets				
Street maintenance				
Personal services	12,229	12,229	-	12,229
Total expenditures	69,630	69,630	-	69,630
Excess of revenues under expenditures	(69,630)	(69,630)	-	69,630
Other financing sources:				
Transfers - in	100,000	100,000	100,000	-
Net change in fund balance	30,370	30,370	100,000	69,630
Fund balance at beginning of year	542,531	542,531	542,531	-
Fund balance at end of year	\$ 572,901	\$ 572,901	\$ 642,531	\$ 69,630

(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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 50,000	\$ 10,000
Special assessments	9,800	9,800	6,018	(3,782)
Other	25,550	25,550	16,828	(8,722)
Total revenues	<u>75,350</u>	<u>75,350</u>	<u>72,846</u>	<u>(2,504)</u>
<u>Expenditures:</u>				
Capital outlay	1,039,194	1,179,194	1,001,003	178,191
Debt service:				
Principal retirement	-	23,560	23,560	-
Interest and fiscal charges	-	2,665	2,665	-
Total expenditures	<u>1,039,194</u>	<u>1,205,419</u>	<u>1,027,228</u>	<u>178,191</u>
Excess of revenues under expenditures	<u>(963,844)</u>	<u>(1,130,069)</u>	<u>(954,382)</u>	<u>175,687</u>
<u>Other financing sources:</u>				
Sale of capital assets	-	-	71,926	71,926
Transfers - in	527,843	694,068	694,068	-
Total other financing sources	<u>527,843</u>	<u>694,068</u>	<u>765,994</u>	<u>71,926</u>
Net change in fund balance	(436,001)	(436,001)	(188,388)	247,613
Fund balance at beginning of year	330,670	330,670	330,670	-
Prior year encumbrances appropriated	436,001	436,001	436,001	-
Fund balance at end of year	<u>\$ 330,670</u>	<u>\$ 330,670</u>	<u>\$ 578,283</u>	<u>\$ 247,613</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Debt service:				
Principal retirement	3,157,847	8,867,847	8,877,847	(10,000)
Interest and fiscal charges	222,872	222,872	222,872	-
Bond issuance costs	30,000	70,000	38,682	31,318
Current refunding escrow	149,300	149,300	149,300	-
Total expenditures	<u>3,560,019</u>	<u>9,310,019</u>	<u>9,288,701</u>	<u>21,318</u>
Excess of revenues under expenditures	<u>(3,560,019)</u>	<u>(9,310,019)</u>	<u>(9,288,701)</u>	<u>21,318</u>
Other financing sources:				
Bond anticipation notes issued	2,381,600	2,381,600	2,381,000	(600)
Refunding bond anticipation notes issued	-	5,710,000	5,710,000	-
Premium on notes issued	-	40,000	51,447	11,447
Transfers - in	1,178,419	1,178,419	1,178,419	-
Total other financing sources	<u>3,560,019</u>	<u>9,310,019</u>	<u>9,320,866</u>	<u>10,847</u>
Net change in fund balance	-	-	32,165	32,165
Fund balance at beginning of year	<u>19,977</u>	<u>19,977</u>	<u>19,977</u>	<u>-</u>
Fund balance at end of year	<u>\$ 19,977</u>	<u>\$ 19,977</u>	<u>\$ 52,142</u>	<u>\$ 32,165</u>

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 964,000	\$ 964,000	\$ 949,356	\$ (14,644)
Other	3,500	3,500	16,371	12,871
Total revenues	<u>967,500</u>	<u>967,500</u>	<u>965,727</u>	<u>(1,773)</u>
<u>Expenditures:</u>				
Current:				
Public works				
Streets				
Street maintenance				
Personal services	558,921	558,921	521,807	37,114
Operations and maintenance	182,559	175,181	129,200	45,981
Capital outlay	78,076	85,453	85,453	-
Total streets	<u>819,556</u>	<u>819,555</u>	<u>736,460</u>	<u>83,095</u>
Debt service:				
Principal retirement	-	32,985	32,985	-
Interest and fiscal charges	-	3,731	3,731	-
Total expenditures	<u>819,556</u>	<u>856,271</u>	<u>773,176</u>	<u>83,095</u>
Net change in fund balance	147,944	111,229	192,551	81,322
Fund balance at beginning of year	664,119	664,119	664,119	-
Prior year encumbrances appropriated	14,386	14,386	14,386	-
Fund balance at end of year	<u>\$ 826,449</u>	<u>\$ 789,734</u>	<u>\$ 871,056</u>	<u>\$ 81,322</u>

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 82,162	\$ 82,162	\$ 76,974	\$ (5,188)
<u>Expenditures:</u>				
Current:				
Public works				
Streets				
Street maintenance				
Operations and maintenance	218,823	208,904	156,852	52,052
Capital outlay	-	9,919	9,919	-
Total expenditures	218,823	218,823	166,771	52,052
Net change in fund balance	(136,661)	(136,661)	(89,797)	46,864
Fund balance at beginning of year	50,836	50,836	50,836	-
Prior year encumbrances appropriated	91,623	91,623	91,623	-
Fund balance at end of year	\$ 5,798	\$ 5,798	\$ 52,662	\$ 46,864

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 48,000	\$ 48,000	\$ 47,279	\$ (721)
<u>Expenditures:</u>				
Current:				
Streets				
Street maintenance				
Operations and maintenance	20,519	20,519	17,739	2,780
Capital outlay	65,489	65,489	65,489	-
Total expenditures	86,008	86,008	83,228	2,780
Net change in fund balance	(38,008)	(38,008)	(35,949)	2,059
Fund balance at beginning of year	37,859	37,859	37,859	-
Prior year encumbrances appropriated	24,008	24,008	24,008	-
Fund balance at end of year	\$ 23,859	\$ 23,859	\$ 25,918	\$ 2,059

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, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Fines and forfeitures	\$ 500	\$ 500	\$ 174	\$ (326)
<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)	(8,895)	174
Fund balance at beginning of year	775	775	775	-
Prior year encumbrances appropriated	9,069	9,069	9,069	-
Fund balance at end of year	<u>\$ 775</u>	<u>\$ 775</u>	<u>\$ 949</u>	<u>\$ 174</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Fines and forfeitures	\$ 50	\$ 50	\$ 304	\$ 254
<u>Expenditures:</u>				
Current:				
General government				
Legislative and executive				
Operations and maintenance	1,000	1,000	-	1,000
Net change in fund balance	(950)	(950)	304	1,254
Fund balance at beginning of year	1,649	1,649	1,649	-
Prior year encumbrances appropriated	1	1	1	-
Fund balance at end of year	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ 1,954</u>	<u>\$ 1,254</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, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Fines and forfeitures	\$ 1,000	\$ 1,000	\$ 750	\$ (250)
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Operations and maintenance	1,000	1,000	-	1,000
Net change in fund balance	-	-	750	750
Fund balance at beginning of year	4,174	4,174	4,174	-
Fund balance at end of year	<u>\$ 4,174</u>	<u>\$ 4,174</u>	<u>\$ 4,924</u>	<u>\$ 750</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Fines and forfeitures	\$ 26,000	\$ 26,000	\$ 46,318	\$ 20,318
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Operations and maintenance	60,000	67,000	66,677	323
Net change in fund balance	(34,000)	(41,000)	(20,359)	20,641
Fund balance at beginning of year	217,473	217,473	217,473	-
Fund balance at end of year	<u>\$ 183,473</u>	<u>\$ 176,473</u>	<u>\$ 197,114</u>	<u>\$ 20,641</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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Fines and forfeitures	\$ 137,000	\$ 137,000	\$ 137,081	\$ 81
Intergovernmental	-	-	14,188	14,188
Other	-	-	933	933
Total revenues	137,000	137,000	152,202	15,202
<u>Expenditures:</u>				
Current:				
General government				
Legislative and executive				
Personal services	109,592	109,592	101,626	7,966
Operations and maintenance	85,234	85,234	55,808	29,426
Capital outlay	2,000	2,000	-	2,000
Total expenditures	196,826	196,826	157,434	39,392
Net change in fund balance	(59,826)	(59,826)	(5,232)	54,594
Fund balance at beginning of year	58,952	58,952	58,952	-
Prior year encumbrances appropriated	22,732	22,732	22,732	-
Fund balance at end of year	\$ 21,858	\$ 21,858	\$ 76,452	\$ 54,594

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, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 18,896	\$ (1,104)
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Operations and maintenance	5,000	5,000	1,084	3,916
Net change in fund balance	15,000	15,000	17,812	2,812
Fund balance at beginning of year	97,078	97,078	97,078	-
Fund balance at end of year	<u>\$ 112,078</u>	<u>\$ 112,078</u>	<u>\$ 114,890</u>	<u>\$ 2,812</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Baseball Recreation Fund
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 123,900	\$ 123,900	\$ 106,114	\$ (17,786)
Other	6,850	6,850	8,579	1,729
Total revenues	130,750	130,750	114,693	(16,057)
<u>Expenditures:</u>				
Current:				
Recreation				
Parks				
Personal services	51,560	51,560	44,583	6,977
Operations and maintenance	81,907	81,907	72,025	9,882
Capital outlay	16,386	16,386	10,911	5,475
Total expenditures	149,853	149,853	127,519	22,334
Net change in fund balance	(19,103)	(19,103)	(12,826)	6,277
Fund balance at beginning of year	40,630	40,630	40,630	-
Prior year encumbrances appropriated	1,182	1,182	1,182	-
Fund balance at end of year	\$ 22,709	\$ 22,709	\$ 28,986	\$ 6,277

