



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY

SINGLE AUDIT

For the Year Ended June 30, 2017  
Fiscal Year Audited Under GAGAS: 2017

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# Dave Yost • Auditor of State

Board of Education  
Vandalia-Butler City School District  
306 S. Dixie Drive  
Vandalia, Ohio 45377

We have reviewed the *Independent Auditor's Report* of the Vandalia-Butler City School District, Montgomery County, prepared by BHM CPA Group, Inc., for the audit period July 1, 2016 through June 30, 2017. 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 Vandalia-Butler City School District is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

February 20, 2018

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**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

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For the Year Ended June 30, 2017

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**Vandalia-Butler City School District**  
Schedule of Federal Awards Expenditures  
For the Fiscal Year Ended June 30, 2017

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Passed Through to Subrecipients	Expenditures
<b>United States Department of Agriculture</b>				
<i>Passed through the Ohio Department of Education</i>				
<i>Child Nutrition Cluster:</i>				
School Breakfast Program 16-17	3L70	10.553	\$ -	\$ 94,114
National School Lunch Program 16-17	3L60	10.555	-	462,627
Total Child Nutrition Cluster			-	556,741
Total United States Department of Agriculture			-	556,741
<b>United States Department of Education</b>				
<i>Passed through the Ohio Department of Education</i>				
<i>Special Education Cluster:</i>				
Special Education - Grants to States 16-17	3M20	84.027	-	1,012,816
Special Education - Grants to States 15-16	3M20	84.027	-	17,604
Special Education - Preschool Grants 16-17	3C50	84.173	-	10,041
Total Special Education Cluster			-	1,040,461
Title I Grants to Local Educational Agencies 16-17	3M00	84.010	-	527,774
Title I Grants to Local Educational Agencies 15-16	3M00	84.010	-	50,470
Total Title I Grants to Local Educational Agencies			-	578,244
Improving Teacher Quality State Grants 16-17	3Y60	84.367	-	72,288
Improving Teacher Quality State Grants 15-16	3Y60	84.367	-	592
Total Improving Teacher Quality State Grants			-	72,880
Total United States Department of Education			-	1,691,585
<b>Total Federal Awards Expenditures</b>			<b>\$ -</b>	<b>\$ 2,248,326</b>

See Accompanying Notes to the Schedule of Federal Awards Expenditures

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**NOTE A - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Vandalia-Butler City School District (the School District) under programs of the federal government for the year ended June 30, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or changes in net position of the school district.

**NOTE B – SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C – CHILD NUTRITION CLUSTER**

The School District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the School District assumes it expands federal monies first.

**NOTE D – FOOD DONATION PROGRAM**

The School District reports commodities consumed on the Schedule at the entitlement value. The School District allocated donated food commodities to the respective program that benefited from the use of those donated food commodities.



**Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Required by *Government Auditing Standards***

Vandalia-Butler City School District  
Montgomery County  
306 S. Dixie Drive  
Vandalia, Ohio 45377

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vandalia-Butler City School District, Montgomery County, (the School District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 19, 2017.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the School District's internal control. Accordingly, we have not opined on it.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the School District's financial statements. *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 internal control deficiencies that might be material weaknesses or significant deficiencies.



Members of the Board of Education  
Vandalia-Butler City School District  
Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Required by *Government Auditing Standards*  
Page 2

Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*BHM CPA Group*

BHM CPA Group Inc.  
Piketon, Ohio  
December 19, 2017



**Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance**

Vandalia Butler City School District  
Montgomery County  
306 S. Dixie Drive  
Vandalia, Ohio 45377

Members of the Board of Education:

***Report on Compliance for the Major Federal Program***

We have audited the Vandalia Butler City School District's (the School District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could directly and materially affect the Vandalia-Butler City School District's major federal program for the year ended June 30, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the School District's major federal program.

***Management's Responsibility***

The School District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards to its federal programs.

***Auditor's Responsibility***

Our responsibility is to opine on the School District's compliance for the School District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on the Major Federal Program***

In our opinion, the Vandalia-Butler City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2017.

***Report on Internal Control Over Compliance***

The School District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on the major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the School District'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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *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 federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 would not necessarily 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.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

***Report on the Schedule of Federal Awards Expenditures Required by the Uniform Guidance***

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Vandalia-Butler City School District (the School District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our unmodified report thereon dated December 19, 2017.

Members of the Board of Education  
Vandalia Butler City School District  
Report on Compliance with Requirements Applicable to the Major Federal Program and on  
Internal Control Over Compliance Required by the Uniform Guidance  
Page 3

We conducted our audit to opine on the School District's basic financial statements as a whole. The accompanying schedule of federal awards expenditures presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group Inc.  
Piketon, Ohio  
December 19, 2017

**Vandalia Butler City School District  
Montgomery County, Ohio**

**Schedule of Findings  
2 CFR § 200.515  
June 30, 2017**

**1. SUMMARY OF AUDITOR'S RESULTS**

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Program's Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Title I Grant to Local Educational Agencies; CFDA# 84.010
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Low

**Vandalia Butler City School District  
Montgomery County, Ohio**

**Schedule of Findings  
2 CFR § 200.515  
June 30, 2017**

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**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**None noted**

**3. FINDINGS FOR FEDERAL AWARDS**

**None noted**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**OF THE**

**VANDALIA-BUTLER CITY  
SCHOOL DISTRICT**

**MONTGOMERY COUNTY, OHIO**

**FOR THE**

**FISCAL YEAR ENDED JUNE 30, 2017**



**PREPARED BY  
TREASURER'S DEPARTMENT  
MR. ERIC K. BEAVERS, TREASURER/CFO**

Vandalia-Butler City Schools | 500 S. Dixie Drive | Vandalia, OH 45377

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# INTRODUCTORY SECTION



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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December 31, 2017

Citizens of Vandalia-Butler City School District  
and Members of the Vandalia-Butler Board of Education:

We are pleased to present the 2017 Comprehensive Annual Financial Report (CAFR) for the Vandalia-Butler City School District. This report, for the fiscal year ended June 30, 2017, contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the Vandalia-Butler City School District (the “School District”). The responsibility for the accuracy and completeness of all data presented, and the fairness of the presentation, rests with the School District, specifically with the School District Treasurer’s office.

Accounting Principles Generally Accepted in the United States of America (GAAP) also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The School District’s MD&A can be found immediately following the Independent Auditor’s Report.

### **DISTRICT OVERVIEW**

The Vandalia-Butler City School District serves an area of 37 square miles in the northern part of Montgomery County, Ohio, encompassing Butler Township, the City of Vandalia, a portion of the City of Union, and a portion of the City of Dayton. The Dayton International Airport, located within the School District, comprises approximately 6.25 square miles of the total 37 square miles.

The area is located approximately 10 miles north of the City of Dayton at the “Crossroads of America” which was originally defined by the intersection of US Route 40 and US Route 25A but is now identified by the intersection of Interstate 70 and Interstate 75 – America’s coast-to-coast highways. With these major thoroughfares, Vandalia and Butler Township provide a desirable location for many families who work in the Dayton metropolitan area and provide for many businesses that provide goods and services throughout the country.

Education in the area began with the first school that formed in Butler Township in 1807. Additionally, the Village of Vandalia School District formed in 1869. A consolidated Butler and Vandalia School District formed in 1921 under the name Butler Township Schools. The consolidated school district operated from the Butler Township School Building built in 1921.

The current charter as the Vandalia-Butler City School District was adopted in 1956. For the 2017 fiscal year, the School District operates six school buildings: two elementary schools serving grades Kindergarten through grade 3 with Demmitt Elementary housing the Pre-School as well; two middle schools serving grades 4 through 8; and, one high school serving grades 9 through 12.

## **SCHOOL DISTRICT ORGANIZATION AND REPORTING ENTITY**

The School District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code. Under a locally elected five member Board form of government, the School District provides educational services as authorized by its charter or further mandated by state and/or federal agencies. The Board of Education serves as the taxing authority, contracting body, and policy maker for the School District. In addition, the Board adopts the annual operating budget and approves all expenditures of School District monies. The Board appoints the Superintendent and Treasurer. As the chief administrative officer, the Superintendent is responsible for the development, supervision, and operation of the school programs and facilities and appoints all other personnel in the School District. As the chief financial officer, the Treasurer is responsible for maintaining financial records, acting as the custodian of all School District funds, and investing idle funds as specified by law.

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's Governing Board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise have access to the organization's resources; or (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Currently, the School District does not have any component units.

The School District is associated with the Southwestern Ohio Educational Purchasing Council (SOEPC), which is defined as a jointly governed organization. It is a purchasing cooperative comprised of over 126 school districts in 18 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. This organization is presented in Note 2.

The School District is associated with the Southwestern Ohio Instructional Technology Association (SOITA), which is defined as a jointly governed organization. It is a not-for-profit corporation formed under Section 1702.01 of the Ohio Revised Code. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs. This organization is presented in Note 2.

The School District is associated with the Miami Valley Career Technology Center, which is defined as a jointly governed organization. It is a distinct political subdivision of the State of Ohio operating as a joint vocational school district. The purpose of the vocational school district is to provide vocational educational services to students of member districts. This organization is presented in Note 2.

In Addition, the School District is associated with the Metropolitan Educational Technology Association (META) Solutions which is defined as a jointly governed organization. It is a computer consortium of area school districts sharing computer resources. The purpose of the association is to apply modern technology with the aid of computers and other electronic equipment to administrative instructional functions among member districts. This organization is presented in Note 2.

Lastly, the School District is a member of the Southwestern Ohio Educational Purchase Cooperative (EPC), which is composed of other public school districts. One primary benefit is the Consortium for insurance benefits. Another benefit is for purchasing of day to day operational materials and supplies. Finally, the purchasing of school buses in compliance with Ohio Revised Code. This membership results in hundreds of thousand dollars of savings.



## **ECONOMIC CONDITION AND OUTLOOK**

The Vandalia-Butler City School District serves the residents of the City of Vandalia and Butler Township, who despite lack of state dollars and removal of personal property from the tax base realize the importance of strong schools. The state budget passed for 2017-2019 continues to reduce anticipated revenues with foundation payments (State Aid) being capped and with the state reimbursement of past personal property taxes being eliminated. Vandalia-Butler passed a five-year emergency levy in November of 2013 to make up for these changes and asked voters to renew on November 7, 2017 which passed.

Butler Township continues to experience some commercial growth in conjunction with declining real estate values. Among many new projects, York Commons is an 80 acre regional retail project located at the new I-75 Benchwood interchange, six miles north of downtown Dayton and within 10 minutes of the Dayton International Airport. The property is zoned B-3 allowing for most business enterprises. Tax incentives are being offered as Tax Incremental Financing Agreements (TIFs) with school supported donation agreements to provide further appeal for commercial development in the Benchwood area and around the Dayton International Airport. Proctor & Gamble and Spectrum Products are the most recent additions to the Township with their respective centers.

The City of Vandalia is poised with property and tax incentives for continued economic growth. Similar to the township, they are offering business and residents modified infrastructure to attract more development. Their efforts have been successful with the recent addition of significant employers such as White Castle who opened a distribution facility in the School District. One of the School District's major roads (Dixie Drive) has been expanded and building options are available at choice locations including an area near the I-70, I-75 interchange; and next to the Dayton International Airport. Commercial property is also available on Northwood Road directly off of Interstate 75.

The valuation of real estate, both residential and commercial, had been reduced over the previous years, but are starting to see growth in valuation again. Montgomery County has completed their triennial update for calendar year 2017 and updated valuations will be reflected in tax collections for calendar year 2018. The Board of Revisions reviews reduction requests for both residential and commercial when submitted and the County Treasurer's Office has taken a more direct role in helping taxpayers enroll in payment plans when needed. On November 3, 2015, School District voters approved the renewal of the emergency operating levy.

## **MAJOR INITIATIVES**

Vandalia-Butler City Schools continues to maintain its high performing status from the state of Ohio while the targets, goals and requirements continue to change. The District continues to improve as it examines weaknesses in student achievement/performance and design targeted interventions to better align our instruction and our financial resources. Over \$37.1 million in School-issued bonds were refunded during the fiscal years of 2014-2017 resulting in taxpayer savings in excess of \$2.4 million over the remaining bond life. When contracting with a different transportation service provider, a new bus fleet was made possible via a four-year lease purchase option.

## **FINANCIAL INFORMATION**

The School District's accounting system is organized on a fund basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from Accounting Principles Generally Accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

## INTERNAL CONTROLS

The management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely derived from its implementations, and (2) the valuation of cost and benefits requires estimates and judgments by management.

The School District uses a fully automated accounting system as well as an automated system for payroll. These systems, coupled with the manual control procedures, ensure that the financial information generated is both accurate and reliable.

### Assistance

As a recipient of Federal and State assistance, the School District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the School District.

### Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

The School District maintains an encumbrance accounting system as a technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

### Financial Condition

The School District continues to prepare financial statements following GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 created basic financial statements for reports as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statement distinguishes between those activities of the School District that are governmental and those that are considered business-type activities. The School District reports no business-type activities.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statement of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transaction on a basis of cash receipts, disbursements, and encumbrances.

Management Discussion and Analysis for the School District - This discussion is located in the financial section of this report following the audit opinion and provides an assessment of the School District finances and the outlook for the future.

## OTHER INFORMATION

### Independent Audit

An audit team from the independent accounting firm BHM CPA Group has performed this year's audit. The results of the audit are presented in the Independent Auditor's Report.

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Vandalia-Butler City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. The Certificate of Achievement is the highest form of recognition for excellence in the state and local government financial reporting.

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 accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The School District believes the current report continues to conform to the high standards required by the Certificate of Achievement program.

### Acknowledgements

Sincere appreciation is extended to the many people who have contributed their time and effort to prepare this report. In particular, special thanks to Leigh Anne Snow, the Assistant Treasurer who has managed the GAAP conversion process and audit for the School District. The members of the Treasurer's Office Staff are to be commended for their input and commitment. Finally, appreciation is extended to the firm of Julian and Grube, Inc. for the guidance and assistance in preparing this report.



Eric K. Beavers  
Treasurer/CFO



Robert M. O'Leary  
Superintendent



Government Finance Officers Association

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

Presented to

**Vandalia-Butler City School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

List of Principal Officials  
June 30, 2017

**ELECTED OFFICIALS**

President, Board of Education	Mr. Robert Cupp
Vice President, Board of Education	Ms. Mary Kilsheimer
Board of Education Member	Mr. George Moorman
Board of Education Member	Mr. Rodney Washburn
Board of Education Member	Ms. Melissa Pruszynski

**ADMINISTRATIVE OFFICIALS**

Superintendent	Mr. Bradley C. Neavin <sup>(1)</sup>
Treasurer/CFO	Mr. Eric Beavers
Assistant Superintendent	Mr. Robert O'Leary
Director of Pupil Personnel and Curriculum	Mr. Brandon Hartley
Director of Human Resources and Operations	Mr. Russ Garman
Information Officer	Mr. David Mohler

**OFFICE OF THE TREASURER**

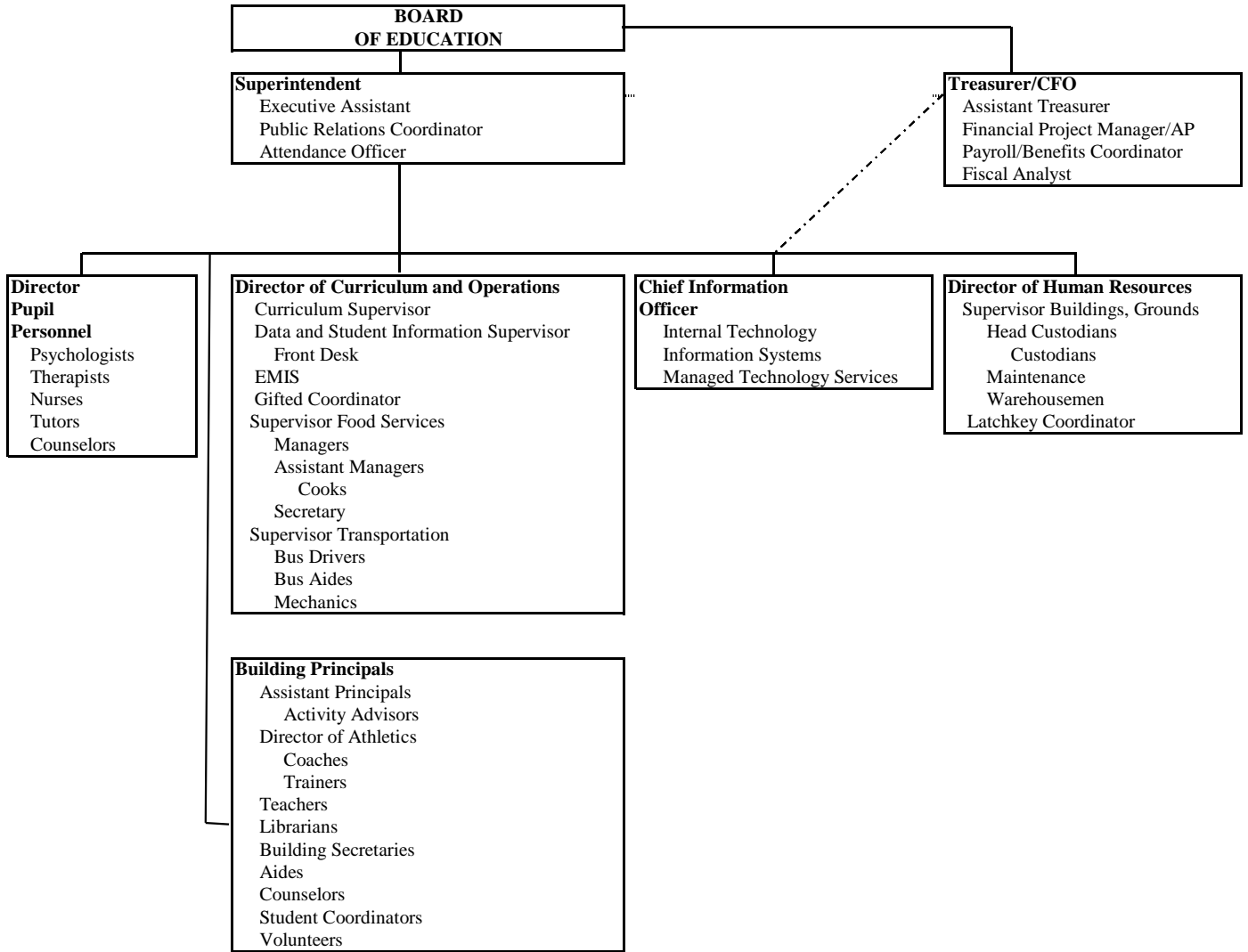
Treasurer	Mr. Eric Beavers
Assistant Treasurer	Ms. Leigh Anne Snow
Payroll Coordinator	Ms. Kari Magill
Fiscal Analyst	Ms. Lori Stutz

**PUBLIC RELATIONS**

Public Relations Coordinator	Ms. Anaka Johnson
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<sup>(1)</sup> Robert O'Leary became Superintendent in fiscal year 2018.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
**ORGANIZATIONAL CHART**  
**JUNE 30, 2017**



## FINANCIAL SECTION







## **Independent Auditor's Report**

Vandalia-Butler City School District  
Montgomery County  
306 S. Dixie Drive  
Vandalia, Ohio 45377

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vandalia-Butler City School District, Montgomery County, Ohio (the School District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the School District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Vandalia-Butler City School District, Montgomery County, Ohio, as of June 30, 2017, and the respective changes in financial position thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the 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 this presentation to include *Management's discussion and analysis*, and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on the School District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2017, on our consideration of the School District'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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 School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group Inc.  
Piketon, Ohio  
December 19, 2017



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

The management discussion and analysis of the Vandalia-Butler City School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2017 are as follows:

- In total, net position of governmental activities increased \$1,723,122 which represents a 5.80% increase from June 30, 2016's net position.
- General revenues accounted for \$36,079,767 in revenue or 86.70% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$5,535,886 or 13.30%.
- The School District had \$39,892,531 in expenses related to governmental activities; \$5,535,886 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$36,079,767 were adequate to provide for these programs.
- The School District has two major funds which include the general fund and the bond retirement fund. The general fund had \$34,646,913 in revenues and other financing sources and \$31,936,766 in expenditures. The general fund's fund balance increased \$2,710,147 from \$11,715,393 to \$14,425,540.
- The bond retirement fund had \$13,437,238 in revenues and other financing sources and \$13,044,276 in expenditures and other financing uses. The bond retirement fund's fund balance increased \$392,962 from \$2,791,154 to \$3,184,116.