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Soccer Recreation Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for services	\$ 52,500	\$ 52,500	\$ 49,468	\$ (3,032)
Other	100	100	1,463	1,363
Total revenues	<u>52,600</u>	<u>52,600</u>	<u>50,931</u>	<u>(1,669)</u>
<u>Expenditures:</u>				
Current:				
Recreation				
Parks				
Personal services	25,905	25,905	19,375	6,530
Operations and maintenance	33,087	33,087	24,629	8,458
Total expenditures	<u>58,992</u>	<u>58,992</u>	<u>44,004</u>	<u>14,988</u>
Net change in fund balance	(6,392)	(6,392)	6,927	13,319
Fund balance at beginning of year	38,931	38,931	38,931	-
Prior year encumbrances appropriated	<u>3,467</u>	<u>3,467</u>	<u>3,467</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 36,006</u></u>	<u><u>\$ 36,006</u></u>	<u><u>\$ 49,325</u></u>	<u><u>\$ 13,319</u></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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 2,320	\$ 2,320	\$ -
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Operations and maintenance	-	2,320	2,320	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 277,200	\$ 277,200	\$ 283,141	\$ 5,941
Other	-	-	1,436	1,436
Total revenues	277,200	277,200	284,577	7,377
<u>Expenditures:</u>				
Current:				
Public works				
Engineer				
Personal services	149,898	149,898	142,633	7,265
Operations and maintenance	127,507	127,507	46,009	81,498
Capital outlay	188,000	188,000	-	188,000
Total engineer	465,405	465,405	188,642	276,763
Debt service:				
Principal retirement	-	9,424	9,424	-
Interest and fiscal charges	-	1,066	1,066	-
Total expenditures	465,405	475,895	199,132	276,763
Net change in fund balance	(188,205)	(198,695)	85,445	284,140
Fund balance at beginning of year	160,374	160,374	160,374	-
Prior year encumbrances appropriated	80,707	80,707	80,707	-
Fund balance at end of year	\$ 52,876	\$ 42,386	\$ 326,526	\$ 284,140

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Chuck Gabbard Memorial Fund
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Total expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	2,258	2,258	2,258	-
Fund balance at end of year	\$ 2,258	\$ 2,258	\$ 2,258	\$ -

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Fines and forfeitures	\$ 85,000	\$ 85,000	\$ 90,772	\$ 5,772
Other	-	-	618	618
Total revenues	\$ 85,000	\$ 85,000	\$ 91,390	\$ 6,390
<u>Expenditures:</u>				
Current:				
General government				
Judicial system				
Personal services	72,979	102,979	94,407	8,572
Net change in fund balance	12,021	(17,979)	(3,017)	14,962
Fund balance at beginning of year	22,314	22,314	22,314	-
Prior year encumbrances appropriated	3	3	3	-
Fund balance at end of year	\$ 34,338	\$ 4,338	\$ 19,300	\$ 14,962

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 33,558	\$ 33,558	\$ -
Other	-	-	1,039	1,039
Total revenues	-	33,558	34,597	1,039
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Personal services	112,745	112,745	103,005	9,740
Capital outlay	282,532	282,532	203,610	78,922
Total police	395,277	395,277	306,615	88,662
Fire				
Capital outlay	130,064	160,064	145,330	14,734
Total public safety	525,341	555,341	451,945	103,396
Public works				
Streets				
Capital outlay	250,000	592,000	592,000	-
Debt service:				
Principal retirement	285,000	285,000	285,000	-
Interest and fiscal charges	124,590	124,590	124,590	-
Total expenditures	1,184,931	1,556,931	1,453,535	103,396
Excess of revenues under expenditures	(1,184,931)	(1,523,373)	(1,418,938)	104,435
Other financing sources:				
Transfers - in	1,687,500	1,687,500	1,584,353	(103,147)
Net change in fund balance	502,569	164,127	165,415	1,288
Fund balance at beginning of year	791,858	791,858	791,858	-
Prior year encumbrances appropriated	19,691	19,691	19,691	-
Fund balance at end of year	\$ 1,314,118	\$ 975,676	\$ 976,964	\$ 1,288

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Payments in lieu of taxes	\$ 46,000	\$ 46,000	\$ 72,179	\$ 26,179
<u>Expenditures:</u>				
Capital outlay	24,500	184,500	182,924	1,576
Net change in fund balance	21,500	(138,500)	(110,745)	27,755
Fund balance at beginning of year	203,665	203,665	203,665	-
Fund balance at end of year	<u>\$ 225,165</u>	<u>\$ 65,165</u>	<u>\$ 92,920</u>	<u>\$ 27,755</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Works Vehicle Fund
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Capital outlay	-	461,016	461,016	-
Excess of revenues under expenditures	-	(461,016)	(461,016)	-
Other financing sources:				
Inception of capital lease	-	461,016	461,016	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

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, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 1,147,234	\$ 1,147,234	\$ -
<u>Expenditures:</u>				
Capital outlay	-	1,776,000	1,580,568	195,432
Excess of revenues under expenditures	-	(628,766)	(433,334)	195,432
Other financing sources:				
Loan proceeds	-	628,766	308,334	(320,432)
Advances - in	-	-	125,000	125,000
Total other financing sources	-	628,766	433,334	(195,432)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</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
Stonequarry Crossings TIF Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Payments in lieu of taxes	\$ -	\$ 124,000	\$ 124,189	\$ 189
<u>Expenditures:</u>				
Capital outlay	-	100,000	39,896	60,104
Net change in fund balance	-	24,000	84,293	60,293
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 24,000</u>	<u>\$ 84,293</u>	<u>\$ 60,293</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, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Capital outlay	67,520	67,520	67,520	-
Net change in fund balance	(67,520)	(67,520)	(67,520)	-
Fund balance at beginning of year	637,143	637,143	637,143	-
Prior year encumbrances appropriated	67,520	67,520	67,520	-
Fund balance at end of year	<u>\$ 637,143</u>	<u>\$ 637,143</u>	<u>\$ 637,143</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, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Total expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	1,000,000	1,000,000	1,000,000	-
Fund balance at end of year	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 2,179,000	\$ 2,179,000	\$ 2,116,817	\$ (62,183)
Tap-in fees	12,000	12,000	5,800	(6,200)
Utility deposits received	-	-	6,466	6,466
Other	48,000	48,000	54,075	6,075
Total revenues	2,239,000	2,239,000	2,183,158	(55,842)
Expenses:				
Personal services	346,907	346,907	338,816	8,091
Contractual services	1,653,347	1,852,517	1,622,229	230,288
Materials and supplies	53,708	57,356	54,363	2,993
Capital outlay	3,600	98,789	98,789	-
Utility deposits returned	-	-	4,735	(4,735)
Other	1,000	1,783	2,192	(409)
Total expenses	2,058,562	2,357,352	2,121,124	236,228
Operating income (loss)	180,438	(118,352)	62,034	180,386
Nonoperating revenues (expenses)				
Principal retirement	-	(14,136)	(14,136)	-
Interest	-	(1,599)	(1,599)	-
Inception of capital lease	-	98,790	98,789	(1)
Total nonoperating revenues (expenses)	-	83,055	83,054	(1)
Change in net position	180,438	(35,297)	145,088	180,385
Net position at beginning of year	2,181,063	2,181,063	2,181,063	-
Prior year encumbrances appropriated	129,505	129,505	129,505	-
Net position at end of year	\$ 2,491,006	\$ 2,275,271	\$ 2,455,656	\$ 180,385

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for services	\$ 1,679,600	\$ 1,679,600	\$ 1,674,144	\$ (5,456)
Tap-in fees	10,000	10,000	4,150	(5,850)
Utility deposits received	-	-	3,184	3,184
Other	-	-	5,253	5,253
Total revenues	<u>1,689,600</u>	<u>1,689,600</u>	<u>1,686,731</u>	<u>(2,869)</u>
<u>Expenses:</u>				
Personal services	341,030	341,030	323,830	17,200
Contractual services	978,359	978,359	916,384	61,975
Materials and supplies	43,014	43,014	36,915	6,099
Capital outlay	73,000	171,790	171,451	339
Utility deposits returned	200	200	2,338	(2,138)
Total expenses	<u>1,435,603</u>	<u>1,534,393</u>	<u>1,450,918</u>	<u>83,475</u>
Operating income	<u>253,997</u>	<u>155,207</u>	<u>235,813</u>	<u>80,606</u>
Nonoperating revenues (expenses)				
Principal retirement	-	(14,136)	(14,136)	-
Interest	-	(1,599)	(1,599)	-
Inception of capital lease	-	98,790	98,789	(1)
Total nonoperating revenues (expenses)	<u>-</u>	<u>83,055</u>	<u>83,054</u>	<u>(1)</u>
Change in net position	253,997	238,262	318,867	80,605
Net position at beginning of year	1,370,032	1,370,032	1,370,032	-
Prior year encumbrances appropriated	<u>15,823</u>	<u>15,823</u>	<u>15,823</u>	<u>-</u>
Net position at end of year	<u>\$ 1,639,852</u>	<u>\$ 1,624,117</u>	<u>\$ 1,704,722</u>	<u>\$ 80,605</u>