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

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *statement of net position* and *statement of activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. 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 what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. The School District has two major funds: the general fund and the bond retirement fund.

**Reporting the School District as a Whole**

***Statement of Net Position and the Statement of Activities***

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2017?" The statement of net position and the statement of activities answer this question. These statements include *all assets, all deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

These two statements report the School District's *net position* and changes in that net position. This change in net position is important because it tells the reader that, for the School District as a whole, whether the *financial position* of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the Governmental Activities include the School District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The School District's statement of net position and statement of activities can be found on pages 17-18 of this report.

**Reporting the School District's Most Significant Funds**

***Fund Financial Statements***

The analysis of the School District's major governmental funds begins on page 13. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the bond retirement fund.

***Governmental Funds***

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. 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 basic financial statements. The basic governmental fund financial statements can be found on pages 19-23 of this report.

***Reporting the School District's Fiduciary Responsibilities***

The School District also acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in an agency fund. The School District's statement of fiduciary assets and liabilities can be found on page 24. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 25-69 of this report.

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School District's net pension liability. The required supplementary information can be found on pages 71-78 of this report.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

**The School District as a Whole**

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

The table below provides a summary of the School District's net position at June 30, 2017 and June 30, 2016.

	<b>Net Position</b>		
	Governmental Activities <u>2017</u>	Governmental Activities <u>2016</u>	Percent <u>Change</u>
<b><u>Assets</u></b>			
Current and other assets	\$ 49,394,490	\$ 45,046,502	9.65 %
Capital assets, net	<u>48,193,805</u>	<u>50,164,612</u>	(3.93) %
Total assets	<u>97,588,295</u>	<u>95,211,114</u>	2.50 %
<b><u>Deferred Outflows of Resources</u></b>			
Unamortized deferred charges on debt refunding	3,821,929	3,447,554	10.86 %
Pension	<u>8,960,890</u>	<u>3,931,014</u>	127.95 %
Total deferred outflows of resources	<u>12,782,819</u>	<u>7,378,568</u>	73.24 %
<b><u>Liabilities</u></b>			
Current liabilities	3,240,409	4,396,518	(26.30) %
Long-term liabilities:			
Due within one year	2,793,937	2,616,100	6.80 %
Due in more than one year:			
Net pension liability	49,531,163	40,785,425	21.44 %
Other amounts	<u>54,964,114</u>	<u>56,260,215</u>	(2.30) %
Total liabilities	<u>110,529,623</u>	<u>104,058,258</u>	6.22 %
<b><u>Deferred Inflows of Resources</u></b>			
Property taxes and PILOTs levied for next year	26,751,843	24,418,996	9.55 %
Pensions	<u>1,087,298</u>	<u>3,833,200</u>	(71.63) %
Total deferred inflows of resources	<u>27,839,141</u>	<u>28,252,196</u>	(1.46) %
<b><u>Net Position</u></b>			
Net investment in capital assets	(1,421,222)	(1,597,889)	(11.06) %
Restricted	1,754,344	1,828,256	(4.04) %
Unrestricted	<u>(28,330,772)</u>	<u>(29,951,139)</u>	(5.41) %
Total net position	<u>\$ (27,997,650)</u>	<u>\$ (29,720,772)</u>	(5.80) %

During a previous fiscal year, the School District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68" which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the standards required by GASB 68, the net pension liability equals the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the School District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the School District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2017 and June 30, 2016, the School District's liabilities plus deferred inflows of resources exceeded assets plus deferred outflows of resources by \$27,997,650 and \$29,720,772, respectively. Net position increased \$1,723,122 from June 30, 2016's net position.



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

Assets of the School District increased \$2,377,181 or 2.50%. Current assets increased \$4,347,988 or 9.65%. The most significant increases were in the areas of equity in pooled cash and investments and property taxes receivable. The increase in equity in pooled cash and investments can be derived from an increase in general fund cash due to better cash management and the reduction of expenses. The increase in property taxes receivable is the result of a recently passed 6.99-mill operating levy that provides additional funding. At year-end, capital assets represented 43.67% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, software and vehicles. Net investment in capital assets at June 30, 2017 and June 30, 2016, were (\$1,421,222) and (\$1,597,889), respectively. These capital assets are used to provide services to the students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities. The capital assets decreased due to current year depreciation of \$2,329,058 exceeding current year additions of \$358,251.

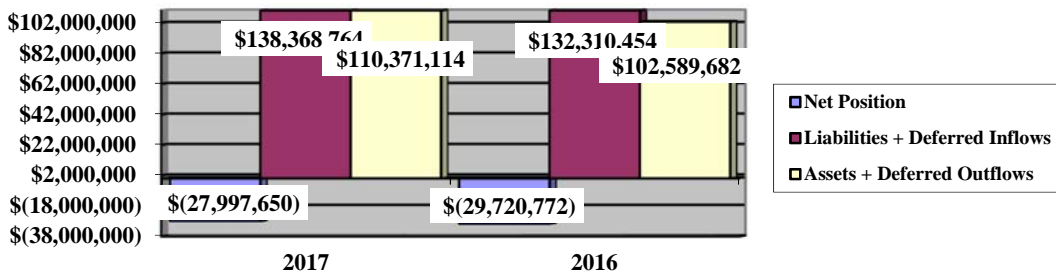
Deferred outflows of resources increased due to pension related amounts provided by the pension systems that the School District employees participate in.

Liabilities of the School District increased \$6,471,365 or 6.22%. Current liabilities decreased \$1,156,109 or 26.30% due to a decrease in tax anticipation notes payable. Long-term liabilities increased \$7,627,474. This increase is mainly due to an increase in the net pension liability. The School District also refunded a portion of the Series 2009 and 2010A general obligation bonds.

A portion of the School District's net position, \$1,754,344, represents resources that are subject to external restriction on how they may be used. Of the restricted net position, \$1,409,866 is restricted for debt service. The remaining balance of unrestricted net position is (\$28,330,772).

The graph below shows the School District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2017 and June 30, 2016.

**Governmental Activities**



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

The table below shows the change in net position for fiscal years 2017 and 2016.

	<b>Change in Net Position</b>		
	Governmental Activities <u>2017</u>	Governmental Activities <u>2016</u>	<u>Percentage Change</u>
<b><u>Revenues</u></b>			
Program revenues:			
Charges for services and sales	\$ 1,922,471	\$ 2,391,227	(19.60) %
Operating grants and contributions	3,613,415	2,783,963	29.79 %
General revenues:			
Taxes	25,718,584	24,740,145	3.95 %
Payment in lieu of taxes	1,115,807	1,058,075	5.46 %
Grants and entitlements not restricted	8,943,941	9,145,686	(2.21) %
Investment earnings	147,363	170,691	(13.67) %
Other	<u>154,072</u>	<u>29,777</u>	417.42 %
Total revenues	<u>41,615,653</u>	<u>40,319,564</u>	3.21 %

Continued

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

**Change in Net Position (Continued)**

	Governmental Activities <u>2017</u>	Governmental Activities <u>2016</u>	<u>Percentage Change</u>
<b><u>Expenses</u></b>			
Program expenses:			
Instruction:			
Regular	\$ 13,377,481	\$ 12,254,585	9.16 %
Special	6,126,422	5,938,086	3.17 %
Vocational	124,191	111,072	11.81 %
Other	2,031,034	1,422,141	42.82 %
Support services:			
Pupil	2,267,876	2,466,891	(8.07) %
Instructional staff	1,520,003	759,097	100.24 %
Board of education	48,292	21,332	126.38 %
Administration	2,339,318	2,215,861	5.57 %
Business and fiscal	1,210,506	1,191,085	1.63 %
Operations and maintenance	2,819,726	2,448,628	15.16 %
Pupil transportation	1,990,006	1,767,904	12.56 %
Central	562,886	565,096	(0.39) %
Operations of non-instructional services	1,944,001	1,656,622	17.35 %
Extracurricular activities	1,039,167	734,797	41.42 %
Interest and fiscal charges	<u>2,491,622</u>	<u>2,641,845</u>	(5.69) %
Total expenses	<u>39,892,531</u>	<u>36,195,042</u>	10.22 %
Change in net position	1,723,122	4,124,522	58.22 %
Net position, beginning of year	<u>(29,720,772)</u>	<u>(33,845,294)</u>	(12.19) %
Net position, end of year	<u>\$ (27,997,650)</u>	<u>\$ (29,720,772)</u>	(5.80) %

**Governmental Activities**

Net position of the School District's governmental activities increased \$1,723,122 in fiscal year 2017 and increased \$4,124,522 in fiscal year 2016. Total governmental expenses of \$39,892,531 were offset by program revenues of \$5,535,886 and general revenues of \$36,079,767 during fiscal year 2017. Program revenues supported 13.88% of the total governmental expenses during fiscal year 2017.

Revenues of the School District increased \$1,296,089 or 3.21%. The most significant increases were in the area of operating grants and contributions and property taxes. Operating grants and contributions increased due to more federal grant money received by the District during the fiscal year. Property taxes increased \$978,439. The increase in property tax revenues is related to fluctuations in the amount of tax collected and available for advance at fiscal year-end by the Montgomery County Auditor. Tax advances available are recorded as revenue under GAAP. The amount of tax advances available at June 30, 2017, 2016 and 2015 was \$1,433,535, \$1,329,037 and \$1,433,864, respectively. The amount of tax advance available at year-end can vary depending upon when the county auditors distributes tax bills.

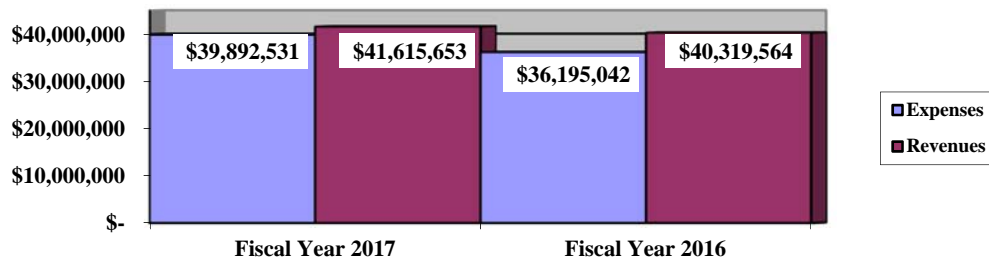
Expenses of the School District increased \$3,697,489 or 10.22%. The School District showed increased spending in multiple function categories due to increased employee costs and increases in pension expense.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

The graph below presents the School District's governmental activities revenues and expenses for fiscal years 2017 and 2016.

**Governmental Activities - Revenues and Expenses**



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements.

**Governmental Activities**

	Total Cost of Services 2017	Net Cost of Services 2017	Total Cost of Services 2016	Net Cost of Services 2016
<b>Program expenses</b>				
Instruction:				
Regular	\$ 13,377,481	\$ 12,931,882	\$ 12,254,585	\$ 11,477,597
Special	6,126,422	4,486,749	5,938,086	3,976,940
Vocational	124,191	110,930	111,072	93,631
Other	2,031,034	2,031,034	1,422,141	1,422,141
Support services:				
Pupil	2,267,876	2,148,708	2,466,891	2,367,552
Instructional staff	1,520,003	604,956	759,097	651,236
Board of education	48,292	48,292	21,332	21,332
Administration	2,339,318	2,302,770	2,215,861	2,172,546
Business and fiscal	1,210,506	1,200,327	1,191,085	1,180,541
Operations and maintenance	2,819,726	2,796,405	2,448,628	2,406,188
Pupil transportation	1,990,006	1,858,786	1,767,904	1,672,850
Central	562,886	562,886	565,096	565,096
Operations of non-instructional services	1,944,001	230,751	1,656,622	73,391
Extracurricular activities	1,039,167	550,547	734,797	296,966
Interest and fiscal charges	2,491,622	2,491,622	2,641,845	2,641,845
<b>Total</b>	<u>\$ 39,892,531</u>	<u>\$ 34,356,645</u>	<u>\$ 36,195,042</u>	<u>\$ 31,019,852</u>

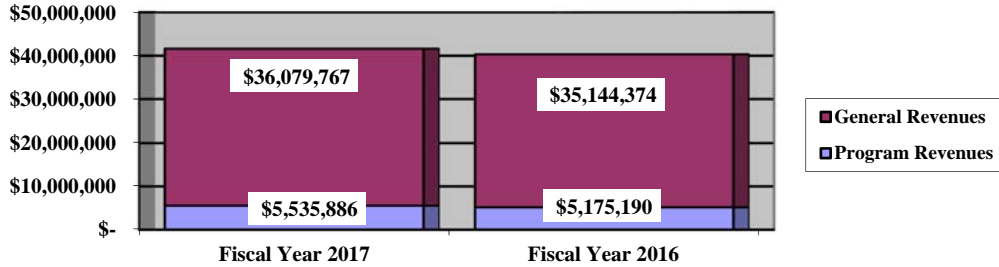
The dependence upon tax and other general revenues for governmental activities is apparent, 90.31% of instruction activities were supported through taxes and other general revenues during fiscal year 2017. For all governmental activities, general revenue support was 86.12% in fiscal year 2017. The School District's taxpayers and unrestricted grants and entitlements are by far the primary support for School District students.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

The graph below presents the School District's governmental activities revenues for fiscal years 2017 and 2016.

**Governmental Activities - General and Program Revenues**



**The School District's Funds**

The School District's governmental funds (as presented on the balance sheet on page 19) reported a combined fund balance of \$17,929,378, which is higher than last year's total of \$14,997,072. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2017 and 2016.

	Fund Balance <u>June 30, 2017</u>	Fund Balance <u>June 30, 2016</u>	<u>Change</u>	Percentage <u>Change</u>
General	\$ 14,425,540	\$ 11,715,393	\$ 2,710,147	23.13 %
Bond Retirement	3,184,116	2,791,154	392,962	14.08 %
Other Governmental	<u>319,722</u>	<u>490,525</u>	<u>(170,803)</u>	(34.82) %
Total	<u>\$ 17,929,378</u>	<u>\$ 14,997,072</u>	<u>\$ 2,932,306</u>	19.55 %

**General Fund**

The general fund increased \$2,710,147 during fiscal year 2017. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

	2017 <u>Amount</u>	2016 <u>Amount</u>	<u>Change</u>	Percentage <u>Change</u>
<b><u>Revenues</u></b>				
Taxes	\$ 22,523,288	\$ 21,693,823	\$ 829,465	3.82 %
Payment in lieu of taxes	1,115,807	1,058,075	57,732	5.46 %
Earnings on investments	134,355	171,200	(36,845)	(21.52) %
Intergovernmental	9,477,518	9,840,134	(362,616)	(3.69) %
Other revenues	<u>1,384,464</u>	<u>1,812,547</u>	<u>(428,083)</u>	(23.62) %
Total	<u>\$ 34,635,432</u>	<u>\$ 34,575,779</u>	<u>\$ 59,653</u>	0.17 %
<b><u>Expenditures</u></b>				
Instruction	\$ 19,022,165	\$ 17,841,221	\$ 1,180,944	6.62 %
Support services	10,640,474	10,313,820	326,654	3.17 %
Operation of				
non-instructional services	361,728	349,092	12,636	3.62 %
Extracurricular activities	635,740	451,988	183,752	40.65 %
Facilities acquisition				
and construction	266,095	-	266,095	100.00 %
Debt service	<u>1,010,564</u>	<u>1,125,088</u>	<u>(114,524)</u>	(10.18) %
Total	<u>\$ 31,936,766</u>	<u>\$ 30,081,209</u>	<u>\$ 1,855,557</u>	6.17 %

Revenues of the general fund increased slightly by \$59,653 or 0.17%. Taxes increased \$829,465. The increase in property tax revenues is related to fluctuations in the amount of tax collected and available for advance at fiscal year-end by the Montgomery County Auditor. Tax advances available are recorded as revenue under GAAP. The amount of tax advances available at June 30, 2017, 2016 and 2015 in the general fund was \$1,251,831, \$1,161,161 and \$1,252,814, respectively. The amount of tax advance available at year-end can vary depending upon when the county auditors distributes tax bills. Other revenue decreased \$428,083 due to a decrease in tuition revenue. Intergovernmental revenue decreased \$362,616 due to a decrease in State foundation revenues.

Expenditures of the general fund increased \$1,855,557 or 6.17%. The most significant increase was in the area of instruction which increased \$1,180,944. This increase was the result of increased spending in areas of wages and benefits for teachers.

***Bond Retirement Fund***

During fiscal year 2017, the bond retirement fund had revenues and other financing sources of \$13,437,238 and expenditures and other financing uses of \$13,044,276. The fund balance of the bond retirement fund increased \$392,962 from \$2,791,154 to \$3,184,116. This increase is the result of a property taxes exceeding scheduled principal and interest payments on debt.

***General Fund Budgeting Highlights***

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

For the general fund, original revenues and other financing sources of \$34,780,895 were decreased to \$34,586,383 in the final budget. The largest decrease was in the area of intergovernmental - state which decreased due to lower than expected State foundation revenues. Actual revenues and other financing sources decreased \$386,946 to \$34,199,437. This decrease from the final budget resulted from lower than expected property taxes.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

General fund original appropriations (appropriated expenditures plus other financing uses) of \$36,784,242 were decreased to \$35,105,717 in the final budget. The final budget was decreased due primarily to lowering of salaries and benefit estimates throughout the year. Actual expenditures and other uses of \$33,586,931 were \$1,518,786 lower than final appropriations due to the School District's conservative budget practices.

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal year 2017, the School District had \$48,193,805 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, software and vehicles. This entire amount is reported in governmental activities.

The following table shows June 30, 2017 balances compared to June 30, 2016.

	<b>Capital Assets at June 30 (Net of Depreciation)</b>	
	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Land	\$ 1,544,261	\$ 1,544,261
Construction in progress	266,095	-
Land improvements	3,219,055	3,512,667
Buildings and improvements	39,375,724	40,671,488
Furniture and equipment	1,658,483	1,972,826
Software	588,807	683,506
Vehicles	<u>1,541,380</u>	<u>1,779,864</u>
Total	<u>\$ 48,193,805</u>	<u>\$ 50,164,612</u>

The capital assets decreased due to current year depreciation of \$2,329,058 exceeding current year additions of \$358,251.

See Note 8 to the basic financial statements for detail on the School District's capital assets.

*Debt Administration*

At June 30, 2017 the School District had \$55,223,822 in general obligation bonds and capital lease obligations outstanding. Of this total, \$2,436,493 is due within one year and \$52,787,329 is due in greater than one year.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

The following table summarizes the bonds and capital lease obligations outstanding.

**Outstanding Debt, at Year End**

	Governmental Activities <u>2017</u>	Governmental Activities <u>2016</u>
General Obligation Bonds	\$ 46,280,000	\$ 48,100,000
Premiums	5,583,390	5,119,471
Capital Appreciation Bonds	788,918	589,539
Accreted interest	1,786,866	1,321,470
Capital lease obligations	<u>784,648</u>	<u>1,401,045</u>
Total	<u>\$ 55,223,822</u>	<u>\$ 56,531,525</u>

See Note 10 to the basic financial statements for detail on the School District's debt administration.

**For the Future**

The Board of Education approved the 2021 Strategic Plan in the spring of 2017. The plan sets the mission, goals and expectations for the next five years. With collaboration by staff and community, right sizing, prudent and responsible expenditures along with reliable forecasting, District finances have stabilized, even with declining revenue from the State. District voters are being asked to renew and make continuous, a 6.99 limited operating levy, generating approximately \$4 million annually, that was first passed November 5, 2013.

District administration is currently evaluating and revising a district wide spending/capital needs plan. This document combined with the strategic plan and stable financial resources, commitments can be made to continue to move students and the District forward all while continuing academic progress and achievement.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Eric K. Beavers, Treasurer/CFO, Vandalia-Butler City School District, 500 South Dixie Drive, Vandalia, Ohio 45377.



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2017

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments . . . . .	\$ 19,169,894
Receivables:	
Property taxes . . . . .	28,199,324
Payment in lieu of taxes . . . . .	1,115,807
Accounts . . . . .	9,854
Accrued interest . . . . .	19,188
Intergovernmental . . . . .	799,187
Prepayments . . . . .	70,423
Materials and supplies inventory . . . . .	3,240
Inventory held for resale . . . . .	7,573
Capital assets:	
Nondepreciable capital assets . . . . .	1,810,356
Depreciable capital assets, net . . . . .	46,383,449
Capital assets, net . . . . .	48,193,805
Total assets . . . . .	97,588,295
 <b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refunding . . . . .	3,821,929
Pension - STRS . . . . .	6,765,994
Pension - SERS . . . . .	2,194,896
Total deferred outflows of resources . . . . .	12,782,819
 <b>Liabilities:</b>	
Accounts payable . . . . .	103,459
Accrued wages and benefits payable . . . . .	2,493,521
Intergovernmental payable . . . . .	55,353
Pension and postemployment benefits payable . . . . .	449,500
Accrued interest payable . . . . .	138,576
Long-term liabilities:	
Due within one year . . . . .	2,793,937
Due in more than one year:	
Net pension liability . . . . .	49,531,163
Other amounts due in more than one year . . . . .	54,964,114
Total liabilities . . . . .	110,529,623
 <b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year . . . . .	25,636,036
Payment in lieu of taxes levied for the next fiscal year . . . . .	1,115,807
Pension - STRS . . . . .	969,827
Pension - SERS . . . . .	117,471
Total deferred inflows of resources . . . . .	27,839,141
 <b>Net position:</b>	
Net investment in capital assets . . . . .	(1,421,222)
Restricted for:	
Capital projects . . . . .	31,712
Debt service . . . . .	1,409,866
Federally funded programs . . . . .	52,604
Student activities . . . . .	43,320
Food service operations . . . . .	216,842
Unrestricted (deficit) . . . . .	(28,330,772)
Total net position . . . . .	\$ (27,997,650)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services and Sales	Operating Grants and Contributions	
<b>Governmental activities:</b>				
Instruction:				
Regular . . . . .	\$ 13,377,481	\$ 437,030	\$ 8,569	\$ (12,931,882)
Special . . . . .	6,126,422	124,115	1,515,558	(4,486,749)
Vocational . . . . .	124,191	-	13,261	(110,930)
Other . . . . .	2,031,034	-	-	(2,031,034)
Support services:				
Pupil. . . . .	2,267,876	-	119,168	(2,148,708)
Instructional staff . . . . .	1,520,003	-	915,047	(604,956)
Board of education . . . . .	48,292	-	-	(48,292)
Administration. . . . .	2,339,318	-	36,548	(2,302,770)
Fiscal. . . . .	787,778	-	10,175	(777,603)
Business. . . . .	422,728	2	2	(422,724)
Operations and maintenance . . . . .	2,819,726	23,317	4	(2,796,405)
Pupil transportation. . . . .	1,990,006	8,077	123,143	(1,858,786)
Central . . . . .	562,886	-	-	(562,886)
Operation of non-instructional services:				
Other non-instructional services . . . . .	701,389	352,071	249,287	(100,031)
Food service operations . . . . .	1,242,612	546,124	565,768	(130,720)
Extracurricular activities. . . . .	1,039,167	431,735	56,885	(550,547)
Interest and fiscal charges . . . . .	2,491,622	-	-	(2,491,622)
<b>Total governmental activities . . . . .</b>	<b>\$ 39,892,531</b>	<b>\$ 1,922,471</b>	<b>\$ 3,613,415</b>	<b>(34,356,645)</b>
<b>General revenues:</b>				
Property taxes levied for:				
General purposes . . . . .				22,529,610
Debt service. . . . .				3,188,974
Payments in lieu of taxes. . . . .				1,115,807
Grants and entitlements not restricted to specific programs . . . . .				8,943,941
Investment earnings . . . . .				147,363
Miscellaneous . . . . .				154,072
<b>Total general revenues . . . . .</b>				<b>36,079,767</b>
<b>Change in net position . . . . .</b>				<b>1,723,122</b>
<b>Net position at beginning of year . . . . .</b>				<b>(29,720,772)</b>
<b>Net position at end of year. . . . .</b>				<b>\$ (27,997,650)</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

	<u>General</u>	<u>Bond Retirement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 15,671,237	\$ 3,002,412	\$ 496,245	\$ 19,169,894
<b>Receivables:</b>				
Property taxes . . . . .	24,674,787	3,524,537	-	28,199,324
Payment in lieu of taxes . . . . .	1,115,807	-	-	1,115,807
Accounts . . . . .	9,854	-	-	9,854
Accrued interest . . . . .	19,188	-	-	19,188
Intergovernmental . . . . .	345,128	-	454,059	799,187
Prepayments . . . . .	69,089	-	1,334	70,423
Materials and supplies inventory . . . . .	-	-	3,240	3,240
Inventory held for resale . . . . .	-	-	7,573	7,573
Due from other funds . . . . .	381,774	-	-	381,774
Total assets . . . . .	<u>\$ 42,286,864</u>	<u>\$ 6,526,949</u>	<u>\$ 962,451</u>	<u>\$ 49,776,264</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 77,398	\$ -	\$ 26,061	\$ 103,459
Accrued wages and benefits payable . . . . .	2,357,074	-	136,447	2,493,521
Compensated absences payable . . . . .	124,740	-	-	124,740
Intergovernmental payable . . . . .	53,440	-	1,913	55,353
Pension obligation payable . . . . .	425,229	-	24,271	449,500
Due to other funds . . . . .	-	-	381,774	381,774
Total liabilities . . . . .	<u>3,037,881</u>	<u>-</u>	<u>570,466</u>	<u>3,608,347</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	22,417,818	3,218,218	-	25,636,036
Payment in lieu of taxes levied for the next fiscal year . . . . .	1,115,807	-	-	1,115,807
Delinquent property tax revenue not available . . . . .	1,005,138	124,615	-	1,129,753
Intergovernmental revenue not available . . . . .	266,862	-	72,263	339,125
Accrued interest not available . . . . .	17,818	-	-	17,818
Miscellaneous revenue not available . . . . .	-	-	-	-
Total deferred inflows of resources . . . . .	<u>24,823,443</u>	<u>3,342,833</u>	<u>72,263</u>	<u>28,238,539</u>
<b>Fund balances:</b>				
<b>Nonspendable:</b>				
Materials and supplies inventory . . . . .	-	-	3,240	3,240
Prepays . . . . .	69,089	-	1,334	70,423
<b>Restricted:</b>				
Debt service . . . . .	-	3,184,116	-	3,184,116
Capital improvements . . . . .	-	-	31,712	31,712
Food service operations . . . . .	-	-	287,959	287,959
Non-public schools . . . . .	-	-	4,914	4,914
Other purposes . . . . .	-	-	1,050	1,050
Extracurricular activities . . . . .	-	-	54,523	54,523
<b>Committed:</b>				
Other purposes . . . . .	-	-	2,735	2,735
<b>Assigned:</b>				
Student instruction . . . . .	181,794	-	-	181,794
Student and staff support . . . . .	948,541	-	-	948,541
Extracurricular activities . . . . .	5,257	-	-	5,257
Facilities acquisition and construction . . . . .	343,422	-	-	343,422
Subsequent year's appropriations . . . . .	74,539	-	-	74,539
Other purposes . . . . .	310,106	-	-	310,106
Unassigned (deficit) . . . . .	12,492,792	-	(67,745)	12,425,047
Total fund balances . . . . .	<u>14,425,540</u>	<u>3,184,116</u>	<u>319,722</u>	<u>17,929,378</u>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 42,286,864</u>	<u>\$ 6,526,949</u>	<u>\$ 962,451</u>	<u>\$ 49,776,264</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2017

<b>Total governmental fund balances</b>		\$	17,929,378
<i>Amounts reported for governmental activities on 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 the funds.			48,193,805
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	1,129,753	
Accrued interest receivable		17,818	
Intergovernmental receivable		339,125	
Total			1,486,696
Unamortized premiums on bonds issued are not recognized in the funds.			(5,583,390)
Unamortized amounts on refundings are not recognized in the funds.			3,821,929
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(138,576)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred outflows of resources - pension		8,960,890	
Deferred inflows of resources - pension		(1,087,298)	
Net pension liability		(49,531,163)	
Total			(41,657,571)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(48,855,784)	
Capital lease obligations		(784,648)	
Compensated absences		(2,409,489)	
Total			(52,049,921)
<b>Net position of governmental activities</b>		<b>\$</b>	<b>(27,997,650)</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>General</u>	<u>Bond Retirement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 22,523,288	\$ 3,189,092	\$ -	\$ 25,712,380
Payment in lieu of taxes . . . . .	1,115,807	-	-	1,115,807
Tuition . . . . .	388,679	-	-	388,679
Transportation fees . . . . .	8,077	-	-	8,077
Earnings on investments . . . . .	134,355	-	-	134,355
Charges for services . . . . .	-	-	538,228	538,228
Extracurricular . . . . .	160,935	-	270,800	431,735
Classroom materials and fees . . . . .	170,867	-	-	170,867
Rental income . . . . .	23,313	-	-	23,313
Contributions and donations . . . . .	-	-	1,504	1,504
Contract services . . . . .	353,670	-	7,902	361,572
Other local revenues . . . . .	278,923	-	-	278,923
Intergovernmental - state . . . . .	9,477,518	415,210	380,622	10,273,350
Intergovernmental - federal . . . . .	-	-	2,104,280	2,104,280
Total revenues . . . . .	<u>34,635,432</u>	<u>3,604,302</u>	<u>3,303,336</u>	<u>41,543,070</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	12,031,392	-	8,550	12,039,942
Special . . . . .	4,938,938	-	725,822	5,664,760
Vocational . . . . .	112,788	-	-	112,788
Other . . . . .	1,939,047	-	-	1,939,047
Support services:				
Pupil . . . . .	2,001,918	-	121,684	2,123,602
Instructional staff . . . . .	592,005	-	854,178	1,446,183
Board of education . . . . .	45,938	-	-	45,938
Administration . . . . .	2,150,889	-	33,627	2,184,516
Fiscal . . . . .	632,410	-	12,872	645,282
Business . . . . .	385,778	-	4	385,782
Operations and maintenance . . . . .	2,681,141	-	8	2,681,149
Pupil transportation . . . . .	1,616,105	-	-	1,616,105
Central . . . . .	534,290	-	-	534,290
Operation of non-instructional services:				
Other non-instructional services . . . . .	361,728	-	295,849	657,577
Food service operations . . . . .	-	-	1,118,821	1,118,821
Extracurricular activities . . . . .	635,740	-	302,724	938,464
Facilities acquisition and construction . . . . .	266,095	-	-	266,095
Debt service:				
Principal retirement . . . . .	866,397	1,367,470	-	2,233,867
Interest and fiscal charges . . . . .	144,167	1,676,340	-	1,820,507
Bond issuance costs . . . . .	-	205,968	-	205,968
Accreted interest on capital appreciation bonds . . . . .	-	167,530	-	167,530
Total expenditures . . . . .	<u>31,936,766</u>	<u>3,417,308</u>	<u>3,474,139</u>	<u>38,828,213</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>2,698,666</u>	<u>186,994</u>	<u>(170,803)</u>	<u>2,714,857</u>
<b>Other financing sources (uses):</b>				
Premium on bonds issued . . . . .	-	1,011,087	-	1,011,087
Issuances of bonds . . . . .	-	8,821,849	-	8,821,849
Sale of capital assets . . . . .	11,481	-	-	11,481
Payment to refunded bond escrow agent . . . . .	-	(9,626,968)	-	(9,626,968)
Total other financing sources (uses) . . . . .	<u>11,481</u>	<u>205,968</u>	<u>-</u>	<u>217,449</u>
Net change in fund balances . . . . .	2,710,147	392,962	(170,803)	2,932,306
<b>Fund balances at beginning of year . . . . .</b>	<b>11,715,393</b>	<b>2,791,154</b>	<b>490,525</b>	<b>14,997,072</b>
<b>Fund balances at end of year . . . . .</b>	<b><u>\$ 14,425,540</u></b>	<b><u>\$ 3,184,116</u></b>	<b><u>\$ 319,722</u></b>	<b><u>\$ 17,929,378</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<b>Net change in fund balances - total governmental funds</b>	\$	2,932,306
<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 those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 358,251	
Current year depreciation	<u>(2,329,058)</u>	
Total		(1,970,807)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	6,204	
Earnings on investments	13,008	
Intergovernmental	<u>74,695</u>	
Total		93,907
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
Bonds	1,617,470	
Accreted interest on CABs	167,530	
Capital leases	<u>616,397</u>	
Total		2,401,397
Issuances of bonds and premiums are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		
Bonds	(8,821,849)	
Premiums on bonds	<u>(1,011,087)</u>	
Total		(9,832,936)
Payment to refunded bond escrow agent for the retirement of bonds is an other financing use in the governmental funds but the payment reduces long-term liabilities on the statement of net position. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred during the year:		
Bonds refunded	9,060,106	
Premiums refunded	<u>566,862</u>	
Total		9,626,968
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Change in accrued interest payable	48,204	
Accreted interest on capital appreciation bonds	(632,926)	
Amortization of bond premiums	312,062	
Amortization of deferred charges	<u>(192,487)</u>	
Total		(465,147)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		2,459,095
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(3,429,055)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		<u>(92,606)</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>1,723,122</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 23,039,591	\$ 23,838,572	\$ 22,432,619	\$ (1,405,953)
Payment in lieu of taxes. . . . .	1,246,163	1,115,807	1,115,807	-
Tuition. . . . .	425,201	388,680	388,680	-
Transportation fees. . . . .	6,481	8,076	8,076	-
Earnings on investments . . . . .	97,604	172,892	191,155	18,263
Extracurricular. . . . .	183,028	163,882	160,935	(2,947)
Classroom materials and fees . . . . .	5,964	5,340	4,819	(521)
Rental income . . . . .	29,355	11,338	23,313	11,975
Contract services. . . . .	1,786	1,599	1,599	-
Other local revenues . . . . .	33,400	151,087	151,718	631
Intergovernmental - state . . . . .	9,399,228	8,416,016	9,406,759	990,743
<b>Total revenues . . . . .</b>	<u>34,467,801</u>	<u>34,273,289</u>	<u>33,885,480</u>	<u>(387,809)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	13,213,435	12,219,864	12,120,588	99,276
Special. . . . .	5,766,288	5,816,414	5,106,484	709,930
Vocational. . . . .	119,505	112,740	112,740	-
Other. . . . .	2,048,482	1,931,521	1,929,382	2,139
Support services:				
Pupil. . . . .	2,361,055	2,236,627	2,030,794	205,833
Instructional staff . . . . .	595,619	564,652	535,140	29,512
Board of education . . . . .	52,507	61,460	46,144	15,316
Administration. . . . .	2,224,878	2,098,932	2,080,992	17,940
Fiscal . . . . .	697,657	669,871	654,391	15,480
Business . . . . .	438,852	413,009	407,424	5,585
Operations and maintenance. . . . .	3,528,001	3,339,870	3,034,320	305,550
Pupil transportation . . . . .	2,159,681	2,156,510	2,109,980	46,530
Central. . . . .	599,274	600,191	575,979	24,212
Extracurricular activities. . . . .	694,228	605,929	604,929	1,000
Facilities acquisition and construction . . . . .	636,003	650,000	609,517	40,483
Debt service:				
Principal . . . . .	265,001	250,000	250,000	-
Interest and fiscal charges. . . . .	99,787	94,138	94,138	-
<b>Total expenditures . . . . .</b>	<u>35,500,253</u>	<u>33,821,728</u>	<u>32,302,942</u>	<u>1,518,786</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(1,032,452)</u>	<u>451,561</u>	<u>1,582,538</u>	<u>1,130,977</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	301,613	301,613	302,476	863
Transfers (out). . . . .	(1,283,989)	(1,283,989)	(1,283,989)	-
Sale of capital assets . . . . .	11,481	11,481	11,481	-
<b>Total other financing sources (uses) . . . . .</b>	<u>(970,895)</u>	<u>(970,895)</u>	<u>(970,032)</u>	<u>863</u>
Net change in fund balance . . . . .	(2,003,347)	(519,334)	612,506	1,131,840
<b>Fund balance at beginning of year . . . . .</b>	13,119,887	13,119,887	13,119,887	-
<b>Prior year encumbrances appropriated . . . . .</b>	409,176	409,176	409,176	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 11,525,716</u>	<u>\$ 13,009,729</u>	<u>\$ 14,141,569</u>	<u>\$ 1,131,840</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
JUNE 30, 2017