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 904,320	\$ 904,320	\$ 882,986	\$ (21,334)
Other	175	175	4,279	4,104
Total revenues	904,495	904,495	887,265	(17,230)
<u>Expenses:</u>				
Personal services	506,034	506,034	442,418	63,616
Contractual services	350,340	349,580	318,856	30,724
Materials and supplies	193,164	193,924	177,252	16,672
Capital outlay	83,506	83,506	48,931	34,575
Other	25,729	25,729	28,794	(3,065)
Total expenses	1,158,773	1,158,773	1,016,251	142,522
Change in net position	(254,278)	(254,278)	(128,986)	125,292
Net position at beginning of year	283,938	283,938	283,938	-
Prior year encumbrances appropriated	32,383	32,383	32,383	-
Net position at end of year	\$ 62,043	\$ 62,043	\$ 187,335	\$ 125,292

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Charges for services	\$ 2,263,458	\$ 2,263,458	\$ 1,999,968	\$ (263,490)
Other	50,000	400,000	486,602	86,602
Total revenues	<u>2,313,458</u>	<u>2,663,458</u>	<u>2,486,570</u>	<u>(176,888)</u>
<u>Expenses:</u>				
Contractual services	457,500	457,500	407,303	50,197
Claims	2,001,476	2,351,476	2,090,511	260,965
Total expenses	<u>2,458,976</u>	<u>2,808,976</u>	<u>2,497,814</u>	<u>311,162</u>
Change in net position	(145,518)	(145,518)	(11,244)	134,274
Net position at beginning of year	400,581	400,581	400,581	-
Prior year encumbrances appropriated	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Net position at end of year	<u>\$ 255,064</u>	<u>\$ 255,064</u>	<u>\$ 389,338</u>	<u>\$ 134,274</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 Cities of Englewood and Brookville.

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, 2014

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
Building Standards				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 966	\$ 2,131	\$ 2,305	\$ 792
Total assets	<u>\$ 966</u>	<u>\$ 2,131</u>	<u>\$ 2,305</u>	<u>\$ 792</u>
<u>Liabilities:</u>				
Due to other governments	\$ 966	\$ 2,131	\$ 2,305	\$ 792
Total liabilities	<u>\$ 966</u>	<u>\$ 2,131</u>	<u>\$ 2,305</u>	<u>\$ 792</u>

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
Northern Area Water Authority				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 690,560	\$ 2,772,012	\$ 2,038,455	\$ 1,424,117
Total assets	<u>\$ 690,560</u>	<u>\$ 2,772,012</u>	<u>\$ 2,038,455</u>	<u>\$ 1,424,117</u>
<u>Liabilities:</u>				
Due to others	\$ 690,560	\$ 2,772,012	\$ 2,038,455	\$ 1,424,117
Total liabilities	<u>\$ 690,560</u>	<u>\$ 2,772,012</u>	<u>\$ 2,038,455</u>	<u>\$ 1,424,117</u>

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
Municipal Court				
<u>Assets:</u>				
Cash and cash equivalents in segregated accounts	\$ 122,285	\$ 1,464,401	\$ 1,435,947	\$ 150,739
Total assets	<u>\$ 122,285</u>	<u>\$ 1,464,401</u>	<u>\$ 1,435,947</u>	<u>\$ 150,739</u>
<u>Liabilities:</u>				
Due to other governments	\$ 44,732	\$ 601,184	\$ 584,848	\$ 61,068
Undistributed monies	77,553	863,217	851,099	89,671
Total liabilities	<u>\$ 122,285</u>	<u>\$ 1,464,401</u>	<u>\$ 1,435,947</u>	<u>\$ 150,739</u>

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
Multi-District Tax fund				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 302,431	\$ 8,344,350	\$ 8,349,014	\$ 297,767
Total assets	<u>\$ 302,431</u>	<u>\$ 8,344,350</u>	<u>\$ 8,349,014</u>	<u>\$ 297,767</u>
<u>Liabilities:</u>				
Due to other governments	\$ 302,431	\$ 8,344,350	\$ 8,349,014	\$ 297,767
Total liabilities	<u>\$ 302,431</u>	<u>\$ 8,344,350</u>	<u>\$ 8,349,014</u>	<u>\$ 297,767</u>

City of Vandalia, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2014

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
Performance Bond				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 38,910	\$ -	\$ -	\$ 38,910
Total assets	<u>\$ 38,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,910</u>
<u>Liabilities:</u>				
Undistributed monies	\$ 38,910	\$ -	\$ -	\$ 38,910
Total liabilities	<u>\$ 38,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,910</u>
	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
Tri-Cities North Regional Wastewater Authority				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 1,698,183	\$ 10,292,801	\$ 8,663,390	\$ 3,327,594
Investments	3,149,327	1,247,971	2,644,676	1,752,622
Total assets	<u>\$ 4,847,510</u>	<u>\$ 11,540,772</u>	<u>\$ 11,308,066</u>	<u>\$ 5,080,216</u>
<u>Liabilities:</u>				
Due to others	\$ 4,847,510	\$ 11,540,772	\$ 11,308,066	\$ 5,080,216
Total liabilities	<u>\$ 4,847,510</u>	<u>\$ 11,540,772</u>	<u>\$ 11,308,066</u>	<u>\$ 5,080,216</u>
	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
Employee Flex Account				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 8,616	\$ 54,350	\$ 53,723	\$ 9,243
Total assets	<u>\$ 8,616</u>	<u>\$ 54,350</u>	<u>\$ 53,723</u>	<u>\$ 9,243</u>
<u>Liabilities:</u>				
Due to employees	\$ 8,616	\$ 54,350	\$ 53,723	\$ 9,243
Total liabilities	<u>\$ 8,616</u>	<u>\$ 54,350</u>	<u>\$ 53,723</u>	<u>\$ 9,243</u>
	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
Totals				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 2,739,666	\$ 21,465,644	\$ 19,106,887	\$ 5,098,423
Cash and cash equivalents in segregated accounts	122,285	1,464,401	1,435,947	150,739
Investments	3,149,327	1,247,971	2,644,676	1,752,622
Total assets	<u>\$ 6,011,278</u>	<u>\$ 24,178,016</u>	<u>\$ 23,187,510</u>	<u>\$ 7,001,784</u>
<u>Liabilities:</u>				
Due to other governments	\$ 348,129	\$ 8,947,665	\$ 8,936,167	\$ 359,627
Due to employees	8,616	54,350	53,723	9,243
Undistributed monies	116,463	863,217	851,099	128,581
Due to others	5,538,070	14,312,784	13,346,521	6,504,333
Total liabilities	<u>\$ 6,011,278</u>	<u>\$ 24,178,016</u>	<u>\$ 23,187,510</u>	<u>\$ 7,001,784</u>



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.

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

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Governmental Activities</u>					
Net investment in capital assets	\$ 33,073,481	\$ 32,617,097	\$ 35,381,805	\$ 36,535,266	\$ 39,122,829
Restricted	4,668,371	5,164,000	4,872,447	4,489,010	5,991,019
Unrestricted	<u>15,932,867</u>	<u>21,393,154</u>	<u>21,683,362</u>	<u>21,281,556</u>	<u>14,113,877</u>
Total governmental activities net position	<u>\$ 53,674,719</u>	<u>\$ 59,174,251</u>	<u>\$ 61,937,614</u>	<u>\$ 62,305,832</u>	<u>\$ 59,227,725</u>
<u>Business-Type Activities</u>					
Net investment in capital assets	\$ 17,560,983	\$ 17,541,180	\$ 17,331,384	\$ 18,165,790	\$ 18,217,454
Unrestricted	<u>7,861,688</u>	<u>7,999,421</u>	<u>10,272,138</u>	<u>9,385,576</u>	<u>9,169,165</u>
Total business-type activities net position	<u>\$ 25,422,671</u>	<u>\$ 25,540,601</u>	<u>\$ 27,603,522</u>	<u>\$ 27,551,366</u>	<u>\$ 27,386,619</u>
<u>Primary Government</u>					
Net investment in capital assets	\$ 50,634,464	\$ 50,158,277	\$ 52,713,189	\$ 54,701,056	\$ 57,340,283
Restricted	4,668,371	5,164,000	4,872,447	4,489,010	5,991,019
Unrestricted	<u>23,794,555</u>	<u>29,392,575</u>	<u>31,955,500</u>	<u>30,667,132</u>	<u>23,283,042</u>
Total primary government net position	<u>\$ 79,097,390</u>	<u>\$ 84,714,852</u>	<u>\$ 89,541,136</u>	<u>\$ 89,857,198</u>	<u>\$ 86,614,344</u>