	<b>Agency</b>
<b>Assets:</b>	
Equity in pooled cash and investments . . . . .	\$ 121,968
Total assets. . . . .	\$ 121,968
<b>Liabilities:</b>	
Accounts payable. . . . .	\$ 49
Due to students. . . . .	121,919
Total liabilities . . . . .	\$ 121,968

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

Vandalia-Butler City School District (the "School District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. This Board of Education controls the School District's six school buildings, one bus garage and one board office staffed by 185 non-certified and 205 certified full-time teaching personnel who provide services to 3,065 students and other community members.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, and student related activities of the School District. The following activities are also included within the reporting entity:

Parochial schools within the School District boundaries - Saint Christopher School is operated through the Cincinnati Catholic Diocese. Current State legislation provides funding to this parochial school. These monies are received and disbursed on behalf of the parochial school by the treasurer of the School District, as directed by the parochial school. The activity of these State monies by the School District is reflected in a special revenue fund for financial reporting purposes.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's Governing Board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; or (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the School District has no component units. The basic financial statements of the reporting entity include only those of the School District (the primary government).

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The following entities which perform activities within the School District boundaries for the benefit of its residents are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District:

*City of Vandalia* - The city government of Vandalia is a separate body politic and corporate. A mayor and a council are elected independent of any School District relationships and administer the provision of traditional city services. Council acts as the taxing and budgeting authority for city services.

*Butler Township* - The township government is also a separate body politic and corporate. A three member Board of Trustees are elected independent of any School District relationships and administers the provision of traditional township services. The Trustees act as the taxing and budgeting authority for township services.

*Parent Teacher Association* - The School District is not involved in the budgeting or management and is not responsible for any debt and has no influence over the organization.

The School District is associated with the Southwestern Ohio Educational Purchasing Council, the Metropolitan Dayton Educational Computer Association, the Miami Valley Career Technology Center, and the Southwestern Ohio Instructional Technology Association, which are defined as jointly governed organizations, and the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), which is an insurance purchasing pool.

**JOINTLY GOVERNED ORGANIZATIONS**

The following organizations are described due to their relationship to the School District:

*Southwestern Ohio Educational Purchasing Council* - The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing council made up of over 126 school districts in 18 counties. The purpose of the council is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC.

Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group.

During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the general fund. During fiscal year 2017, the School District paid \$1,923,046 to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, Director, 303 Corporate Center Drive Suite 208, Vandalia, Ohio 45377.

*Southwestern Ohio Instructional Technology Association* - The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation formed under Section 1702.01 of the Ohio Revised Code. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The Board of Trustees is comprised of twenty-one representatives of SOITA member schools or institutions. Nineteen representatives are elected from within the counties by the qualified members within the counties, i.e. Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene and Butler Counties elect two representatives per area. All others elect one representative per area. All Superintendents except for those from educational service centers vote on the representatives after the nominating committee nominates individuals to run.

One at-large non-public representative is elected by the non-public school SOITA members in the State assigned SOITA service area. One at-large higher education representative is elected by higher education SOITA members from within the State assigned SOITA service area.

All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the Net Position shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the general fund. During fiscal year 2017, the School District did not make any payments to SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Frank DePalma, who serves as Interim Director, 150 East Sixth Street, Franklin, Ohio 45005.

*Miami Valley Career Technology Center* - The Miami Valley Career Technology Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the fifteen participating school districts' elected boards, which possesses its own budgeting and taxing authority. One member is appointed from the following city and/or exempted village school districts: Carlisle, Miamisburg, Milton-Union, Northmont, Vandalia-Butler, Versailles, Huber Heights, Eaton, Trotwood, Tipp City, and West Carrollton. Three members are appointed from the Montgomery County Educational Service Center, one is appointed from the Miami County Educational Service Center, one from the Darke County Educational Service Center, and one from the Preble County Educational Service Center. To obtain financial information write to the Miami Valley Career Technology Center, Debbie Gossett, who serves as Treasurer, at 6800 Hoke Road, Clayton, Ohio 45315.

*Metropolitan Educational Technology Association (META) Solutions* - The District is a participant in META Solutions which is a computer consortium that resulted from the mergers between Tri-Rivers Educational Computer Association (TRECA), Metropolitan Educational Council (MEC), Metropolitan Dayton Educational Cooperative Association (MDECA), Southeastern Ohio Valley Voluntary Education Cooperative (SEOVEC), and South Central Ohio Computer Association (SCOCA). META Solutions develops, implements and supports the technology and instructional needs of schools in a cost-effective manner. META Solutions provides instructional, core, technology and purchasing services for its member districts. The Board of Directors consists of the Superintendents from eleven of the member districts. During fiscal year 2017, the District paid META Solutions \$85,658 for services. Financial information can be obtained from Dave Varda, who serves as Chief Financial Officer, 100 Executive Drive, Marion, Ohio 43302.

***INSURANCE PURCHASING POOL***

The School District participates in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP). The GRP's business and affairs are conducted by a fourteen member committee consisting of various EPC representatives that are elected by the general assembly. Either the superintendent or treasurer from each participating school district serves on the general assembly. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**B. Fund Accounting**

The School District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific School District functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

*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 purpose 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 plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

*General fund* - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

*Bond retirement fund* - The Bond Retirement Fund is used to account for resources that are restricted for the payment of general obligations bond principal and interest and certain other long-term obligations when the School District is obligated for the payment. The fund balance of this fund is restricted for debt service.

Other governmental funds of the School District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

*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. The School District's only fiduciary fund is an agency fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only agency fund is used to account for student-managed activities, the health reimbursement account and the flexible spending account.

**C. Basis of Presentation**

*Government-Wide Financial Statements* - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The statement of net position presents the financial condition of governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - During the year, the School District segregates transactions related to certain School District 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 School District at this more detailed level. The focus of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

**D. Measurement Focus**

Government-wide Financial Statements - The government-wide financial statements are prepared using the full accrual economic resources measurement focus. All assets, all deferred outflows of resources, all liabilities and all deferred inflows of resources associated with the operation of the School District 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.

**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. The fund financial statements are prepared using either the modified accrual basis of accounting for governmental funds or the accrual basis of accounting for fiduciary funds. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

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 fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of year-end.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal 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 fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditures requirements, in which the resources are provided to the School District 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: property taxes available as an advance, investment earnings, tuition, grants, and fees.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, See Note 14 for deferred outflows of resources related the School District's net pension liability. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report 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 School District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance fiscal year 2018 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the School District, See Note 14 for deferred inflows of resources related to the District's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

Expenses and Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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, except for (1) principal and interest on general long-term debt and capital lease obligations, which is recorded when due, and (2) the costs of accumulated unpaid vacation, personal leave and sick leave are reported as fund liabilities as payments come due each period upon the occurrence of employee resignations and retirements. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**F. Budgetary Process**

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2017.

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

**G. Encumbrances**

Encumbrance accounting is utilized by the School District for all funds in the normal course of operations for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to a commitment for a future expenditure and does not represent a liability. On the fund financial statements encumbrances outstanding at fiscal year-end are reported as components of restricted, committed or assigned fund balance for subsequent year expenditures for governmental funds. Encumbrances are reported as part of expenditures on a non-GAAP budgetary basis in the non-GAAP budgetary basis statement of revenues, expenditures and changes in fund balance.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**H. Cash and Investments**

Cash received by the School District is deposited into one of several bank accounts with individual fund balance integrity maintained in the School District's records. Balances of all funds are maintained in these accounts or are temporarily used to purchase certificates of deposit or investments. All investment earnings accrue to the general fund except those specifically related to those funds deemed appropriate according to Board of Education policy or unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal year 2017 amount to \$134,355 which includes \$29,510 assigned from other funds.

During fiscal year 2017, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

The School District records all its investments at fair value. For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

**I. Inventory**

On government-wide financial statements, materials and supplies inventories are presented at cost, inventories held for resale are presented at lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method. At fiscal year end, because materials and supplies inventory are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

**J. Capital Assets and Depreciation**

All capital assets of the School District are general capital assets that are associated with governmental activities. General capital assets 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.



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure.

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 not.

All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>
Land improvements	5 - 20 years
Buildings and improvements	10 - 50 years
Furniture and equipment	5 - 20 years
Software	10 years
Vehicles	7 - 15 years

**K. Interfund Balances**

On the fund financial statements, other receivables related to interfund activity are classified as "due from other funds" and "due to other funds". These amounts are eliminated in the governmental activities column of the statement of net position.

**L. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At fiscal year-end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

**M. Compensated Absences**

Vacation and personal leave benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate its employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive severance benefits and those the School District has identified as probable of receiving payment in the future. The School District records an accrual for sick leave for all employees with ten years or more of service. The accrual amount is based upon accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the School District's severance policy.

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

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employee will be paid.

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

All payables, accrued liabilities and long-term obligations are reported in the government-wide 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 special termination benefits 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 in the current year. Bonds and capital leases are recognized as a liability on the government-wide financial statements when due.

**O. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net position component "net investment in 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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**P. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the School District 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 classification includes amounts that cannot be spent because they are not in spendable form or legally 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 loans receivable.

*Restricted* - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Committed* - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. 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 School District for specific purposes, but do not meet the criteria to be classified as restricted nor 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 policies (resolutions) of the School District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

*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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

**Q. Interfund Transactions**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures 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. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements. Transfers between funds in the fund financial statements are eliminated in the statement of activities.

**R. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.

**S. Bond Issuance Costs/Unamortized Bond Premium and Discount/Deferred Change on Debt Refunding**

On the government-wide financial statements, bond issuance costs are expensed in the year they occur.

Bond premiums are deferred and amortized over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds. Capital appreciation bond discounts are accreted over the term of the bonds.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

For bond refundings resulting in the defeasance of debt reported in the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter and is presented as a deferred outflow of resources on the statement of net position.

On the fund financial statements, issuance costs, and bond premiums are recognized in the current period.

**T. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

**U. Fair Value**

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2017, the School District has implemented GASB Statement No. 77, "*Tax Abatement Disclosures*", GASB Statement No. 78, "*Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*", GASB Statement No. 80, "*Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*" and GASB Statement No. 82, "*Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73*".

GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclose certain information about the agreement. GASB Statement No. 77 also requires disclosures related to tax abatement agreements that have been entered into by other governments that reduce the reporting government's tax revenues. These disclosures were incorporated in the School District's fiscal year 2017 financial statements (see Note 20); however, there was no effect on beginning net position/fund balance.

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the School District.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

GASB Statement No. 80 improves the financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement applies to component units that are organized as not-for-profit corporations in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the School District.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the School District.

**B. Deficit Fund Balances**

Fund balances at June 30, 2017 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Title VI-B	\$ 14,819
Title I	51,687
Title II-A	1,239

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

The School District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the basic financial statements as "equity in pooled cash and investments". Statutes require the classification of monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the Board of Education has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts, including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Bonds and other obligations of the State of Ohio;
4. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
5. The State Treasury Asset Reserve of Ohio (STAR Ohio); and,
6. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25% of the interim monies available for investment at any one time.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the finance institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash on Hand**

At fiscal year end, the School District had \$17,650 in undeposited cash on hand which is included on the financial statements of the School District as part of "equity in pooled cash and investments".

**B. Deposits with Financial Institutions**

At June 30, 2017, the carrying amount of all School District deposits was \$790,607. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2017, \$870,124 of the School District's bank balance of \$1,682,819 was exposed to custodial risk as discussed below, while \$812,695 was covered by the FDIC.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

Custodial credit risk is the risk that, in the event of bank failure, the School District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the School District. The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

**C. Investments**

As of June 30, 2017, the School District had the following investments and maturities:

Measurement/ <u>Investment type</u>	Measurement <u>Value</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
Fair Value:						
FHLB	\$ 2,495,720	\$ -	\$ -	\$ -	\$ -	\$ 2,495,720
FHLMC	538,315	-	-	-	-	538,315
Negotiable CD's	5,386,573	734,904	734,676	243,307	490,392	3,183,294
U.S. Government money market	259,227	259,227	-	-	-	-
Amortized Cost:						
STAR Ohio	9,803,770	9,803,770	-	-	-	-
Total	<u>\$ 18,483,605</u>	<u>\$ 10,797,901</u>	<u>\$ 734,676</u>	<u>\$ 243,307</u>	<u>\$ 490,392</u>	<u>\$ 6,217,329</u>

The weighted average maturity of investments is 1.47 years.

The School District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The School District's investments in federal agency securities (FHLB, FHLMC) and negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the School District's investment policy limits investment portfolio maturities to five years or less unless matched to specific obligation or debt of the District.

*Credit Risk:* The District's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio Law requires that STAR Ohio and the U.S. Government money market maintain the highest rating provided by at least one nationally recognized rating standard rating service. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

*Concentration of Credit Risk:* The School District places no limit on the amount that may be invested in any one issuer other than for commercial paper and banker's acceptances. The following table includes the percentage of each investment type held by the School District at June 30, 2017:

<u>Measurement/ Investment type</u>	<u>Measurement</u>	
	<u>Value</u>	<u>% to Total</u>
Fair Value:		
FHLB	\$ 2,495,720	13.50
FHLMC	538,315	2.91
Negotiable CD's	5,386,573	29.14
U.S. Government money market	259,227	1.40
Amortized Cost:		
STAR Ohio	<u>9,803,770</u>	<u>53.04</u>
Total	<u>\$ 18,483,605</u>	<u>99.99</u>

**D. Reconciliation of Cash to the Statement of Net Position**

The following is a reconciliation of cash as reported in the note above to cash as reported on the statement of net position as of June 30, 2017:

<u>Cash per note</u>	
Carrying amount of deposits	\$ 790,607
Investments	18,483,605
Cash on hand	<u>17,650</u>
Total	<u>\$ 19,291,862</u>
 <u>Cash per statement of net position</u>	
Governmental activities	\$ 19,169,894
Agency funds	<u>121,968</u>
Total	<u>\$ 19,291,862</u>



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 5 - INTERFUND TRANSACTIONS**

Due to/from other funds consisted of the following at June 30, 2017, as reported on the fund statement:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 381,774</u>

The primary purpose of the amount due to the general fund from the nonmajor governmental fund was to eliminate negative cash balances. The amount will be repaid once cash is received.

Amounts due to/from between governmental funds are eliminated on the government-wide statements.