		Restated			
	2010	2011	2012	2013	2014
\$	42,469,073	\$ 42,488,927	\$ 42,909,665	\$ 43,255,312	\$ 45,004,853
	5,776,138	2,032,828	3,006,345	3,047,614	3,895,737
	12,187,964	15,743,855	15,722,617	15,697,621	15,364,592
	<u>60,433,175</u>	<u>60,265,610</u>	<u>61,638,627</u>	<u>62,000,547</u>	<u>64,265,182</u>
\$	18,100,914	\$ 18,332,521	\$ 18,007,758	\$ 19,044,671	\$ 18,585,891
	10,846,059	10,898,051	11,833,535	12,516,865	12,671,842
	<u>28,946,973</u>	<u>29,230,572</u>	<u>29,841,293</u>	<u>31,561,536</u>	<u>31,257,733</u>
\$	60,569,987	\$ 60,821,448	\$ 60,917,423	\$ 62,299,983	\$ 63,590,744
	5,776,138	2,032,828	3,006,345	3,047,614	3,895,737
	23,034,023	26,641,906	27,556,152	28,214,486	28,036,434
	<u>89,380,148</u>	<u>89,496,182</u>	<u>91,479,920</u>	<u>93,562,083</u>	<u>95,522,915</u>

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

Expenses	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities:					
General government	\$ 5,366,477	\$ 5,460,150	\$ 5,906,984	\$ 6,403,491	\$ 7,686,032
Public safety	6,058,752	6,178,967	6,052,798	6,608,469	6,605,685
Public works	4,432,060	4,240,372	4,224,539	4,430,596	5,881,207
Recreation	3,294,702	3,427,824	3,676,239	4,016,239	4,099,980
Interest and fiscal charges	540,735	580,291	650,699	625,917	758,879
Total governmental activities expenses	<u>19,692,726</u>	<u>19,887,604</u>	<u>20,511,259</u>	<u>22,084,712</u>	<u>25,031,783</u>
Business-Type Activities:					
Water	1,801,203	2,227,291	2,242,417	2,677,281	2,530,623
Sewer	1,464,646	1,478,904	1,523,399	1,574,798	1,699,742
Golf	1,145,444	1,165,894	1,185,618	1,137,838	1,057,710
Total business-type activities	<u>4,411,293</u>	<u>4,872,089</u>	<u>4,951,434</u>	<u>5,389,917</u>	<u>5,288,075</u>
Total primary government expenses	<u>\$ 24,104,019</u>	<u>\$ 24,759,693</u>	<u>\$ 25,462,693</u>	<u>\$ 27,474,629</u>	<u>\$ 30,319,858</u>
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$ 2,111,964	\$ 1,748,666	\$ 1,873,488	\$ 1,914,426	\$ 1,821,605
Public safety	502,942	708,379	673,765	654,686	629,222
Public works	1,331,202	1,186,775	1,310,194	1,132,996	1,245,630
Recreation	1,298,854	1,347,174	1,397,631	1,461,420	1,468,749
Operating grants, contributions and interest	1,626,415	1,165,543	1,152,379	919,062	1,324,350
Capital grants and contributions	1,745,069	952,359	1,374,031	750,497	2,078,995
Total governmental activities program revenues	<u>8,616,446</u>	<u>7,108,896</u>	<u>7,781,488</u>	<u>6,833,087</u>	<u>8,568,551</u>
Business-Type Activities:					
Charges for services:					
Water	1,568,232	2,249,435	2,770,088	1,979,915	2,056,963
Sewer	1,065,364	1,336,767	2,333,065	1,072,501	1,254,928
Golf	974,608	984,106	990,779	951,835	935,518
Operating grants, contributions and interest	-	-	-	-	-
Capital grants and contributions	813,061	327,837	74,445	103,784	412,108
Total business-type activities program revenues	<u>4,421,265</u>	<u>4,898,145</u>	<u>6,168,377</u>	<u>4,108,035</u>	<u>4,659,517</u>
Total primary government program revenues	<u>\$ 13,037,711</u>	<u>\$ 12,007,041</u>	<u>\$ 13,949,865</u>	<u>\$ 10,941,122</u>	<u>\$ 13,228,068</u>
Net (expense)/revenue					
Governmental activities	\$ (11,076,280)	\$ (12,778,708)	\$ (12,729,771)	\$ (15,251,625)	\$ (16,463,232)
Business-type activities	9,972	26,056	1,216,943	(1,281,882)	(628,558)
Total primary government net expense	<u>\$ (11,066,308)</u>	<u>\$ (12,752,652)</u>	<u>\$ (11,512,828)</u>	<u>\$ (16,533,507)</u>	<u>\$ (17,091,790)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property taxes levied for:					
General purposes	\$ 1,652,459	\$ 2,008,091	\$ 1,976,022	\$ 2,077,147	\$ 1,670,726
Income tax levied for:					
General purposes	10,419,773	13,205,994	13,072,621	11,391,659	9,222,083
Grants and entitlements not restricted to specific programs	925,581	1,820,314	1,357,421	1,977,904	1,931,238
Payment in lieu of taxes	-	-	-	-	16,857
Investment earnings	354,301	1,146,670	1,485,318	1,211,323	622,173
Gain on the sale of capital assets	-	-	-	-	-
Other	32,800	159,399	112,821	154,641	114,904
Total governmental activities	<u>13,384,914</u>	<u>18,340,468</u>	<u>18,004,203</u>	<u>16,812,674</u>	<u>13,577,981</u>
Business-Type Activities:					
Investment in joint venture	171,124	-	-	-	-
Investment earnings	2,187	4,717	3,471	1,140	483
Other	28,588	24,929	33,196	35,755	270,472
Total business-type activities	<u>201,899</u>	<u>29,646</u>	<u>36,667</u>	<u>36,895</u>	<u>270,955</u>
Total primary government	<u>\$ 13,586,813</u>	<u>\$ 18,370,114</u>	<u>\$ 18,040,870</u>	<u>\$ 16,849,569</u>	<u>\$ 13,848,936</u>
Change in net position					
Governmental activities	\$ 2,148,523	\$ 5,499,532	\$ 4,337,065	\$ 368,218	\$ (3,078,107)
Business-type activities	371,982	117,930	2,190,977	(52,156)	(164,747)
Total primary government	<u>\$ 2,520,505</u>	<u>\$ 5,617,462</u>	<u>\$ 6,528,042</u>	<u>\$ 316,062</u>	<u>\$ (3,242,854)</u>

	2010	2011	2012	2013	2014
\$	5,582,027	\$ 5,726,617	\$ 5,782,863	\$ 5,475,675	\$ 5,520,951
	6,531,788	6,911,373	6,811,934	7,174,259	7,124,303
	5,030,029	5,328,780	6,294,260	5,098,906	4,736,869
	3,984,048	3,958,580	3,847,357	3,788,977	4,147,571
	736,084	661,538	601,289	560,923	569,379
	<u>21,863,976</u>	<u>22,586,888</u>	<u>23,337,703</u>	<u>22,098,740</u>	<u>22,099,073</u>
	1,912,399	2,057,812	2,059,071	1,909,167	2,072,336
	450,852	1,741,089	1,512,536	1,552,360	1,814,270
	1,087,328	965,069	1,042,176	1,097,625	1,019,002
	<u>3,450,579</u>	<u>4,763,970</u>	<u>4,613,783</u>	<u>4,559,152</u>	<u>4,905,608</u>
\$	<u>25,314,555</u>	<u>27,350,858</u>	<u>27,951,486</u>	<u>26,657,892</u>	<u>27,004,681</u>
\$	1,871,967	\$ 1,871,826	\$ 1,577,135	\$ 2,459,074	\$ 2,435,013
	663,224	326,695	649,206	569,979	569,797
	1,333,534	1,706,801	1,400,408	1,474,377	1,424,524
	1,481,966	1,479,628	1,446,534	1,395,800	1,446,891
	727,898	1,272,681	1,106,688	1,227,177	1,177,845
	2,501,327	818,757	2,004,768	45,000	1,623,771
	<u>8,579,916</u>	<u>7,476,388</u>	<u>8,184,739</u>	<u>7,171,407</u>	<u>8,677,841</u>
	2,182,747	2,128,858	2,226,641	2,190,856	2,218,971
	1,300,559	1,378,273	1,584,806	1,933,954	1,691,533
	930,933	863,896	973,947	888,023	885,919
	-	-	130,340	-	-
	108,770	1,052	2,828	1,290,959	2,960
	<u>4,523,009</u>	<u>4,372,079</u>	<u>4,918,562</u>	<u>6,303,792</u>	<u>4,799,383</u>
\$	<u>13,102,925</u>	<u>11,848,467</u>	<u>13,103,301</u>	<u>13,475,199</u>	<u>13,477,224</u>
\$	(13,284,060)	\$ (15,110,500)	\$ (15,152,964)	\$ (14,927,333)	\$ (13,421,232)
	1,072,430	(391,891)	304,779	1,744,640	(106,225)
\$	<u>(12,211,630)</u>	<u>(15,502,391)</u>	<u>(14,848,185)</u>	<u>(13,182,693)</u>	<u>(13,527,457)</u>
\$	1,989,379	\$ 1,548,086	\$ 1,505,738	\$ 1,221,094	\$ 1,283,417
	10,889,271	11,709,263	13,025,898	12,709,385	13,021,106
	1,539,008	1,764,465	1,556,563	1,098,778	761,023
	108,512	107,720	43,957	84,136	196,368
	254,451	492,580	208,984	20,362	215,329
	-	11,040	124,555	-	-
	131,464	59,415	82,334	131,101	11,046
	<u>14,912,085</u>	<u>15,692,569</u>	<u>16,548,029</u>	<u>15,264,856</u>	<u>15,488,289</u>
	-	-	-	-	-
	287	-	-	-	-
	65,062	56,523	283,894	-	-
	<u>65,349</u>	<u>56,523</u>	<u>283,894</u>	<u>-</u>	<u>-</u>
\$	<u>14,977,434</u>	<u>15,749,092</u>	<u>16,831,923</u>	<u>15,264,856</u>	<u>15,488,289</u>
\$	1,205,450	\$ (36,898)	\$ 1,373,017	\$ 361,920	\$ 2,264,635
	1,560,354	283,599	610,721	1,720,243	(303,803)
\$	<u>2,765,804</u>	<u>246,701</u>	<u>1,983,738</u>	<u>2,082,163</u>	<u>1,960,832</u>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved	1,867,705	1,850,259	1,790,777	1,952,111	1,304,239
Unreserved, designated	-	-	-	-	915,000
Unreserved	13,008,780	16,996,717	18,711,875	19,029,818	11,813,674
Total general fund	<u>\$ 14,876,485</u>	<u>\$ 18,846,976</u>	<u>\$ 20,502,652</u>	<u>\$ 20,981,929</u>	<u>\$ 14,032,913</u>
All Other Governmental Funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved	738,185	4,477,554	6,105,502	6,517,093	8,079,431
Unreserved, reported in:					
Special revenue funds	1,578,658	1,966,858	1,508,082	1,306,895	1,445,453
Capital projects funds	1,390,763	(2,060,044)	(3,834,063)	(4,158,504)	(1,453,242)
Debt service funds	411,590	169,257	219,077	221,577	243,154
Total all other governmental funds	<u>\$ 4,119,196</u>	<u>\$ 4,553,625</u>	<u>\$ 3,998,598</u>	<u>\$ 3,887,061</u>	<u>\$ 8,314,796</u>

Restated				
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 42,721	\$ 42,034	\$ 50,022	\$ 39,372	\$ 34,636
380,484	360,215	442,531	542,531	642,531
1,832,419	2,287,384	1,348,736	1,549,018	683,527
10,266,922	10,756,154	11,307,767	10,402,258	11,068,945
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 12,522,546</u>	<u>\$ 13,445,787</u>	<u>\$ 13,149,056</u>	<u>\$ 12,533,179</u>	<u>\$ 12,429,639</u>
\$ 3,763,299	\$ 3,340,482	\$ 2,849,291	\$ 95,238	\$ 115,829
1,661,587	1,788,921	1,937,880	2,822,178	3,207,520
3,165,623	2,536,378	2,073,419	2,012,467	2,057,468
-	-	-	-	-
(3,195,166)	(3,755,190)	(2,074,380)	-	(5,675,573)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 5,395,343</u>	<u>\$ 3,910,591</u>	<u>\$ 4,786,210</u>	<u>\$ 4,929,883</u>	<u>\$ (294,756)</u>

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>REVENUES</u>										
Municipal income taxes	\$ 10,735,700	\$ 12,579,757	\$ 13,278,532	\$ 11,905,601	\$ 9,377,445	\$ 11,031,533	\$ 11,811,152	\$ 12,554,400	\$ 12,667,627	\$ 13,019,647
Property and other taxes	1,708,422	1,972,798	1,922,643	2,097,501	1,674,192	1,973,483	1,614,735	1,533,779	1,232,843	1,281,724
Charges for services	3,077,102	3,210,035	3,451,386	3,625,059	3,544,147	3,647,220	3,685,674	3,485,052	3,463,040	3,669,349
Fines, licenses and permits	1,558,334	1,520,154	1,710,057	1,675,186	1,580,539	1,689,318	1,560,665	1,639,877	1,828,789	1,796,072
Intergovernmental revenues	3,282,145	2,842,184	3,519,044	3,703,037	3,891,817	5,034,523	3,669,156	3,544,825	2,712,119	3,562,887
Special assessments	77,444	74,442	15,459	27,739	17,950	9,606	7,862	10,231	7,757	6,018
Investment income	420,327	1,170,927	1,485,317	1,211,322	622,173	254,537	492,580	208,984	20,362	215,329
Payments in lieu of taxes	-	-	-	21,354	16,856	108,512	107,720	43,956	84,136	196,368
Other	82,088	113,944	119,864	146,798	39,536	132,485	76,244	103,708	545,020	309,685
Total revenues	<u>20,941,562</u>	<u>23,484,241</u>	<u>25,502,302</u>	<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>EXPENDITURES</u>										
General government	5,070,770	5,229,572	5,679,146	6,076,275	7,381,632	5,374,258	5,410,595	5,496,187	5,276,604	5,252,837
Public safety	5,446,724	5,673,085	5,643,811	6,105,935	6,105,910	6,096,542	6,308,866	6,187,676	6,822,655	6,832,743
Public works	3,025,121	3,292,098	3,343,736	3,453,508	4,877,949	4,069,538	3,745,331	4,884,241	3,844,621	3,433,779
Recreation	2,792,382	2,864,729	3,158,080	3,418,795	3,558,865	3,486,776	3,500,732	3,349,081	3,389,173	3,731,450
Capital outlay	1,334,942	1,883,575	4,861,768	3,787,251	4,477,252	7,279,564	3,042,512	1,190,438	2,135,887	3,589,683
Debt service:										
Principal retirement	555,000	568,521	619,479	632,844	1,011,352	935,008	963,819	997,791	1,021,931	6,847,216
Interest and fiscal charges	509,321	503,396	605,128	606,004	635,638	669,351	615,444	580,937	543,026	359,838
Bond issuance costs	-	10,000	-	-	97,735	-	-	-	-	-
Current refunding	-	-	-	-	-	-	-	-	-	149,300
Total expenditures	<u>18,734,260</u>	<u>20,024,976</u>	<u>23,911,148</u>	<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>
Excess of revenues over (under) expenditures	<u>2,207,302</u>	<u>3,459,265</u>	<u>1,591,154</u>	<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>OTHER FINANCING SOURCES (USES)</u>										
Proceeds of loans	-	-	-	-	-	-	-	-	-	308,334
Proceeds of bonds	-	-	-	-	4,755,000	-	-	-	-	-
Inception of capital lease	-	944,855	-	-	-	-	-	-	-	461,016
Premium on bonds issued	-	-	-	-	50,304	-	-	-	-	-
Sale of capital assets	15,120	800	9,495	34,755	55,093	-	-	140,427	-	42,238
Transfers in	1,787,573	2,695,016	4,931,342	4,439,244	6,841,691	4,253,092	2,561,151	3,855,648	4,047,930	3,456,840
Transfer out	(1,787,573)	(2,695,016)	(5,431,342)	(4,439,244)	(6,841,691)	(4,653,092)	(2,561,151)	(3,855,648)	(4,047,930)	(3,456,840)
Total other financing sources (uses)	<u>15,120</u>	<u>945,655</u>	<u>(490,505)</u>	<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>
Net change in fund balance	<u>\$ 2,222,422</u>	<u>\$ 4,404,920</u>	<u>\$ 1,100,649</u>	<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>
Debt service as a percentage of noncapital expenditures	6.1%	5.9%	6.4%	6.1%	7.0%	7.8%	7.7%	7.3%	7.5%	27.6%

(1) Modified accrual basis of accounting.

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

Collection Year	Real Property (1)			Public Utility (2)		Tangible Personal Property (3)		Total		Weighted Average Tax Rate	Total City Direct Rate
	Assessed Value	Commercial/Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
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
2007	358,120,300	26,400	1,023,276,286	6,670,560	17,131,211	43,327,379	346,619,032	408,144,639	1,387,026,529	30.03%	\$ 4.14
2006	347,780,250	42,820	993,780,200	6,942,390	17,829,320	59,956,143	319,766,096	414,721,603	1,331,375,616	31.81%	\$ 4.14
2005	322,144,700	46,520	920,546,343	7,338,730	8,339,466	77,595,931	323,316,379	407,125,881	1,252,202,188	32.51%	\$ 4.14

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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 2005, for 2006-2014 half at 88% the other half at 25% of true value.
- (3) Tangible personal property is assessed at 24% for 2005, 18.75% for 2006, 12.5% for 2007, 6.25% for 2008 and 0% for 2009-2014.