**NOTE 6 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2017 represent the collection of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed values as of January 1, 2016, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2017 represent the collection of calendar year 2016 taxes. Public utility real and personal property taxes received in calendar year 2017 became a lien on December 31, 2015, were levied after April 1, 2016, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The School District receives property taxes from Montgomery County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2017, are available to finance fiscal year 2017 operations. The amount available as an advance at June 30, 2017 was \$1,251,831 in the general fund and \$181,704 in the bond retirement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2016 was \$1,161,161 in the general fund and \$167,876 in the bond retirement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2017 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow of resources.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 6 - PROPERTY TAXES - (Continued)**

The assessed values upon which the fiscal year 2017 taxes were collected are:

	2016 Second Half Collections		2017 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 575,151,190	97.56	\$ 581,236,340	97.44
Public utility personal	<u>14,375,970</u>	<u>2.44</u>	<u>15,241,160</u>	<u>2.56</u>
Total	<u>\$ 589,527,160</u>	<u>100.00</u>	<u>\$ 596,477,500</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General	\$56.48		\$56.48	
Bond retirement	6.00		6.00	

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2017 consisted of property taxes, payment in lieu of taxes (PILOTs), accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

A summary of the principal items of receivables reported on the statement of net position follows:

**Governmental activities:**

Property taxes	\$ 28,199,324
Payment in lieu of taxes	1,115,807
Account	9,854
Accrued interest	19,188
Intergovernmental:	
SERS refund	266,862
Title I	217,047
Title II-A	44,188
Title VI-B	192,824
State foundation adjustment	14,465
BWC refund	<u>63,801</u>
Total	<u>\$ 30,143,360</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 8 - CAPITAL ASSETS**

	<u>Balance</u> <u>06/30/16</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/17</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,544,261	\$ -	\$ -	\$ 1,544,261
Construction in progress	-	266,095	-	266,095
Total capital assets, not being depreciated	<u>1,544,261</u>	<u>266,095</u>	<u>-</u>	<u>1,810,356</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	5,647,342	-	-	5,647,342
Buildings and improvements	58,724,150	-	-	58,724,150
Furniture and equipment	6,114,999	49,300	-	6,164,299
Software	946,995	-	-	946,995
Vehicles	2,469,519	42,856	-	2,512,375
Total capital assets, being depreciated	<u>73,903,005</u>	<u>92,156</u>	<u>-</u>	<u>73,995,161</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(2,134,675)	(293,612)	-	(2,428,287)
Buildings and improvements	(18,052,662)	(1,295,764)	-	(19,348,426)
Furniture and equipment	(4,142,173)	(363,643)	-	(4,505,816)
Software	(263,489)	(94,699)	-	(358,188)
Vehicles	(689,655)	(281,340)	-	(970,995)
Total accumulated depreciation	<u>(25,282,654)</u>	<u>(2,329,058)</u>	<u>-</u>	<u>(27,611,712)</u>
Governmental activities capital assets, net	<u>\$ 50,164,612</u>	<u>\$ (1,970,807)</u>	<u>\$ -</u>	<u>\$ 48,193,805</u>

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**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 8 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 801,713
Special	263,647
Vocational	5,195
Other	88,902
<u>Support services:</u>	
Pupil	98,031
Instructional staff	88,445
Board of education	2,126
Administration	100,939
Fiscal	122,119
Business	18,660
Operations and maintenance	143,661
Pupil transportation	377,097
Central	25,582
<u>Operation of non-instructional services:</u>	
Other non-instructional services	28,446
Food service operations	91,958
Extracurricular activities	<u>72,537</u>
Total depreciation expense	<u>\$ 2,329,058</u>

**NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE**

In a prior fiscal year, the School District entered into leases for the purpose of purchasing copiers and buses. The terms of the agreements provide options to purchase the equipment. These leases meet the criteria of a capital lease which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

The capital assets acquired by the leases have been capitalized in the statement of net position for governmental activities in the amount of \$2,621,204 which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net position for governmental activities. Principal payments in fiscal year 2017 totaled \$616,397 in the general fund.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE - (Continued)**

The assets acquired through the capital leases are as follows:

Assets:	<u>Asset Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Copiers	\$ 697,058	\$ (348,529)	\$ 1,045,587
Buses	1,924,146	(601,296)	2,525,442

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2017:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2018	\$ 650,709
2019	157,800
Total minimum lease payment	<u>808,509</u>
Less: amount representing interest	<u>(23,861)</u>
Present value of minimum lease payments	<u><u>\$ 784,648</u></u>

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**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 10 - LONG-TERM OBLIGATIONS**

During the fiscal year 2017, the following changes occurred in governmental activities long-term obligations.

	Balance Outstanding June 30, 2016	Additions	Reductions	Balance Outstanding June 30, 2017	Amounts Due in One Year
<b>Governmental Activities:</b>					
General Obligation Bonds:					
2009 School Improvement Bonds					
Serial and Term 3-4.70%	\$ 5,835,000	\$ -	\$ (3,895,000)	\$ 1,940,000	\$ 350,000
Premium	247,595	-	(131,468)	116,127	-
2009 Capital Appreciation Bonds	189,991	-	-	189,991	52,087
Accreted Interest	868,668	285,004	-	1,153,672	362,913
2010A School Improvement Bonds					
Serial and Term 2-5%	14,340,000	-	(6,040,000)	8,300,000	-
Premium	394,727	-	(149,667)	245,060	-
2010A Capital Appreciation Bonds	114,318	-	-	114,318	93,047
Accreted Interest	267,707	81,068	-	348,775	283,881
2010B School Improvement Bonds					
Current Interest	540,000	-	(105,000)	435,000	105,000
Premium	10,093	-	(2,286)	7,807	-
2010 Energy Conservation Bonds					
Current Interest	2,135,000	-	(185,000)	1,950,000	190,000
Premium	39,476	-	(4,691)	34,785	-
2011 Energy Conservation Bonds					
Current Interest	725,000	-	(65,000)	660,000	-
Premium	26,569	-	(2,551)	24,018	-
2011 Capital Appreciation Bonds					
Accreted Interest	29,833	-	-	29,833	29,833
	23,600	7,456	-	31,056	31,056
2014 Refunding Bonds					
Current Interest	7,945,000	-	-	7,945,000	-
Premium	1,367,546	-	(63,854)	1,303,692	-
2014 Capital Appreciation Bonds					
Accreted Interest	76,117	-	(33,351)	42,766	18,821
	95,558	99,187	(66,649)	128,096	56,301
Series 2015 Refunding Bonds					
Current Interest	8,410,000	-	-	8,410,000	-
Premium	1,396,049	-	(85,038)	1,311,011	-
Capital Appreciation Bonds					
Accreted Interest	19,292	-	(11,239)	8,053	4,606
	46,665	61,440	(48,761)	59,344	33,804
Series 2016 Refunding Bonds					
Current Interest	8,170,000	-	-	8,170,000	-
Premium	1,637,416	-	(76,455)	1,560,961	-
Capital Appreciation Bonds					
Accreted Interest	159,988	-	(107,880)	52,108	25,013
	19,272	83,051	(52,120)	50,203	24,091
Series 2017A Refunding Bonds					
Current Interest	-	3,020,000	-	3,020,000	65,000
Premium	-	316,493	(14,929)	301,564	-
Capital Appreciation Bonds					
Accreted Interest	-	137,875	-	137,875	-
	-	6,924	-	6,924	-
Series 2017B Refunding Bonds					
Current Interest	-	5,450,000	-	5,450,000	80,000
Premium	-	694,594	(16,229)	678,365	-
Capital Appreciation Bonds					
Accreted Interest	-	213,974	-	213,974	-
	-	8,796	-	8,796	-
<b>Total General Obligation Bonds</b>	<b>55,130,480</b>	<b>10,465,862</b>	<b>(11,157,168)</b>	<b>54,439,174</b>	<b>1,805,453</b>

- (Continued)

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

	Balance Outstanding June 30, 2016	Additions	Reductions	Balance Outstanding June 30, 2017	Amounts Due in One Year
Compensated Absences	\$ 2,344,790	\$ 537,389	\$ (347,950)	\$ 2,534,229	\$ 357,444
Net pension liability	40,785,425	8,745,738	-	49,531,163	-
Obligations Under Capital Leases	1,401,045	-	(616,397)	784,648	631,040
Total governmental activities	<u>\$ 99,661,740</u>	<u>\$ 19,748,989</u>	<u>\$ (12,121,515)</u>	<u>\$ 107,289,214</u>	<u>\$ 2,793,937</u>

General Obligation Bonds: See Note 10.B - 10.F for details.

Refunding Bonds: See Note 10.G - 10.K for details.

Compensated Absences: The School District pays compensated absences primarily from the general fund.

Net Pension Liability: See Note 14 for details.

Obligations Under Capital Leases: See Note 9 for details.

**A. Series 2009 General Obligation School Improvement Bonds**

General Obligation Bonds were issued March 4, 2009 in the amount of \$25,949,991. The voted general obligation bonds were issued for the purpose of constructing a new middle school, renovations and additions to the high school, replacing the bus garage, and acquiring land. The bond issue included serial and term bonds and capital appreciation bonds in the amounts of \$9,640,000, \$16,120,000 and \$189,991, respectively. During fiscal year 2015, \$16,570,000 in bonds were refunded by the Series 2015 refunding bonds. During fiscal year 2017, \$3,160,000 in bonds were refunded by the Series 2017A refunding bonds.

The accreted value at maturity for the capital appreciation bonds is \$1,975,000. Total accreted interest of \$1,153,672 has been included on the statement of net position.

The following is a summary of the future debt service requirements to maturity for the Series 2009 General Obligation School Improvement Bonds:

Fiscal Year Ending June 30,	2009 General Obligation School Improvement Bonds					
	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 350,000	\$ 73,600	\$ 423,600	\$ 52,087	\$ 362,913	\$ 415,000
2019	-	66,600	66,600	77,134	702,866	780,000
2020	-	66,600	66,600	60,770	719,230	780,000
2021	780,000	50,513	830,513	-	-	-
2022	810,000	17,212	827,212	-	-	-
Total	<u>\$ 1,940,000</u>	<u>\$ 274,525</u>	<u>\$ 2,214,525</u>	<u>\$ 189,991</u>	<u>\$ 1,785,009</u>	<u>\$ 1,975,000</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

**B. Series 2010A General Obligation School Improvement Bonds**

General Obligation Bonds were issued February 11, 2010 in the amount of \$23,999,318. The voted general obligation bonds were issued for the purpose of paying in full the bond anticipation notes originally issued for the purpose of construction a new school, improvements, renovations and additions to the existing high school, replacing the existing bus garage, acquiring land and providing equipment, furnishings, and site improvements to school facilities. The bond issue included serial and term bonds and capital appreciation bonds in the amounts of \$11,795,000, \$12,090,000 and \$114,318, respectively. During fiscal year 2016, \$8,330,000 in bonds were refunded by the Series 2016 refunding bonds. During fiscal year 2017, \$5,665,000 in bonds were refunded by the Series 2017B refunding bonds.

The accreted value at maturity for the capital appreciation bonds maturing December 1, 2017 and 2018 is \$530,000. Total accreted interest of \$348,775 has been included on the statement of net position.

The following is a summary of the future debt service requirements to maturity for the Series 2010 A General Obligation School Improvement Bonds:

Fiscal Year Ending June 30,	2010 A General Obligation School Improvement Bonds					
	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ -	\$ 329,450	\$ 329,450	\$ 93,047	\$ 321,953	\$ 415,000
2019	365,000	323,519	688,519	21,271	93,729	115,000
2020	525,000	307,088	832,088	-	-	-
2021	580,000	284,987	864,987	-	-	-
2022	670,000	259,988	929,988	-	-	-
2023 - 2027	4,115,000	837,038	4,952,038	-	-	-
2028 - 2030	<u>2,045,000</u>	<u>81,969</u>	<u>2,126,969</u>	-	-	-
Total	<u>\$ 8,300,000</u>	<u>\$ 2,424,039</u>	<u>\$ 10,724,039</u>	<u>\$ 114,318</u>	<u>\$ 415,682</u>	<u>\$ 530,000</u>

**D. Series 2010 B General Obligation School Improvement Bonds**

During fiscal year 2011, the School District issued \$999,878 in general obligation bonds to provide financing for various construction projects. The issue is comprised of both current interest bonds, par value \$980,000 and capital appreciation bonds, par value \$19,878. The interest rates on the current interest bonds range from 1.00% - 3.10%. The capital appreciation bonds matured December 1, 2015 (approximate equivalent interest rate 20.00%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond was \$55,000.



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a summary of the future debt service requirements to maturity for the series 2010 B general obligation school improvement bonds:

Fiscal Year Ending June 30,	<u>2010 B School Improvement Bonds</u>		
	<u>Current Interest Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 105,000	\$ 10,797	\$ 115,797
2019	105,000	8,120	113,120
2020	110,000	5,147	115,147
2021	<u>115,000</u>	<u>1,783</u>	<u>116,783</u>
Total	<u>\$ 435,000</u>	<u>\$ 25,847</u>	<u>\$ 460,847</u>

**E. Series 2010 General Obligation Energy Conservation Bonds**

During fiscal year 2011, the School District issued \$2,998,120 in general obligation bonds to provide financing for various construction projects to improve energy conservation. The issue is comprised of both current interest bonds, par value \$2,985,000 and capital appreciation bonds, par value \$13,120. The interest rates on the current interest bonds range from 1.50% - 4.00%. The capital appreciation bonds matured December 1, 2014 (approximate equivalent interest rate 20.00%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2013 was \$30,000.

The following is a summary of the future debt service requirements to maturity for the series 2010 general obligation energy conservation bonds:

Fiscal Year Ending June 30,	<u>2010 Energy Conservation Bonds</u>		
	<u>Current Interest Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 190,000	\$ 68,538	\$ 258,538
2019	195,000	63,000	258,000
2020	200,000	56,825	256,825
2021	205,000	49,987	254,987
2022	215,000	42,100	257,100
2023 - 2026	<u>945,000</u>	<u>77,300</u>	<u>1,022,300</u>
Total	<u>\$ 1,950,000</u>	<u>\$ 357,750</u>	<u>\$ 2,307,750</u>

**F. Series 2011 General Obligation Energy Conservation Bonds**

During fiscal year 2012, the School District issued \$999,833 in general obligation bonds to provide financing for various construction projects to improve energy conservation. The issue is comprised of both current interest bonds, par value \$970,000 and capital appreciation bonds, par value \$29,833. The interest rates on the current interest bonds range from 2.00% - 3.50%. The capital appreciation bonds mature December 1, 2017 (approximate equivalent interest rate 13.50%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2017 is \$65,000. Total accreted interest of \$31,056 has been included on the statement of net position.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a summary of the future debt service requirements to maturity for the series 2011 general obligation energy conservation bonds:

Fiscal Year Ending June 30,	<u>2011 Energy Conservation Bonds</u>					
	<u>Current Interest Bonds</u>			<u>Capital Appreciation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ 20,025	\$ 20,025	\$ 29,833	\$ 35,167	\$ 65,000
2019	65,000	19,375	84,375	-	-	-
2020	65,000	17,832	82,832	-	-	-
2021	70,000	15,975	85,975	-	-	-
2022	70,000	14,050	84,050	-	-	-
2023 - 2027	<u>390,000</u>	<u>34,718</u>	<u>424,718</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 660,000</u>	<u>\$ 121,975</u>	<u>\$ 781,975</u>	<u>\$ 29,833</u>	<u>\$ 35,167</u>	<u>\$ 65,000</u>

**G. Series 2014 Refunding Bonds**

During fiscal year 2015, the School District issued \$8,094,987 in general obligation bonds to refund \$8,095,000 of the Series 2009 General Obligation School Improvement Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2017 was \$8,095,000.

The issue is comprised of both current interest bonds, par value \$7,945,000 and capital appreciation bonds, par value \$149,987. The interest rates on the current interest bonds range from 3.50% - 4.00%. The remaining capital appreciation bonds mature December 1, 2017 through December 1, 2033 (approximate equivalent interest rate 66.23436%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds maturing December 1, 2016 through December 1, 2024 are \$100,000 each and the capital appreciation bonds maturing December 1, 2033 is \$875,000. Total accreted interest of \$128,096 has been included on the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,096,387. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2037. This advance refunding was undertaken to reduce the combined total debt service payments by \$578,414 and resulted in an economic gain of \$338,792.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a summary of the future debt service requirements to maturity for the series 2014 refunding bonds:

Fiscal Year Ending June 30,	<u>2014 Refunding Bonds</u>					
	<u>Current Interest Bonds</u>			<u>Capital Appreciation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ 309,900	\$ 309,900	\$ 18,821	\$ 81,179	\$ 100,000
2019	-	309,900	309,900	10,622	89,378	100,000
2020	-	309,900	309,900	5,994	94,006	100,000
2021	-	309,900	309,900	3,383	96,617	100,000
2022	-	309,900	309,900	1,909	98,091	100,000
2023 - 2027	140,000	1,544,600	1,684,600	2,028	297,972	300,000
2028 - 2032	395,000	1,489,500	1,884,500	-	-	-
2033 - 2037	5,690,000	1,028,750	6,718,750	9	874,991	875,000
2038	<u>1,720,000</u>	<u>31,175</u>	<u>1,751,175</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,945,000</u>	<u>\$ 5,643,525</u>	<u>\$ 13,588,525</u>	<u>\$ 42,766</u>	<u>\$ 1,632,234</u>	<u>\$ 1,675,000</u>

**H. Series 2015 Refunding Bonds**

During fiscal year 2015, the School District issued \$8,474,996 in general obligation bonds to refund \$8,475,000 of the Series 2009 General Obligation School Improvement Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2017 was \$8,475,000.