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

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Deliquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Outstanding Delinquent Taxes to Current Tax Levy</u>	<u>Total Direct Tax Rate</u>
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
2007	1,689,719	1,590,666	70,311	1,660,977	98.30%	98,978	5.86%	79.51
2006	1,716,947	1,641,715	54,295	1,696,010	98.78%	77,144	4.49%	73.97
2005	1,685,501	1,656,709	21,698	1,678,407	99.58%	51,822	3.07%	73.97

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 Year	City Direct Rates				Overlapping Rates					Total Levy
	General Fund	Charter	Police Pension	Total City	County Levy	Vandalia-Butler City Schools	Miami Valley Career Technology Center	Library		
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	
2007	1.54	2.30	0.30	4.14	18.24	53.30	2.58	1.25	79.51	
2006	1.54	2.30	0.30	4.14	18.24	47.76	2.58	1.25	73.97	
2005	1.54	2.30	0.30	4.14	18.24	47.76	2.58	1.25	73.97	

Source: Montgomery County Auditor

CITY OF VANDALIA, OHIO
Schedules of Principal Taxpayers - Real Property
2014 and 2005

	2005			2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Taxpayer						
Shoppes at Northwoods	\$ 2,044,630	6	0.63%	\$ 3,320,340	1	0.99%
Sand Lake Plaza LLC	-		0.00%	2,281,150	2	0.68%
Garrett-Ryan LLC	-		0.00%	1,936,960	3	0.58%
Floriday LLC	-		0.00%	1,770,840	4	0.53%
Delphi Properties Management	-		0.00%	1,612,800	5	0.48%
3920 Space Drive Building	-		0.00%	1,551,620	6	0.46%
Mehland Developers	-		0.00%	1,454,070	7	0.43%
Timberlake Limited Partners	1,596,670	8	0.50%	1,287,410	8	0.38%
H&H of Vandalia LLC	-		0.00%	1,260,900	9	0.38%
Joseph Realty LLC	-		0.00%	1,242,230	10	0.37%
Dayton Power & Light Co.	4,699,340	1	1.46%	-		0.00%
Delphi Automotive System	4,657,770	2	1.45%	-		0.00%
The Iams Company	2,913,960	3	0.90%	-		0.00%
The Beerman Realty Co.	2,339,520	4	0.73%	-		0.00%
Ohio Bell Telephone Co.	1,543,830	5	0.48%	-		0.00%
Mid-States Development Co.	1,658,110	7	0.51%	-		0.00%
ABMD, LTD.	1,488,920	9	0.46%	-		0.00%
Thieman, Ted H.	1,243,410	10	0.39%	-		0.00%
Total of above	<u>\$ 24,186,160</u>		<u>7.52%</u>	<u>\$ 17,718,320</u>		<u>5.29%</u>
Total City	<u>\$ 322,191,220</u>			<u>\$ 335,542,680</u>		

Source: Montgomery County Auditor.

CITY OF VANDALIA, OHIO
Schedules of Principal Taxpayers - Public Utility
2014 and 2005

	2005			2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<u>Taxpayer</u>						
Dayton Power	\$ 4,699,340	1	64.03%	\$ 6,732,540	1	95.67%
Vectren Energy Delivery of Ohio	-		0.00%	520,850	2	7.40%
Buckeye Power Inc.	-		0.00%	920	3	0.01%
Ohio Bell Telephone Co.	1,543,830	2	21.04%	-		0.00%
Total of above	<u>\$ 6,243,170</u>		<u>85.07%</u>	<u>\$ 7,254,310</u>		<u>103.09%</u>
Total City	<u>\$ 7,338,730</u>			<u>\$ 7,037,090</u>		

Source: Montgomery County Auditor.

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

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
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
2007	2.00	13,941,609	10,467,971	75.08	2,118,969	15.20	1,354,469	9.72
2006	2.00	12,460,878	9,361,866	75.13	1,911,160	15.34	1,187,852	9.53
2005	1.75	11,120,405	8,803,549	79.17	1,132,354	10.18	1,184,502	10.65

Source: City income tax records.

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

Fiscal Year	Governmental Activities (1)				Business-Type Activities		Total Primary Government	Percentage of Personal Income	Total Debt Per Capita
	General Obligation Bonds	Loan Payable	Bond Anticipation Notes	Capital Leases	Capital Leases				
2014	\$ 3,060,025	\$ 308,334	\$ 8,091,000	\$ 562,910	\$ 169,306	\$ 12,191,575	2.93%	\$ 800	
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	
2007	9,635,744	-	-	826,855	-	10,462,599	2.96%	716	
2006	10,151,869	-	-	906,334	-	11,058,203	3.13%	757	
2005	10,657,994	-	-	-	-	10,657,994	3.02%	730	

(1) Details regarding the City's outstanding debt can be found in Note 9 & 10 in the current financial statements.

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

Fiscal Year	Governmental Activities (1)		Total	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Bond Anticipation Notes			
2014	\$ 3,060,025	\$ 8,091,000	\$ 11,151,025	3.26%	\$ 731
2013	9,644,015	-	9,644,015	2.85%	633
2012	10,543,316	-	10,543,316	3.10%	692
2011	11,420,417	-	11,420,417	3.13%	749
2010	12,265,384	-	12,265,384	3.34%	804
2009	13,083,289	-	13,083,289	3.55%	896
2008	9,109,619	-	9,109,619	2.31%	624
2007	9,635,744	-	9,635,744	2.36%	660
2006	10,151,869	-	10,151,869	2.45%	695
2005	10,657,994	-	10,657,994	2.62%	730

(1) Details regarding the City's outstanding debt can be found in Note 9 & 10 in the current financial statements.

CITY OF VANDALIA, OHIO
 Direct and Overlapping Governmental Activities Debt
 December 31, 2014

Governmental Unit	<u>Debt Outstanding (2)</u>	<u>Percentage applicable to City (1)</u>	<u>Amount applicable to City</u>
Vandalia-Butler City School District	\$ 57,123,319	57.23%	\$ 32,691,675
Montgomery County	40,798,567	3.69%	<u>1,505,467</u>
Subtotal, overlapping debt			34,197,143
City of Vandalia governmental activities direct debt			<u>12,191,575</u>
Total direct and overlapping debt			<u><u>\$ 46,388,718</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, 2014, except for Vandalia-Butler School District which is reported as of June 30, 2014.

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

Legal Debt Margin Calculation for Year Ending December 31, 2014	<u>Unvoted</u>	<u>Overall</u>
Total assessed valuation	\$ 342,579,770	\$ 342,579,770
Debt limitation - 5.5% of assessed valuation	<u>18,841,887</u>	
Debt limitation - 10.5% of assessed valuation		<u>35,970,876</u>
Debt applicable to limitation:		
Gross indebtedness	12,191,575	12,191,575
Exempt debt:		
Bond anticipation notes	(2,381,000)	(2,381,000)
State infrastructure bank loan	(308,334)	(308,334)
Amount available in debt service fund	<u>(52,142)</u>	<u>(52,142)</u>
Total debt applicable to limitation	<u>9,450,099</u>	<u>9,450,099</u>
Legal debt margin	<u>\$ 9,391,788</u>	<u>\$ 26,520,777</u>

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 42,748,218	\$ 43,545,768	\$ 42,855,187	\$ 41,423,407	\$ 38,745,187	\$ 38,521,859	\$ 38,308,083	\$ 35,723,783	\$ 35,575,486	\$ 35,970,876
Total net debt applicable to limit	10,786,430	10,340,426	9,750,923	9,184,580	13,006,846	12,155,698	11,279,512	10,627,927	9,695,024	9,450,099
Legal debt margin	\$ 31,961,788	\$ 33,205,342	\$ 33,104,264	\$ 32,238,827	\$ 25,738,341	\$ 26,366,161	\$ 27,028,571	\$ 25,095,856	\$ 25,880,462	\$ 26,520,777
Total net debt applicable to limit as a percentage of debt limit	25.23%	23.75%	22.75%	22.17%	33.57%	31.56%	29.44%	29.75%	27.25%	26.27%

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>GENERAL BONDED DEBT</u>										
Debt service	\$ 1,016,103	1,013,602	999,887	996,927	1,409,691	1,408,129	1,409,648	1,414,384	1,406,946	1,245,640
General governmental expenditures	\$ 18,734,260	20,024,976	23,911,148	24,080,612	28,146,333	27,911,037	23,587,299	22,686,351	23,033,897	30,196,846
Ratio of debt service to general governmental expenditures	5.42%	5.06%	4.18%	4.14%	5.01%	5.05%	5.98%	6.23%	6.11%	4.13%

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

CITY OF VANDALIA, OHIO
 Schedule of Principal Employers
 2005 and 2014

<u>Employer (1)</u>	<u>Industry</u>	<u>2014</u>			<u>2005</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>
CBS Personnel Services	Employment Agency	900	1	1.87%	-		0.00%
Delphi Automotive System	Automotive Manufacturing & Engineering	611	2	1.27%	1,557	1	4.79%
Vandalia - Butler Schools	Schools	504	3	1.05%	396	3	1.22%
GE Aviation (formerly Smiths Aerospace)	Aerospace Engineering & Manufacturing	501	4	1.04%	466	2	1.43%
City of Vandalia	Local Government	482	5	1.00%	325	6	1.00%
SAIA Burgess, Inc. (formerly Johnson Controls)	Electronics Manufacturing	410	6	0.85%	365	4	1.12%
Beua Townsend Ford, Inc.	Automotive Sales & Service	398	7	0.83%	-		0.00%
Kroger Limited Partnership	Grocery Retail	285	8	0.59%	-		0.00%
Aptalis Pharmatech Inc	Specialty Pharmaceutical Company	254	9	0.53%	-		0.00%
IMDS Holding Corp (Formerly Leis Medical)	Medical Device Design & Manufacturing	244	10	0.51%	346	5	1.06%
Evenflo	Headquarters - Juvenile Products Manufacturer	-		0.00%	209	10	0.64%
P&G Pet Care (formerly Iams)	Headquarters - Cat & Dog Food	-		0.00%	282	7	0.87%
Cintas Corporation	Work Uniforms & Custom Corporate Apparel	-		0.00%	229	8	0.70%
Mazer Corporation	Headquarters - Services to Educational Publishers	-		0.00%	215	9	0.66%
		<u>4,589</u>		<u>9.51%</u>	<u>4,390</u>		<u>13.49%</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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	City of Vandalia Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
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
2007	14,603	353,377,997	24,199	44,463	38.1	2,215	3,440	6.1%	153,002	408,144,639
2006	14,603	353,377,997	24,199	44,463	38.1	2,215	3,434	5.9%	154,180	414,721,603
2005	14,603	353,377,997	24,199	44,463	38.1	2,215	3,382	6.3%	162,350	407,125,881

- (1) Source: U. S. Census
 - (a) Years 2005 through 2009 - 2000 Federal Census
 - (b) Years 2010 through 2014 - 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	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Finance	5.50	5.50	6.50	6.00	6.00	6.00	6.50	6.50	7.50	6.00
Tax	8.50	8.50	8.50	9.50	11.00	10.50	9.00	9.00	8.50	9.50
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	6.50	6.50	8.00	6.50	7.00	7.50	7.00	7.50	7.00	6.50
Engineer	9.50	9.50	9.50	8.50	9.00	9.50	9.00	10.00	9.50	9.00
Planning	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00
Civil Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Court	26.00	26.00	26.00	26.00	29.00	30.00	27.50	29.00	26.00	29.00
Public Building	7.50	7.50	8.50	18.00	18.00	17.00	19.00	20.00	20.00	19.50
Security of Persons and Property										
Police	32.00	32.00	32.00	32.00	32.00	31.00	32.00	35.00	33.00	30.00
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	9.00	9.00	9.00	10.50	12.00	12.00	12.00	12.50	13.00	12.00
Police - Jailers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Police - Animal Wardens	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fire	37.50	37.50	37.50	40.50	49.00	43.00	44.00	42.00	41.00	37.50
Fire - Secretary - Other	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Health Services										
Cemetery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Leisure Time Activities										
Recreation	119.00	119.00	123.50	103.50	122.00	112.50	118.00	110.00	102.50	101.00
Municipal Pool	4.50	4.50	8.50	5.50	7.00	4.50	6.00	6.00	4.00	3.50
Golf Course	21.50	21.50	22.50	20.00	25.00	29.50	32.50	32.00	31.50	30.50
Community Development										
Building	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Economic Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transportation										
Service	18.00	18.00	20.00	20.50	21.00	19.50	19.00	20.00	20.00	19.00
Street M&R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Basic Utility Services										
Water	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Wastewater	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Totals:	<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>	<u>351.50</u>	<u>335.50</u>	<u>325.00</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	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
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	2	2	2	2	1	2	2	2
Inspection Vehicles	7	7	8	8	8	8	8	8	7	7
Municipal Court Vehicles	2	2	2	2	2	2	2	2	2	2
Police										
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	21	21	21	21	21	21	21	20	21	20
Fire										
Stations	3	3	3	3	3	2	2	2	2	2
Number of fire hydrants	770	770	770	770	770	770	765	763	750	723
Square Footage of Building	33,443	33,443	33,443	33,443	33,443	18,000	18,000	18,000	18,000	18,000
Vehicles	17	17	17	16	16	19	18	18	17	17
Recreation										
Number of Parks	11	11	11	11	11	11	11	11	9	9
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	10	10	10
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	20	20	20	20	20	20	20	21	20	21
Other Public Works										
Streets (miles)	86.0	86.0	86.0	86.0	89.0	82.5	83.5	83.5	79.5	79.5
Service Vehicles	24	24	24	29	29	27	25	24	24	23
Wastewater										
Sanitary Sewers (miles)	74	74	73	73	73	73	73	73	63	63
Storm Sewers (miles)	78	77	76	76	75	74	73	72	48	48
Water Department										
Water Lines (miles)	87	87	85	85	85	85	85	84	74	74
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	2014	2013	2012	2011	2010
General Government					
<i>Council and Clerk</i>					
Number of Ordinances Passed	33	18	16	23	16
Number of Resolutions Passed	74	64	45	59	73
Number of Planning Commission docket items	1	14	8	9	7
Zoning Board of Appeals docket items	12	13	6	12	9
<i>Finance Department</i>					
Number of payroll checks issued	116	117	212	152	2,887
Number of payroll direct deposits issued	9,571	9,580	9,061	9,072	6,728
Number of checks/ vouchers issued	4,917	4,774	4,339	4,994	4,420
Amount of checks written (\$000 omitted)	\$20,342	\$19,613	\$16,016	\$24,159	\$25,311
Interest earnings for fiscal year (cash basis)	\$138,696	\$161,018	\$231,689	\$302,177	\$482,534
Number of Budget Adjustments issued	7	6	6	5	2
Agency Ratings - Moody's Financial Services	Aa2	Aa2	Aa2	Aa2	Aa2
Health Insurance Costs vs General Fund Expenditures %	6.68%	7.67%	8.55%	6.82%	8.20%
General Fund Receipts (cash basis, \$000 omitted)	\$20,829	\$20,856	\$20,496	\$20,059	\$19,407
General Fund Expenditures (cash basis, \$000 omitted)	\$21,980	\$21,885	\$21,111	\$19,467	\$20,891
General Fund Cash Balances (\$000 omitted)	\$11,288	\$12,439	\$13,468	\$14,083	\$13,491
<i>Income Tax Department</i>					
Number of Individual/Business Returns	24,212	23,466	14,984	22,614	23,042
Number of business withholding accounts	3,604	3,604	3,296	2,520	3,248
Amount of Penalties and Interest Collected	\$ 118,174	\$ 109,648	\$ 112,041	\$ 106,639	\$ 102,271
Annual number of withholding forms processed	36,703	44,153	26,641	38,118	31,205
Annual number of balance due statements forms processed	10,431	8,759	6,252	9,808	9,521
Annual number of estimated payment forms processed	5,779	5,397	3,564	5,325	5,045
Annual number of reconciliations of withholdings processed	4,360	4,321	2,640	3,446	4,146
<i>Engineer Contracted Services</i>					
Dollar amount of Construction overseen by Engineer	\$512,644	\$831,792	\$1,266,695	\$1,157,591	\$2,240,166
<i>Municipal Court</i>					
Number of Civil Cases	2,065	2,040	2,040	3,029	2,284
Number of Criminal/Traffic cases	14,000	12,398	11,754	14,269	14,666
<i>Vital Statistics</i>					
Certificates Issued (County)					
Number of Births	29,446	31,015	32,217	32,312	36,262
Number of Deaths	31,876	32,213	30,838	31,196	31,544
Burial Permits Issued	5,246	5,156	5,043	4,963	5,132
<i>Civil Service</i>					
Number of police entry tests administered	0	1	1	0	0
Number of fire entry tests administered	0	0	0	0	1
Number of police promotional tests administered	0	0	0	0	0
Number of hires of Police Officers from certified lists	1	0	0	0	1
Number of hires of Fire/Medics from certified lists	0	0	0	0	1
Number of promotions from police certified lists	0	0	0	0	0
<i>Building Department Indicators</i>					
Construction Permits Issued	69	85	83	78	97
Estimated Value of Construction	\$8,783,595	\$31,879,840	\$12,735,073	\$17,119,415	\$52,879,415
Number of permits issued	754	750	750	761	725
Amount of Revenue generated from permits	\$110,652	\$162,512	\$166,082	\$140,656	\$210,717
Revenue generated from above 1,2,3,4	\$110,652	\$162,512	\$166,082	\$140,656	\$210,717

2009	2008	2007	2006	2005
26	36	24	33	31
50	32	23	33	34
11	12	13	5	18
12	14	13	9	10
9,821	10,223	9,685	9,563	9,076
0	0	0	0	0
5,414	5,483	5,244	5,549	4,840
\$27,569	\$25,584	\$24,980	\$22,684	\$19,125
\$869,217	\$1,152,344	\$1,257,917	\$934,545	\$532,194
8	5	4	4	3
Aa3	Aa3	Aa3	Aa3	Aa3
5.69%	8.06%	6.80%	9.35%	12.71%
\$20,269	\$22,013	\$22,913	\$21,006	\$19,247
\$25,217	\$21,297	\$21,033	\$18,060	\$14,892
\$14,974	\$19,921	\$19,205	\$17,325	\$14,379
21,443	22,735	19,507	19,222	19,574
3,033	3,870	2,745	2,766	2,772
\$ 79,520	\$ 104,063	\$ 112,388	\$ 107,933	\$ 162,053
26,310	27,470	24,810	19,962	19,983
5,839	7,103	7,087	7,150	8,399
4,508	4,825	4,500	4,391	4,172
4,130	4,001	3,964	4,133	4,560
\$1,653,024	\$2,988,960	\$3,894,168	\$2,065,000	\$335,000
2,090	2,339	2,183	1,960	2,122
15,779	17,872	18,668	17,394	15,964
39,785	41,859	48,606	46,943	43,768
32,424	34,618	33,397	32,503	33,652
4,864	4,994	4,380	4,771	4,997
1	1	1	1	1
0	0	1	1	1
1	0	0	0	1
2	0	3	0	2
0	5	8	0	1
2	0	0	0	1
96	145	169	201	200
\$12,029,682	\$17,258,702	\$22,672,865	\$13,179,670	\$42,337,669
751	910	891	934	1,055
\$125,340	\$193,684	\$198,035	\$145,285	\$255,270
\$125,340	\$193,684	\$198,035	\$145,285	\$255,270