The issue is comprised of both current interest bonds, par value \$8,410,000 and capital appreciation bonds, par value \$64,996. The interest rates on the current interest bonds range from 3.00% - 4.00%. The remaining capital appreciation bonds mature December 1, 2017 through December 1, 2025 (approximate equivalent interest rate 112.41653%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2016 through December 1, 2025 vary from \$60,000 to \$420,000. Total accreted interest of \$59,344 has been included on the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,150,467. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2032. This advance refunding was undertaken to reduce the combined total debt service payments by \$497,993 and resulted in an economic gain of \$413,663.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a summary of the future debt service requirements to maturity for the series 2015 refunding bonds:

Fiscal Year Ending June 30,	2015 Refunding Bonds					
	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ -	\$ 324,350	\$ 324,350	\$ 4,606	\$ 55,394	\$ 60,000
2019	-	324,350	324,350	2,045	62,955	65,000
2020	-	324,350	324,350	838	64,162	65,000
2021	-	324,350	324,350	317	59,683	60,000
2022	-	324,350	324,350	140	64,860	65,000
2023 - 2027	1,205,000	1,600,075	2,805,075	107	599,893	600,000
2028 - 2032	6,045,000	855,300	6,900,300	-	-	-
2033	1,160,000	23,200	1,183,200	-	-	-
Total	<u>\$ 8,410,000</u>	<u>\$ 4,100,325</u>	<u>\$ 12,510,325</u>	<u>\$ 8,053</u>	<u>\$ 906,947</u>	<u>\$ 915,000</u>

**I. Series 2016 Refunding Bonds**

During fiscal year 2016, the School District issued \$8,329,988 in general obligation bonds to refund \$8,330,000 of the Series 2010A General Obligation School Improvement Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2017 was \$8,330,000.

The issue is comprised of both current interest bonds, par value \$8,170,000 and capital appreciation bonds, par value \$1,159,988. The interest rates on the current interest bonds range from 0.90% - 4.00%. The capital appreciation bonds mature December 1, 2017 through December 1, 2020 and December 1, 2034 through December 1, 2035 (approximate equivalent interest rate 64.74509%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2015 through December 1, 2035 vary from \$65,000 to \$995,000. Total accreted interest of \$50,203 has been included on the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,391,361. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2038. This advance refunding was undertaken to reduce the combined total debt service payments by \$771,878 and resulted in an economic gain of \$544,457.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a summary of the future debt service requirements to maturity for the series 2016 refunding bonds:

Fiscal Year Ending June 30,	<u>2016 Refunding Bonds</u>					
	<u>Current Interest Bonds</u>			<u>Capital Appreciation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ 319,300	\$ 319,300	\$ 25,013	\$ 39,987	\$ 65,000
2019	-	319,300	319,300	14,275	50,725	65,000
2020	-	319,300	319,300	8,147	56,853	65,000
2021	-	319,301	319,301	4,650	60,350	65,000
2022	65,000	318,650	383,650	-	-	-
2023 - 2027	335,000	1,570,525	1,905,525	-	-	-
2028 - 2032	395,000	1,512,350	1,907,350	-	-	-
2033 - 2037	2,605,000	1,357,100	3,962,100	23	1,314,977	1,315,000
2038 - 2039	4,770,000	228,000	4,998,000	-	-	-
Total	<u>\$ 8,170,000</u>	<u>\$ 6,263,826</u>	<u>\$ 14,433,826</u>	<u>\$ 52,108</u>	<u>\$ 1,522,892</u>	<u>\$ 1,575,000</u>

**J. Series 2017A Refunding Bonds**

During fiscal year 2017, the School District issued \$3,157,875 in general obligation bonds to refund \$3,160,000 of the Series 2009 General Obligation School Improvement Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2017 was \$3,160,000.

The issue is comprised of both current interest bonds, par value \$3,020,000 and capital appreciation bonds, par value \$137,875. The interest rates on the current interest bonds range from 2.00% - 3.50%. The capital appreciation bonds mature December 1, 2025 (approximate equivalent interest rate 15.25%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2025 is \$505,000. Total accreted interest of \$6,924 has been included on the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$136,156. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2024. This advance refunding was undertaken to reduce the combined total debt service payments by \$241,471 and resulted in an economic gain of \$219,713.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a summary of the future debt service requirements to maturity for the series 2017A refunding bonds:

Fiscal Year Ending June 30,	<u>2017A Refunding Bonds</u>					
	<u>Current Interest Bonds</u>			<u>Capital Appreciation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 65,000	\$ 68,775	\$ 133,775	\$ -	\$ -	\$ -
2019	55,000	67,575	122,575	-	-	-
2020	50,000	66,525	116,525	-	-	-
2021	50,000	65,525	115,525	-	-	-
2022	50,000	64,525	114,525	-	-	-
2023 - 2027	<u>2,750,000</u>	<u>92,688</u>	<u>2,842,688</u>	<u>137,875</u>	<u>367,125</u>	<u>505,000</u>
Total	<u>\$ 3,020,000</u>	<u>\$ 425,613</u>	<u>\$ 3,445,613</u>	<u>\$ 137,875</u>	<u>\$ 367,125</u>	<u>\$ 505,000</u>

**K. Series 2017B Refunding Bonds**

During fiscal year 2017, the School District issued \$5,663,974 in general obligation bonds to refund \$5,665,000 of the Series 2010A General Obligation School Improvement Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2017 was \$5,665,000.

The issue is comprised of both current interest bonds, par value \$5,450,000 and capital appreciation bonds, par value \$213,974. The interest rates on the current interest bonds range from 1.00% - 3.10%. The capital appreciation bonds mature December 1, 2025 and December 1, 2029 (approximate equivalent interest rate 15.25% and 12.25%, respectively) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2025 and December 1, 2029 are \$55,000 to \$915,000, respectively. Total accreted interest of \$8,796 has been included on the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$430,706. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2034. This advance refunding was undertaken to reduce the combined total debt service payments by \$280,045 and resulted in an economic gain of \$221,363.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a summary of the future debt service requirements to maturity for the series 2017B refunding bonds:

Fiscal Year Ending June 30,	2017B Refunding Bonds					
	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 80,000	\$ 183,175	\$ 263,175	\$ -	\$ -	\$ -
2019	45,000	181,926	226,926	-	-	-
2020	50,000	180,974	230,974	-	-	-
2021	50,000	179,975	229,975	-	-	-
2022	50,000	178,975	228,975	-	-	-
2023 - 2027	210,000	878,802	1,088,802	15,016	39,984	55,000
2028 - 2032	2,295,000	777,061	3,072,061	198,958	716,042	915,000
2033 - 2035	2,670,000	111,475	2,781,475	-	-	-
<b>Total</b>	<b>\$ 5,450,000</b>	<b>\$ 2,672,363</b>	<b>\$ 8,122,363</b>	<b>\$ 213,974</b>	<b>\$ 756,026</b>	<b>\$ 970,000</b>

**L. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the School District shall never exceed 9% of the total assessed valuation of the School District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the School District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the School District. The assessed valuation used in determining the School District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the School District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2017 are a voted debt margin of \$12,438,006, including available funds of \$3,184,116 an unvoted debt margin of \$596,478 and an energy conservation debt margin of \$2,728,465.

**NOTE 11 - NOTES PAYABLE**

During fiscal year 2012, the School District issued \$4,245,000 in tax anticipation notes in advance of property tax collection, depositing the proceeds in the general fund. These notes carry interest rates ranging from 2.50-3.00% and matured on December 1, 2016. There are no further obligations outstanding on this debt. Activity during the fiscal year was as follows:

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Tax anticipation notes	\$ 1,230,000	\$ -	\$ (1,230,000)	\$ -	\$ -

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 12 - EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Employees on an 11 or 12 month basis shall accrue vacation at a rate of 84/100 of a day per month of complete service. After 7 years of service, the vacation rate shall increase to a rate of 1 ¼ days per month for employees on a 12 month basis. After 13 years of service, the vacation rate shall increase to 1 2/3 days per month for employees on a 12 month basis. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who are not on an 11 or 12 month contract do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month with a maximum as follows:

- Certified employees: the greater of 270 days or 5 more days than scheduled to work in the school year
- Classified employees: the greater of 220 days or 5 more days than scheduled to work in the school year

Upon retirement, payment is made for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 61 paid days for certified employees. If a certified employee notifies the School District by March 1<sup>st</sup> of the year in which he or she terminates employment, then a maximum of 68 days may be paid. Classified employees receive twenty-five percent of accrued sick with no maximum paid days.

**B. Insurance Benefits**

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Anthem Life Insurance. Administrators receive coverage in the amount of \$100,000. The Treasurer and the Superintendent receives coverage in the amount of \$400,000. Coverage in the amount of \$30,000 is provided for all certified and non-certified employees. Part time employees are covered for \$15,000.

**NOTE 13 - RISK MANAGEMENT**

The School District 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. For fiscal year 2017, the School District contracted with Selective Insurance Company for general liability insurance with a \$1,000,000 single occurrence limit and \$3,000,000 aggregate. Selective Insurance Company covers buildings, boiler and machinery with \$3,500 deductible and a \$100,000,000 limit.

Professional liability is protected by Selective Insurance Company with a \$1,000,000 single occurrence limit and \$3,000,000 aggregate and \$5,000 deductible. Vehicles are covered by Selective Insurance Company. Automobile liability has a \$1,000,000 per occurrence liability. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from the previous year.



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 13 - RISK MANAGEMENT - (Continued)**

For fiscal year 2017, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the school district by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "equity pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Hunter Consulting, provides administrative, cost control and actuarial services to the GRP.

**NOTE 14 - DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *pension and postemployment benefits payable* on both the accrual and modified accrual bases of accounting.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Plan Description - School Employees Retirement System (SERS)***

Plan Description –School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

\* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2017, the entire 14 percent was allocated to pension, death benefits, and Medicare B and no portion of the employer contribution rate was allocated to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$594,090 for fiscal year 2017. Of this amount, \$42,665 is reported as pension and postemployment benefits payable.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description –School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2017, plan members were required to contribute 14 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$1,865,005 for fiscal year 2017. Of this amount, \$321,240 is reported as pension and postemployment benefits payable.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.1370023%	0.119288820%	
Proportion of the net pension liability current measurement date	<u>0.1342388%</u>	<u>0.118621290%</u>	
Change in proportionate share	<u>-0.00276350%</u>	<u>-0.00066753%</u>	
Proportionate share of the net pension liability	\$ 9,825,042	\$ 39,706,121	\$ 49,531,163
Pension expense	\$ 977,970	\$ 2,451,085	\$ 3,429,055

At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 132,516	\$ 1,604,317	\$ 1,736,833
Net difference between projected and actual earnings on pension plan investments	810,424	3,296,672	4,107,096
Changes of assumptions	655,875	-	655,875
Difference between School District contributions and proportionate share of contributions/ change in proportionate share	1,991	-	1,991
School District contributions subsequent to the measurement date	<u>594,090</u>	<u>1,865,005</u>	<u>2,459,095</u>
Total deferred outflows of resources	<u>\$ 2,194,896</u>	<u>\$ 6,765,994</u>	<u>\$ 8,960,890</u>
<b>Deferred inflows of resources</b>			
Difference between School District contributions and proportionate share of contributions/ change in proportionate share	<u>\$ 117,471</u>	<u>\$ 969,827</u>	<u>\$ 1,087,298</u>
Total deferred inflows of resources	<u>\$ 117,471</u>	<u>\$ 969,827</u>	<u>\$ 1,087,298</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

\$2,459,095 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2018	\$ 357,829	\$ 467,967	\$ 825,796
2019	357,243	467,966	825,209
2020	535,296	1,732,987	2,268,283
2021	<u>232,967</u>	<u>1,262,242</u>	<u>1,495,209</u>
Total	<u>\$ 1,483,335</u>	<u>\$ 3,931,162</u>	<u>\$ 5,414,497</u>

***Actuarial Assumptions - SERS***

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2016, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (level percent of payroll)

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120% of male rates and 110% of female rates used. The RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years is used for the period after disability retirement. Special mortality tables are used for the period after disability retirement.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an experience study that was completed June 30, 2015. As a result of the actuarial experience study, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disable member was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
 Total	 <u>100.00 %</u>	

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.50 percent. A discount rate of 7.75 percent was used in the prior measurement period. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$13,007,743	\$ 9,825,042	\$ 7,160,988

***Actuarial Assumptions - STRS***

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return *
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	7.61 %

\* 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.50% and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease <u>(6.75%)</u>	Current Discount Rate <u>(7.75%)</u>	1% Increase <u>(8.75%)</u>
School District's proportionate share of the net pension liability	\$52,766,209	\$ 39,706,121	\$ 28,689,168

**Changes Between Measurement Date and Report Date** - In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to School District's NPL is expected to be significant.

**NOTE 15 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

**Health Care Plan Description** - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, number of qualified years of service, Medicare eligibility and retirement status.



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 15 - POSTEMPLOYMENT BENEFITS - (Continued)**

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2017, none of the employer contribution was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2017, this amount was \$23,500. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2017, the School District's surcharge obligation was \$69,811.

The School District's contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015 were \$69,811, \$65,049, and \$101,461, respectively. The fiscal year 2017 amount has been reported as pension and postemployment benefits payable. The full amount has been contributed for fiscal years 2016 and 2015.

**B. State Teachers Retirement System**

Plan Description – The School District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2017, STRS Ohio did not allocate any employer contributions to the Health Care Stabilization Fund. The School District's did not make any contributions for health care for the fiscal years ended June 30, 2017, 2016 and 2015.

**NOTE 16 - BUDGETARY BASIS OF ACCOUNTING**

While 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 and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) 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 the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis); and,
- (f) Investments are reported at fair value (GAAP basis) rather than at cost (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ 612,506
Net adjustment for revenue accruals	106,982
Net adjustment for expenditure accruals	145,631
Net adjustment for other sources/uses	945,974
Funds budgeted elsewhere	33,883
Adjustment for encumbrances	865,171
GAAP basis	<u>\$ 2,710,147</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the uniform school supplies fund, the public school support fund and the latchkey fund.

**NOTE 17 - CONTINGENCIES**

**A. Grants**

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

**B. Litigation**

A lawsuit is pending against the School District. In the opinion of the School District's Legal Counsel, no liability is anticipated in excess of insurance coverage.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 17 - CONTINGENCIES - (Continued)**

**C. Foundation Funding**

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2016-2017 school year, traditional Districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2017 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

**NOTE 18 - SET-ASIDES**

The School District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

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**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 18 - SET-ASIDES - (Continued)**

	<u>Capital Improvements</u>
Set-aside balance June 30, 2016	\$ -
Current year set-aside requirement	510,647
Contributions in excess of the current fiscal year set-aside requirement	-
Current year qualifying expenditures	-
Excess qualified expenditures from prior years	-
Current year offsets	-
Waiver granted by ODE	-
Prior year offset from bond proceeds	<u>(510,647)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2018	<u>\$ -</u>
Set-aside balance June 30, 2017	<u>\$ -</u>

During fiscal years 1984, 2009, 2011 and 2012, the School District issued a total of \$60,405,462 in capital related school improvement bonds. These proceeds may be used to reduce capital acquisition below zero for future years. The amount presented for Prior Year Offset from Bond Proceeds is limited to an amount needed to reduce the reserve for capital improvement to \$0. The School District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$54,042,278 at June 30, 2017.

**NOTE 19 - CONTRACTUAL COMMITMENTS**

As of June 30, 2017, the School District had the following contractual commitments outstanding:

<u>Vendor</u>	<u>Total Contract</u>	<u>Amount Paid</u>	<u>Remaining Commitment June 30, 2017</u>
Energy Optimizers	\$ 43,200	\$ (32,375)	\$ 10,825
Waibel Energy Systems	122,223	-	122,223
Bon Builders	360,808	(213,589)	147,219
Elements IV Interiors	56,807	-	56,807
Black Box Network Services	7,280	(5,824)	1,456
Mohler's Woodworking	<u>15,075</u>	<u>(7,538)</u>	<u>7,537</u>
Total	<u>\$ 605,393</u>	<u>\$ (259,326)</u>	<u>\$ 346,067</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 20 - OTHER COMMITMENTS**

The School District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the School District's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 806,438
Other nonmajor governmental funds	<u>5,160</u>
Total	<u>\$ 811,598</u>

**NOTE 21 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS**

The City of Vandalia and Butler Township provide tax abatements through two programs - Enterprise Zone Agreements and Community Reinvestment Area (CRA) Agreements. Under the agreements, various businesses receive the abatement of property taxes to bring jobs and economic development to the City and Township. The agreement affects the property tax receipts collected and distributed to the School District. Under the agreements, the School District property taxes were reduced by \$669,737 during fiscal year 2017.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST FOUR FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.13423880%	0.13700230%	0.13692600%	0.13692600%
School District's proportionate share of the net pension liability	\$ 9,825,042	\$ 7,817,484	\$ 6,929,747	\$ 8,142,550
School District's covered payroll	\$ 4,166,921	\$ 4,124,484	\$ 3,978,788	\$ 4,843,316
School District's proportionate share of the net pension liability as a percentage of its covered payroll	235.79%	189.54%	174.17%	168.12%
Plan fiduciary net position as a percentage of the total pension liability	62.98%	69.16%	71.70%	65.52%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior year-end.



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST FOUR FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.11862129%	0.11928882%	0.12387473%	0.12387473%
School District's proportionate share of the net pension liability	\$ 39,706,121	\$ 32,967,941	\$ 30,130,621	\$ 35,891,399
School District's covered payroll	\$ 12,198,150	\$ 12,445,793	\$ 12,656,577	\$ 14,635,300
School District's proportionate share of the net pension liability as a percentage of its covered payroll	325.51%	264.89%	238.06%	245.24%
Plan fiduciary net position as a percentage of the total pension liability	66.80%	72.10%	74.70%	69.30%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior year-end.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 594,090	\$ 583,369	\$ 543,607	\$ 551,460
Contributions in relation to the contractually required contribution	<u>(594,090)</u>	<u>(583,369)</u>	<u>(543,607)</u>	<u>(551,460)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 4,243,500	\$ 4,166,921	\$ 4,124,484	\$ 3,978,788
Contributions as a percentage of covered payroll	14.00%	14.00%	13.18%	13.86%

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 670,315	\$ 707,978	\$ 646,442	\$ 491,660	\$ 425,204	\$ 453,430
<u>(670,315)</u>	<u>(707,978)</u>	<u>(646,442)</u>	<u>(491,660)</u>	<u>(425,204)</u>	<u>(453,430)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,843,316	\$ 5,263,777	\$ 5,142,737	\$ 3,631,167	\$ 4,321,179	\$ 4,617,413
13.84%	13.45%	12.57%	13.54%	9.84%	9.82%

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,865,005	\$ 1,707,741	\$ 1,742,411	\$ 1,645,355
Contributions in relation to the contractually required contribution	<u>(1,865,005)</u>	<u>(1,707,741)</u>	<u>(1,742,411)</u>	<u>(1,645,355)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 13,321,464	\$ 12,198,150	\$ 12,445,793	\$ 12,656,577
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 1,902,589	\$ 2,060,079	\$ 2,179,928	\$ 1,951,255	\$ 1,961,225	\$ 2,109,234
<u>(1,902,589)</u>	<u>(2,060,079)</u>	<u>(2,179,928)</u>	<u>(1,951,255)</u>	<u>(1,961,225)</u>	<u>(2,109,234)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 14,635,300	\$ 15,846,762	\$ 16,768,677	\$ 15,009,654	\$ 15,086,346	\$ 16,224,877
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. See the notes to the basic financials for the methods and assumptions in this calculation.

COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTARY INFORMATION

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MAJOR FUNDS**

**General Fund**

The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio. A budgetary statement for the general fund is presented as part of the basic financial statements. The level of detail presented in that statement is greater than the legal level of budgetary control; therefore, a separate additional schedule is not presented.

Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

**Uniform School Supply**

A fund to account for the purchase and reimbursement of consumable supplies (workbooks) used by the students as a supplemental learning tool.

**Public School Support**

A fund provided to account for special local revenue sources such as vending machine receipts. Revenues are used to fund special events and purchase achievement awards.

**Latchkey**

A fund established to account for the tuition received and expenses made in securing an after-school latchkey program for students of the School District.

**Other Major Funds**

**Bond Retirement Fund**

The bond retirement fund is used to account for the accumulation of resources for resources that are restricted for the payment of general obligations bond principal and interest and certain other long-term obligations when the School District is obligated for the payment. The fund balance of this fund is restricted for debt service.



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Uniform School Supply</b>			
Total Revenues and Other Sources	\$ 778,925	\$ 779,410	\$ 485
Total Expenditures and Other Uses	<u>816,092</u>	<u>756,782</u>	<u>59,310</u>
Net Change in Fund Balances	(37,167)	22,628	59,795
Fund Balance at Beginning of Year	116,416	116,416	-
Prior Year Encumbrances Appropriated	<u>6,092</u>	<u>6,092</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 85,341</u>	<u>\$ 145,136</u>	<u>\$ 59,795</u>
<b>Public School Support</b>			
Total Revenues and Other Sources	\$ 129,406	\$ 131,499	\$ 2,093
Total Expenditures and Other Uses	<u>198,039</u>	<u>113,684</u>	<u>84,355</u>
Net Change in Fund Balances	(68,633)	17,815	86,448
Fund Balance at Beginning of Year	658,600	658,600	-
Prior Year Encumbrances Appropriated	<u>2,305</u>	<u>2,305</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 592,272</u>	<u>\$ 678,720</u>	<u>\$ 86,448</u>
<b>Latchkey</b>			
Total Revenues and Other Sources	\$ 335,967	\$ 352,087	\$ 16,120
Total Expenditures and Other Uses	<u>430,422</u>	<u>358,602</u>	<u>71,820</u>
Net Change in Fund Balances	(94,455)	(6,515)	87,940
Fund Balance at Beginning of Year	198,677	198,677	-
Prior Year Encumbrances Appropriated	<u>5,422</u>	<u>5,422</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 109,644</u>	<u>\$ 197,584</u>	<u>\$ 87,940</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over</u>
	<u>Final</u>	<u>Actual</u>	
<b>Bond Retirement</b>			
Total Revenues and Other Sources	\$ 14,256,650	\$ 14,256,650	\$ -
Total Expenditures and Other Uses	<u>14,443,911</u>	<u>14,292,726</u>	<u>151,185</u>
Net Change in Fund Balances	(187,261)	(36,076)	151,185
Fund Balance at Beginning of Year	<u>2,623,278</u>	<u>2,623,278</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,436,017</u>	<u>\$ 2,587,202</u>	<u>\$ 151,185</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Fund - Building Fund</b>	<b>Total Nonmajor Governmental Funds</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Equity in pooled cash and investments . . . . .	\$ 464,533	\$ 31,712	\$ 496,245
Receivables:			
Intergovernmental . . . . .	454,059	-	454,059
Prepayments . . . . .	1,334	-	1,334
Materials and supplies inventory . . . . .	3,240	-	3,240
Inventory held for resale . . . . .	7,573	-	7,573
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets . . . . .	<u>\$ 930,739</u>	<u>\$ 31,712</u>	<u>\$ 962,451</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 26,061	\$ -	\$ 26,061
Accrued wages and benefits . . . . .	136,447	-	136,447
Intergovernmental payable . . . . .	1,913	-	1,913
Pension and postemployment benefits payable . . . . .	24,271	-	24,271
Due to other funds . . . . .	381,774	-	381,774
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities . . . . .	<u>570,466</u>	<u>-</u>	<u>570,466</u>
<b>Deferred inflows of resources:</b>			
Intergovernmental revenue not available . . . . .	72,263	-	72,263
Total deferred inflows of resources . . . . .	<u>72,263</u>	<u>-</u>	<u>72,263</u>
<b>Fund balances:</b>			
Nonspendable:			
Materials and supplies inventory . . . . .	3,240	-	3,240
Prepayments . . . . .	1,334	-	1,334
Restricted:			
Capital improvements . . . . .	-	31,712	31,712
Food service operations . . . . .	287,959	-	287,959
Non-public schools . . . . .	4,914	-	4,914
Other purposes . . . . .	1,050	-	1,050
Extracurricular activities . . . . .	54,523	-	54,523
Committed:			
Other purposes . . . . .	2,735	-	2,735
Unassigned (deficit) . . . . .	(67,745)	-	(67,745)
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances . . . . .	<u>288,010</u>	<u>31,712</u>	<u>319,722</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 930,739</u>	<u>\$ 31,712</u>	<u>\$ 962,451</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Fund - Building Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>			
From local sources:			
Charges for services . . . . .	\$ 538,228	\$ -	\$ 538,228
Extracurricular . . . . .	270,800	-	270,800
Contributions and donations . . . . .	1,504	-	1,504
Contract services. . . . .	7,902	-	7,902
Intergovernmental - state . . . . .	380,622	-	380,622
Intergovernmental - federal . . . . .	2,104,280	-	2,104,280
Total revenues . . . . .	3,303,336	-	3,303,336
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular. . . . .	8,550	-	8,550
Special . . . . .	725,822	-	725,822
Support services:			
Pupil . . . . .	121,684	-	121,684
Instructional staff. . . . .	854,178	-	854,178
Administration . . . . .	33,627	-	33,627
Fiscal. . . . .	12,872	-	12,872
Business . . . . .	4	-	4
Operations and maintenance . . . . .	8	-	8
Operation of non-instructional services:			
Other non-instructional services. . . . .	295,849	-	295,849
Food service operations . . . . .	1,118,821	-	1,118,821
Extracurricular activities . . . . .	302,724	-	302,724
Total expenditures . . . . .	3,474,139	-	3,474,139
Net change in fund balances . . . . .	(170,803)	-	(170,803)
<b>Fund balances at beginning of year . . . . .</b>	458,813	31,712	490,525
<b>Fund balances at end of year. . . . .</b>	<b>\$ 288,010</b>	<b>\$ 31,712</b>	<b>\$ 319,722</b>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**COMBINING STATEMENTS - NONMAJOR FUNDS**

**Nonmajor Special Revenue Funds**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The term proceeds of specific revenue sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The title of each special revenue fund is descriptive of the activities accounted for therein. The nonmajor special revenue funds are:

**Food Service**

A fund to account for all transactions that are restricted to the provision of food service operations for the School District.

**Special Trust**

A fund used to account for revenues and expenditures that are committed of the Gilbery Scholarship.

**Other Grants**

A fund used to account for the proceeds of specific revenue sources, except for state and federal grants, that are legally restricted to expenditures for specific purposes.

**Athletics**

A fund provided to account for those student activity programs which charge admission. Most expenditures are restricted to include referee and security compensations, equipment and supplies needed to run a successful athletic program.

**Auxiliary Services**

To account for monies that are restricted to provide services and materials to pupils attending non-public schools with the School District.

**Race to the Top**

A fund used to account for revenues that are restricted to provide for either a new program or expansion of an existing program to support initiatives in the following areas: standards and assessments; using data to improve instruction; great teachers and leaders; and turning around the lowest achieving schools.

**Special Education**

This fund accounts for federal funds that are restricted for the full educational opportunities to handicapped children at the preschool, elementary and secondary levels, and to assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**COMBINING STATEMENTS - NONMAJOR FUNDS**

**Nonmajor Special Revenue Funds (Continued)**

**Title I**

A fund that is restricted to provide financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children.

**Preschool Handicapped Grant**

A fund that is restricted to provide for the education of handicapped children ages three through five, and account for the monies received and expended for the purpose of this grant.

**Title II-A**

A fund that is restricted for monies to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

**Nonmajor Capital Projects Fund**

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. A description of the School District's nonmajor capital projects fund follows:

**Building Fund**

The building fund is used to account for resources that are restricted for the acquisition, construction or improvement of capital facilities and for the acquisition of capital assets. The fund balance of this fund is restricted for capital improvements.



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2017

	<u>Food Services</u>	<u>Special Trust</u>	<u>Athletics</u>	<u>Auxiliary Services</u>
<b>Assets:</b>				
Equity in pooled cash and investments. . . . .	\$ 360,316	\$ 2,735	\$ 55,195	\$ 45,237
Receivables:				
Intergovernmental . . . . .	-	-	-	-
Prepayments. . . . .	1,102	-	-	232
Materials and supplies inventory . . . . .	3,240	-	-	-
Inventory held for resale . . . . .	7,573	-	-	-
Total assets. . . . .	<u>\$ 372,231</u>	<u>\$ 2,735</u>	<u>\$ 55,195</u>	<u>\$ 45,469</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 319	\$ -	\$ 672	\$ 23,994
Accrued wages and benefits . . . . .	65,467	-	-	13,151
Intergovernmental payable . . . . .	895	-	-	180
Pension and postemployment benefits payable. . . . .	13,249	-	-	2,998
Due to other funds . . . . .	-	-	-	-
Total liabilities. . . . .	<u>79,930</u>	<u>-</u>	<u>672</u>	<u>40,323</u>
<b>Deferred inflows of resources:</b>				
Intergovernmental revenue not available. . . . .	-	-	-	-
Total deferred inflows of resources. . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory . . . . .	3,240	-	-	-
Prepayments . . . . .	1,102	-	-	232
Restricted:				
Food service operations . . . . .	287,959	-	-	-
Non-public schools . . . . .	-	-	-	4,914
Other purposes . . . . .	-	-	-	-
Extracurricular activities . . . . .	-	-	54,523	-
Committed:				
Other purposes . . . . .	-	2,735	-	-
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances (deficits) . . . . .	<u>292,301</u>	<u>2,735</u>	<u>54,523</u>	<u>5,146</u>
Total liabilities, deferred inflows and fund balances. . . . .	<u>\$ 372,231</u>	<u>\$ 2,735</u>	<u>\$ 55,195</u>	<u>\$ 45,469</u>



<u>Race to the Top</u>	<u>Special Education</u>	<u>Title I</u>	<u>Title II-A</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 1,050	\$ -	\$ -	\$ -	\$ 464,533
-	192,824	217,047	44,188	454,059
-	-	-	-	1,334
-	-	-	-	3,240
-	-	-	-	7,573
<u>\$ 1,050</u>	<u>\$ 192,824</u>	<u>\$ 217,047</u>	<u>\$ 44,188</u>	<u>\$ 930,739</u>
\$ -	\$ -	\$ 940	\$ 136	\$ 26,061
-	12,458	44,502	869	136,447
-	180	645	13	1,913
-	2,181	5,600	243	24,271
-	174,498	164,256	43,020	381,774
-	189,317	215,943	44,281	570,466
-	18,326	52,791	1,146	72,263
-	18,326	52,791	1,146	72,263
-	-	-	-	3,240
-	-	-	-	1,334
-	-	-	-	287,959
-	-	-	-	4,914
1,050	-	-	-	1,050
-	-	-	-	54,523
-	-	-	-	2,735
-	(14,819)	(51,687)	(1,239)	(67,745)
1,050	(14,819)	(51,687)	(1,239)	288,010
<u>\$ 1,050</u>	<u>\$ 192,824</u>	<u>\$ 217,047</u>	<u>\$ 44,188</u>	<u>\$ 930,739</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES / (DEFICITS)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Food Service</u>	<u>Special Trust</u>	<u>Other Grant Funds</u>	<u>Athletics</u>
<b>Revenues:</b>				
From local sources:				
Charges for services . . . . .	\$ 538,228	\$ -	\$ -	\$ -
Extracurricular . . . . .	-	-	-	270,800
Contributions and donations . . . . .	-	1,504	-	-
Contract services . . . . .	7,902	-	-	-
Intergovernmental - state . . . . .	103,307	-	-	-
Intergovernmental - federal . . . . .	462,467	-	-	-
Total revenues . . . . .	<u>1,111,904</u>	<u>1,504</u>	<u>-</u>	<u>270,800</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	-	-	-
Special . . . . .	-	-	-	-
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff . . . . .	-	-	-	-
Administration . . . . .	-	-	-	-
Fiscal . . . . .	-	-	-	-
Business . . . . .	4	-	-	-
Operations and maintenance . . . . .	8	-	-	-
Operation of non-instructional services:				
Other non-instructional services . . . . .	-	-	-	-
Food service operations . . . . .	1,118,821	-	-	-
Extracurricular activities . . . . .	<u>-</u>	<u>1,400</u>	<u>4,000</u>	<u>297,324</u>
Total expenditures . . . . .	<u>1,118,833</u>	<u>1,400</u>	<u>4,000</u>	<u>297,324</u>
Net change in fund balances . . . . .	(6,929)	104	(4,000)	(26,524)
<b>Fund balances (deficits) at beginning of year .</b>	<u>299,230</u>	<u>2,631</u>	<u>4,000</u>	<u>81,047</u>
<b>Fund balances (deficits) at end of year . . . .</b>	<u>\$ 292,301</u>	<u>\$ 2,735</u>	<u>\$ -</u>	<u>\$ 54,523</u>

<u>Auxiliary Services</u>	<u>Race to the Top</u>	<u>Special Education</u>	<u>Title I</u>	<u>Preschool Handicapped Grant</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
277,315	-	1,017,676	541,808	10,041
-	-	-	-	-
<u>277,315</u>	<u>-</u>	<u>1,017,676</u>	<u>541,808</u>	<u>10,041</u>
-	-	-	8,550	-
108,414	-	129,444	477,923	10,041
7,933	-	113,751	-	-
-	-	768,684	23,440	-
-	-	-	33,627	-
12,872	-	-	-	-
-	-	-	-	-
-	-	-	-	-
221,602	-	27,065	35,764	-
-	-	-	-	-
-	-	-	-	-
<u>350,821</u>	<u>-</u>	<u>1,038,944</u>	<u>579,304</u>	<u>10,041</u>
(73,506)	-	(21,268)	(37,496)	-
78,652	1,050	6,449	(14,191)	-
<u>\$ 5,146</u>	<u>\$ 1,050</u>	<u>\$ (14,819)</u>	<u>\$ (51,687)</u>	<u>\$ -</u>

- - (Continued)