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

Function/Program	2014	2013	2012	2011	2010
Security of Persons & Property					
<i>Police</i>					
Total Calls for Services	13,610	14,029	14,241	14,395	13,496
Number of traffic citations issued	1,342	1,372	1,370	801	1,052
Number of parking citations issued	100	101	90	113	72
Number of criminal arrests	622	678	761	596	596
Number of accident reports completed	270	259	239	246	256
Part 1 Offenses (major offenses)	440	418	461	425	462
Reserve officers hours worked	6	88	786	415	119
DUI Arrests	101	69	67	90	77
Prisoners Processed - Temporary Holdings	124	143	179	177	146
Property damage accidents	210	199	178	192	206
Fatalities from Motor Vehicle Accidents	0	0	0	0	0
Gasoline costs of fleet	\$80,138	\$85,806	\$91,232	\$101,826	\$70,170
DARE youth program	0	255	260	294	293
Community Diversion Program Youths (Be Proud)	0	0	0	0	0
Volunteer Service Program	164	0	0	0	0
<i>Fire</i>					
EMS Calls	2,199	2,932	2,721	2,266	2,062
Ambulance Billing Collections (net)	\$500,094	\$499,769	\$472,184	\$548,836	\$554,865
Fire Calls	1,056	956	754	470	455
Fires with Loss	30	28	21	7	7
Fires with Losses exceeding \$10K	5	1	7	2	2
Fire Losses \$	\$87,850	\$51,300	\$921,550	\$76,200	\$197,110
Fire Safety Inspections	801	408	368	300	477
Number of times Mutual Aid given to Fire and EMS	79	262	247	184	116
Number of times Mutual Aid received for Fire and EMS	63	150	192	118	167
Public Health and Welfare					
Cemetery burials	27	16	26	29	34
Cemetery cremations	18	12	8	5	2
Cemetery sale of lots	46	64	43	34	53
Cemetery receipts	\$30,778	\$37,876	\$30,178	\$29,938	\$40,914
Leisure Time Activities					
<i>Recreation</i>					
Recreation Swimming pool receipts	\$36,525	\$31,896	\$38,150	\$51,388	\$54,193
Recreation Mens & Womens Leagues receipts	42,743	46,295	41,948	50,892	49,863
Recreation Programs	99,033	95,015	95,980	86,748	92,790
Youth Soccer League	33,378	30,202	28,965	31,051	33,230
Youth Baseball League	38,024	42,134	43,929	44,368	43,767
Facilities rentals	98,894	102,826	134,581	152,995	155,517
Total Recreation Department receipts	<u>\$348,597</u>	<u>\$348,368</u>	<u>\$383,553</u>	<u>\$417,442</u>	<u>\$429,360</u>
Community Development					
Grant amounts received due to Economic Development Dept.	\$500,000	\$500,000	\$475,000	\$628,748	\$109,957
Basic Utility Services					
Refuse disposal per year (in tons) January through December	5,466	5,509	5,770	5,805	5,835
Refuse disposal costs per year January through December	\$912,886	\$880,000	\$855,695	\$843,000	\$805,000
Annual recycling tonnage (excluding leaf, and compost items)	662	719	644	723	683

2009	2008	2007	2006	2005
13,335	13,714	13,386	13,429	13,432
957	1,371	1,417	1,798	2,362
33	49	60	58	85
547	703	788	831	745
266	316	321	297	306
346	114	511	528	466
162	774	860	869	850
88	90	100	97	132
213	210	215	151	104
193	250	249	227	246
1	0	0	1	0
\$59,080	\$83,611	\$55,758	\$63,195	\$59,802
400	267	265	259	285
0	2	3	1	3
0	0	0	136	0
2,031	1,995	1,943	1,868	1,625
\$529,248	\$581,785	\$570,206	\$470,575	\$451,964
527	850	647	605	583
8	21	3	2	4
2	8	3	1	2
\$471,600	\$609,050	\$172,500	\$17,500	\$37,525
473	457	112	106	91
159	212	156	176	163
145	85	71	100	105
26	24	16	23	27
5	7	1	4	5
22	47	53	41	48
\$22,150	\$25,215	\$23,060	\$25,771	\$24,673
\$43,000	\$46,586	\$42,840	\$42,539	\$50,764
13,774	12,160	11,450	11,844	12,226
79,216	85,573	78,868	86,537	86,877
31,940	32,880	16,857	12,476	12,596
47,468	49,597	25,359	22,151	19,412
153,177	100,782	97,718	70,303	46,985
<u>\$368,575</u>	<u>\$327,578</u>	<u>\$273,092</u>	<u>\$245,850</u>	<u>\$228,860</u>
\$727,677	\$472,736	\$157,710	\$183,955	\$551,948
6,036	6,360	6,632	7,294	6,863
\$786,883	\$742,000	\$722,000	\$705,000	\$611,000
622	638	788	788	n/a

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

Function/Program	2014	2013	2012	2011	2010
Transportation					
Street Improvements - asphalt overlay (linear feet)	13,310	15,963	30,121	21,714	39,807
Rejuvenating Spray on Streets (Miles)	0	0	0	0	2
Crackseal Coating Program (Miles)	0	0	0	0	0
Street Repair (Concrete, asphalt, crack sealing) (hours)	3,758	3,750	4,066	4,340	5,169
Mowing (hours)	658	962	1,310	1,176	556
Paint Striping (hours)	872	1,118	1,313	668	660
Street Sweeper (hours)	849	758	1,086	1,030	980
Snow & Ice Removal regular hours	735	910	376	890	1,205
Sewer and Sanitary calls for service (hours)	794	643	892	558	596
Fire hydrants (hours)	401	528	220	291	212
Catch basin (hours)	2,489	1,898	2,494	1,196	2,344
Water and Water calls for service (hours)	3,039	2,503	2,851	3,003	2,893
Leaf collection (hours)	1,792	1,512	1,904	1,798	1,735
Holiday lights setup (hours)	244	384	408	296	297
Burial services (hours)	516	278	417	469	730
Equipment repair/body shop (hours)	3,738	3,960	3,521	3,631	3,960
Sign department (hours)	2,838	3,079	2,112	2,375	2,097
Building maintenance (hours)	1,382	1,004	1,334	896	779
Other (hours)	1,365	1,476	1,740	1,846	1,677
Water Department					
Water Rates per 1st 300 Cu ft of water used (2,250 gallons)	\$ 13.34	\$ 13.34	\$ 13.34	\$ 13.34	\$ 13.34
Avg. number of water accounts billed monthly (Cu. Ft.)	5,444	5,427	5,418	5,480	5,409
Total Water Collections Annually (Including P&I)	\$2,079,548	\$2,112,547	\$2,196,006	\$2,118,302	\$2,130,194
Wastewater Department					
Wastewater Rates per 1st 300 Cu ft of water used	\$4.86	\$4.86	\$4.86	\$4.42	\$4.02
Total flow of wastewater treatment plant (Millions of Gallons)	2,958	3,540	3,141	3,890	2,852
Average daily flow (Millions of gallons per day)	8	10	9	11	8

Source: City of Vandalia

2009	2008	2007	2006	2005
34,069	0	487	21,041	0
2	0	0	0	0
0	0	0	0	0
4,711	3,596	4,442	3,130	4,926
822	2,296	508	506	408
508	483	744	825	612
946	897	994	916	766
816	761	787	186	579
768	187	436	575	466
220	364	336	320	216
3,245	2,490	3,370	3,711	4,029
3,701	3,877	3,726	2,852	2,660
1,356	1,526	1,362	1,300	1,222
138	0	40	152	254
292	325	562	714	486
3,850	1,991	1,743	1,153	1,392
2,517	2,661	1,626	1,386	1,171
1,054	756	376	451	428
1,464	1,407	4,096	4,478	3,556
\$ 13.34	\$ 12.58	\$ 13.55	\$ 11.71	\$ 11.10
5,389	5,369	1,999	1,979	1,954
\$2,087,631	\$2,376,917	\$2,441,414	\$2,130,132	\$1,489,814
\$3.65	\$3.02	\$2.92	\$2.92	\$2.78
2,852	2,901	2,748	3,507	3,422
8	9	8	10	9





Dave Yost • Auditor of State

CITY OF VANDALIA

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 23, 2015**