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES / (DEFICITS)  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<b>Title II-A</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues:</b>		
From local sources:		
Charges for services . . . . .	\$ -	\$ 538,228
Extracurricular . . . . .	-	270,800
Contributions and donations . . . . .	-	1,504
Contract services . . . . .	-	7,902
Intergovernmental - state . . . . .	72,288	2,022,435
Intergovernmental - federal . . . . .	-	462,467
	<u>72,288</u>	<u>3,303,336</u>
Total revenues . . . . .	<u>72,288</u>	<u>3,303,336</u>
<b>Expenditures:</b>		
Current:		
Instruction:		
Regular. . . . .	-	8,550
Special . . . . .	-	725,822
Support services:		
Pupil . . . . .	-	121,684
Instructional staff. . . . .	62,054	854,178
Administration . . . . .	-	33,627
Fiscal. . . . .	-	12,872
Business . . . . .	-	4
Operations and maintenance . . . . .	-	8
Operation of non-instructional services:		
Other non-instructional services. . . . .	11,418	295,849
Food service operations . . . . .	-	1,118,821
Extracurricular activities . . . . .	-	302,724
	<u>73,472</u>	<u>3,474,139</u>
Total expenditures. . . . .	<u>73,472</u>	<u>3,474,139</u>
Net change in fund balances. . . . .	(1,184)	(170,803)
<b>Fund balances (deficits) at beginning of year .</b>	<u>(55)</u>	<u>458,813</u>
<b>Fund balances (deficits) at end of year . . . .</b>	<u>\$ (1,239)</u>	<u>\$ 288,010</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Food Service</b>			
Total Revenues and Other Sources	\$ 1,048,827	\$ 1,049,991	\$ 1,164
Total Expenditures and Other Uses	<u>1,133,492</u>	<u>1,065,099</u>	<u>68,393</u>
Net Change in Fund Balances	(84,665)	(15,108)	69,557
Fund Balance at Beginning of Year	370,371	370,371	-
Prior Year Encumbrances Appropriated	<u>3,961</u>	<u>3,961</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 289,667</u>	<u>\$ 359,224</u>	<u>\$ 69,557</u>
<b>Special Trust</b>			
Total Revenues and Other Sources	\$ 1,446	\$ 1,504	\$ 58
Total Expenditures and Other Uses	<u>1,600</u>	<u>1,400</u>	<u>200</u>
Net Change in Fund Balances	(154)	104	258
Fund Balance at Beginning of Year	<u>2,631</u>	<u>2,631</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,477</u>	<u>\$ 2,735</u>	<u>\$ 258</u>
<b>Other Grants</b>			
Total Expenditures and Other Uses	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ -</u>
Net Change in Fund Balances	(4,000)	(4,000)	-
Fund Balance at Beginning of Year	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Athletics</b>			
Total Revenues and Other Sources	\$ 270,550	\$ 274,053	\$ 3,503
Total Expenditures and Other Uses	<u>366,053</u>	<u>322,213</u>	<u>43,840</u>
Net Change in Fund Balances	(95,503)	(48,160)	47,343
Fund Balance at Beginning of Year	84,163	84,163	-
Prior Year Encumbrances Appropriated	<u>14,053</u>	<u>14,053</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,713</u>	<u>\$ 50,056</u>	<u>\$ 47,343</u>
<b>Auxiliary Services</b>			
Total Revenues and Other Sources	\$ 277,315	\$ 277,315	\$ -
Total Expenditures and Other Uses	<u>375,388</u>	<u>354,145</u>	<u>21,243</u>
Net Change in Fund Balances	(98,073)	(76,830)	21,243
Fund Balance at Beginning of Year	92,387	92,387	-
Prior Year Encumbrances Appropriated	<u>5,686</u>	<u>5,686</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 21,243</u>	<u>\$ 21,243</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Race to the Top</b>			
Total Expenditures and Other Uses	\$ 1,050	\$ -	\$ 1,050
Net Change in Fund Balances	(1,050)	-	1,050
Fund Balance at Beginning of Year	1,050	1,050	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 1,050</u>	<u>\$ 1,050</u>
<b>Special Education</b>			
Total Revenues and Other Sources	\$ 1,336,194	\$ 915,675	\$ (420,519)
Total Expenditures and Other Uses	<u>1,276,442</u>	<u>1,030,421</u>	<u>246,021</u>
Net Change in Fund Balances	59,752	(114,746)	(174,498)
Fund Balance (Deficit) at Beginning of Year	<u>(59,752)</u>	<u>(59,752)</u>	-
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ (174,498)</u>	<u>\$ (174,498)</u>
<b>Title I</b>			
Total Revenues and Other Sources	\$ 721,874	\$ 411,247	\$ (310,627)
Total Expenditures and Other Uses	<u>724,616</u>	<u>579,219</u>	<u>145,397</u>
Net Change in Fund Balances	(2,742)	(167,972)	(165,230)
Fund Balance at Beginning of Year	2,569	2,569	-
Prior Year Encumbrances Appropriated	<u>173</u>	<u>173</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ (165,230)</u>	<u>\$ (165,230)</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Preschool Handicapped Grant</b>			
Total Revenues and Other Sources	\$ 10,041	\$ 10,041	\$ -
Total Expenditures and Other Uses	<u>10,041</u>	<u>10,041</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Title II-A</b>			
Total Revenues and Other Sources	\$ 158,493	\$ 30,103	\$ (128,390)
Total Expenditures and Other Uses	<u>158,227</u>	<u>72,880</u>	<u>85,347</u>
Net Change in Fund Balances	266	(42,777)	(43,043)
Fund Balance (Deficit) at Beginning of Year	(305)	(305)	-
Prior Year Encumbrances Appropriated	<u>40</u>	<u>40</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u><u>\$ 1</u></u>	<u><u>\$ (43,042)</u></u>	<u><u>\$ (43,043)</u></u>
<b>Building</b>			
Total Expenditures and Other Uses	<u>\$ 31,710</u>	<u>\$ -</u>	<u>\$ 31,710</u>
Net Change in Fund Balances	(31,710)	-	31,710
Fund Balance at Beginning of Year	<u>31,712</u>	<u>31,712</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 2</u></u>	<u><u>\$ 31,712</u></u>	<u><u>\$ 31,710</u></u>



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<b>Beginning Balance July 1, 2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance June 30, 2017</b>
<b>Student Managed Activities</b>				
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 121,228	\$ 76,875	\$ 76,135	\$ 121,968
Total assets . . . . .	\$ 121,228	\$ 76,875	\$ 76,135	\$ 121,968
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 47	\$ 49	\$ 47	\$ 49
Due to students . . . . .	121,181	76,826	76,088	121,919
Total liabilities. . . . .	\$ 121,228	\$ 76,875	\$ 76,135	\$ 121,968



## STATISTICAL SECTION



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

STATISTICAL SECTION

This part of the Vandalia-Butler City School District'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 District's overall financial health.

**Table of Contents**

**Pages**

**Financial Trends**

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

**100-109**

**Revenue Capacity**

These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.

**110-115**

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

**116-122**

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.

**123**

**Operating Information**

These schedules contain service and capital asset data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

**124-130**

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. Fiscal year 2011 was the School District's first year implementation of GASB 54. Fiscal year 2015 was the School District's first year implementation of GASB 68/71.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
GOVERNMENTAL ACTIVITIES*

	<u>2008</u>	<u>2009**</u>	<u>2010***</u>	<u>2011</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 6,349,688	\$ 6,673,756	\$ 4,724,275	\$ 3,621,319
Restricted for:				
Capital projects	-	-	-	-
Debt service	92,852	553,078	2,845,942	3,301,165
Other purposes	874,087	655,543	867,851	190,180
Unrestricted (deficit)	<u>11,812,661</u>	<u>11,227,150</u>	<u>7,324,258</u>	<u>6,829,611</u>
Total Net Position	<u>\$ 19,129,288</u>	<u>\$ 19,109,527</u>	<u>\$ 15,762,326</u>	<u>\$ 13,942,275</u>

**Source:** School District financial records.

\*\* Amount restated to correctly reflect net position classifications.

\*\*\* Amount restated to correctly reflect long-term obligations related to accreted interest on capital appreciation bonds.

\*\*\*\* Amounts restated due to revaluation of School District capital assets and the implementation of GASB Statement No. 65.

\*\*\*\*\* Amounts restated to correctly reflect net position classifications.

\*\*\*\*\* Amounts restated due to the implementation of GASB Statement No. 68 & 71.

<b>2012****</b>	<b>2013*****</b>	<b>2014*****</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
\$ 3,101,819	\$ 170,125	\$ (484,368)	\$ (1,184,628)	\$ (1,597,889)	\$ (1,421,222)
680,976	-	31,044	31,712	31,712	31,712
3,872,121	1,517,354	1,630,533	463,765	1,415,459	1,409,866
230,913	268,390	404,195	388,577	381,085	312,766
(35,065)	(395,651)	(39,371,130)	(33,544,720)	(29,951,139)	(28,330,772)
<u>\$ 7,850,764</u>	<u>\$ 1,560,218</u>	<u>\$ (37,789,726)</u>	<u>\$ (33,845,294)</u>	<u>\$ (29,720,772)</u>	<u>\$ (27,997,650)</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
GOVERNMENTAL ACTIVITIES*

	<u>2008*</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Expenses</b>				
Governmental activities:				
Instruction				
Regular	\$ 17,039,496	\$ 15,730,676	\$ 17,703,515	\$ 16,444,712
Special	3,034,996	3,890,156	4,378,332	4,775,357
Vocational	354,079	350,555	571,985	359,027
Other	2,220,027	2,426,088	1,667,234	1,815,093
Support services:				
Pupil	1,918,595	2,380,064	2,760,487	2,803,360
Instructional staff	2,016,335	2,214,753	2,413,756	2,442,475
Board of education	33,985	84,508	104,129	41,511
Administration	2,158,771	2,271,269	2,502,717	2,616,962
Business and Fiscal	969,903	1,156,290	1,112,230	1,228,794
Operations and maintenance	3,426,603	2,668,596	2,644,333	1,003,893
Pupil transportation	1,330,428	1,516,657	1,616,443	1,619,405
Central	514,061	616,236	1,526,642	779,088
Operation of non-instructional services	1,340,845	1,563,537	1,855,888	1,724,481
Extracurricular activities	527,892	544,252	522,064	548,283
Interest and fiscal charges	11,280	1,082,807	1,973,933	2,426,901
Total expenses	<u>36,897,296</u>	<u>38,496,444</u>	<u>43,353,688</u>	<u>40,629,342</u>
<b>Program Revenues</b>				
Charges for services:				
Instruction:				
Regular	517,617	483,746	572,286	471,470
Special	57,384	59,287	80,051	186,588
Vocational	7,605	6,375	12,938	-
Other instructional	36,643	45,900	38,004	-
Support services:				
Pupil	31,803	40,800	59,836	-
Instructional staff	289,707	243,268	252,167	198,366
Board of education	691	1,912	2,426	-
Administration	50,812	42,075	56,602	-
Business and fiscal	20,742	23,587	25,875	-
Operations and maintenance	76,317	49,182	51,777	25,757
Pupil transportation	33,186	27,412	33,961	154,333
Central	9,679	10,837	16,980	-
Other	-	-	-	-
Operation of non-instructional services	1,058,346	1,017,294	964,501	918,380
Extracurricular activities	283,983	191,867	194,304	191,473
Interest and fiscal charges	-	-	809	-
Total charges for services	<u>2,474,515</u>	<u>2,243,542</u>	<u>2,362,517</u>	<u>2,146,367</u>



	2012	2013	2014	2015	2016	2017
\$	15,546,421	\$ 14,805,862	\$ 12,533,864	\$ 12,854,072	\$ 12,254,585	\$ 13,377,481
	4,494,513	5,366,398	4,797,836	4,823,854	5,938,086	6,126,422
	361,995	216,339	163,168	74,588	111,072	124,191
	2,290,890	2,125,598	1,962,327	2,048,218	1,422,141	2,031,034
	3,198,284	3,098,615	2,670,711	2,717,798	2,466,891	2,267,876
	2,965,382	2,840,679	1,239,596	1,161,188	759,097	1,520,003
	74,555	35,205	22,660	23,330	21,332	48,292
	2,067,949	2,183,002	1,990,412	1,921,358	2,215,861	2,339,318
	941,986	1,055,196	1,115,092	1,278,338	1,191,085	1,210,506
	1,174,709	2,545,988	2,927,525	2,334,581	2,448,628	2,819,726
	1,556,238	1,395,055	1,415,855	1,559,492	1,767,904	1,990,006
	479,170	347,349	198,884	192,475	565,096	562,886
	1,622,333	1,671,353	1,555,594	1,784,398	1,656,622	1,944,001
	666,247	983,793	534,579	574,349	734,797	1,039,167
	2,507,261	2,612,752	2,598,370	2,885,244	2,641,845	2,491,622
	39,947,933	41,283,184	35,726,473	36,233,283	36,195,042	39,892,531
	419,419	386,273	636,358	325,162	768,088	437,030
	343,259	59,224	270,741	265,163	339,986	124,115
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	174,060	103,189	70,306	118,630	13,324	-
	-	-	-	-	-	-
	13,535	29,345	21,416	19,319	-	-
	16,188	75,927	55,698	4,739	-	2
	27,951	46,133	16,546	31,801	40,892	23,317
	21,172	67,251	50,337	6,930	6,692	-
	-	-	-	-	-	8,077
	-	-	-	-	-	-
	989,722	665,285	866,340	839,134	853,036	898,195
	167,726	625,596	423,619	444,616	369,209	431,735
	-	-	-	-	-	-
	2,173,032	2,058,223	2,411,361	2,055,494	2,391,227	1,922,471

- Continued

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*CHANGES IN NET POSITION - (Continued)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
GOVERNMENTAL ACTIVITIES*

	<u>2008*</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Operating grants and contributions:				
Instruction:				
Regular	87,484	103,868	95,496	172,678
Special	523,771	1,017,565	925,413	1,184,703
Vocational	-	-	-	16,829
Other instructional	386,081	4,562	-	34,838
Support services:				
Pupil	337,222	213,635	182,621	370,791
Instructional staff	216,747	164,960	762,977	506,002
Administration	44,467	43,887	60,057	48,690
Business and fiscal	-	-	-	-
Operations and maintenance	143,610	7,900	281,617	276,564
Pupil transportation	32,010	39,627	43,542	50,494
Central	54,327	29,590	71,324	21,853
Other	-	-	-	-
Operation of non-instructional services	317,083	518,587	480,692	640,755
Extracurricular activities	3,900	-	-	-
Interest and fiscal charges	-	-	-	-
Total operating grants and contributions	<u>2,146,702</u>	<u>2,144,181</u>	<u>2,903,739</u>	<u>3,324,197</u>
Capital grants and contributions:				
Instruction:				
Regular	-	-	-	12,301
Support services:				
Instructional staff	-	-	-	-
Operations and maintenance of plant	-	-	-	17,748
Pupil transportation	-	-	-	16
Central	-	-	-	12,640
Operation of non-instructional services	-	-	-	1,885
Total capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,590</u>
Total program revenues	<u>4,621,217</u>	<u>4,387,723</u>	<u>5,266,256</u>	<u>5,515,154</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	<u>\$ (32,276,079)</u>	<u>\$ (34,108,721)</u>	<u>\$ (38,087,432)</u>	<u>\$ (35,114,188)</u>
<b>General Revenues</b>				
Property taxes levied for:				
General purposes	\$ 22,977,944	\$ 22,083,111	\$ 19,070,956	\$ 19,236,044
Debt service	-	-	1,880,300	2,994,457
Payment in lieu of taxes	-	-	-	437,386
Grants and entitlements not restricted to specific programs	10,614,335	10,842,857	11,453,032	10,478,849
Investment earnings	955,637	854,137	1,924,940	104,608
Gain on the disposal of capital assets	-	5,593	475	-
Miscellaneous	144,969	300,262	106,219	42,793
Total governmental activities	<u>34,692,885</u>	<u>34,085,960</u>	<u>34,435,922</u>	<u>33,294,137</u>
<b>Change in Net Position</b>				
Governmental activities	<u>\$ 2,416,806</u>	<u>\$ (22,761)</u>	<u>\$ (3,651,510)</u>	<u>\$ (1,820,051)</u>

**Source:** School District financial records.

\* Amounts reclassified from program revenue to general revenue in fiscal year 2009

<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
132,328	105,106	169,114	43,040	8,900	8,569
1,045,720	899,614	1,563,453	1,495,513	1,621,160	1,515,558
16,829	-	16,587	17,333	17,441	13,261
-	-	21,800	-	-	-
192,362	180,450	333,953	97,352	99,339	119,168
227,715	242,744	158,736	142,998	94,537	915,047
57,511	64,700	51,489	35,834	43,315	36,548
1,192	2,144	2,621	10,293	10,544	10,177
4,082	11,702	4,135	16,422	1,548	4
56,280	-	99,941	52,028	88,362	123,143
8,213	4,068	-	2,735	-	-
-	-	-	-	-	-
644,783	737,245	606,256	770,384	730,195	815,055
-	-	517	14,034	68,622	56,885
-	-	-	-	-	-
<u>2,387,015</u>	<u>2,247,773</u>	<u>3,028,602</u>	<u>2,697,966</u>	<u>2,783,963</u>	<u>3,613,415</u>
63,383	926,230	-	-	-	-
1,367	-	-	-	-	-
4,258	7,326	436	-	-	-
742	-	-	-	-	-
13,180	-	-	-	-	-
2,670	-	-	-	-	-
<u>85,600</u>	<u>933,556</u>	<u>436</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>4,645,647</u>	<u>5,239,552</u>	<u>5,440,399</u>	<u>4,753,460</u>	<u>5,175,190</u>	<u>5,535,886</u>
\$ (35,302,286)	\$ (36,043,632)	\$ (30,286,074)	\$ (31,479,823)	\$ (31,019,852)	\$ (34,356,645)
\$ 18,564,918	\$ 16,412,104	\$ 19,619,494	\$ 22,407,753	\$ 21,680,644	\$ 22,529,610
3,221,788	2,843,668	2,997,705	3,091,260	3,059,501	3,188,974
584,391	865,818	748,597	735,631	1,058,075	1,115,807
9,560,768	9,579,912	9,193,259	9,099,448	9,145,686	8,943,941
75,846	43,354	38,255	7,079	170,691	147,363
-	-	-	-	-	-
48,817	8,230	175,954	83,084	29,777	154,072
<u>32,056,528</u>	<u>29,753,086</u>	<u>32,773,264</u>	<u>35,424,255</u>	<u>35,144,374</u>	<u>36,079,767</u>
<u>\$ (3,245,758)</u>	<u>\$ (6,290,546)</u>	<u>\$ 2,487,190</u>	<u>\$ 3,944,432</u>	<u>\$ 4,124,522</u>	<u>\$ 1,723,122</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

	<u>2008</u>	<u>2009</u>	<u>2010 (1)</u>	<u>2011</u>
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ 54,661
Committed	-	-	-	290,362
Assigned	-	-	-	856,719
Unassigned	-	-	-	7,045,032
Reserved	2,368,466	1,928,918	1,360,253	-
Unreserved	<u>10,430,489</u>	<u>11,996,144</u>	<u>9,931,060</u>	<u>-</u>
Total general fund	<u>\$ 12,798,955</u>	<u>\$ 13,925,062</u>	<u>\$ 11,291,313</u>	<u>\$ 8,246,774</u>
All Other Governmental Funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ 92,318
Restricted	-	-	-	23,010,472
Committed	-	-	-	6,081
Unassigned (deficit)	-	-	-	(650,271)
Reserved	142,803	233,905	18,472,864	-
Unreserved (deficit), undesignated				
Reported in:				
Special revenue funds	537,780	382,958	(638,939)	-
Debt service funds	92,852	553,078	2,348,353	-
Capital projects funds	<u>-</u>	<u>25,067,719</u>	<u>25,118,861</u>	<u>-</u>
Total all other governmental funds	<u>\$ 773,435</u>	<u>\$ 26,237,660</u>	<u>\$ 45,301,139</u>	<u>\$ 22,458,600</u>
Total governmental funds	<u>\$ 13,572,390</u>	<u>\$ 40,162,722</u>	<u>\$ 56,592,452</u>	<u>\$ 30,705,374</u>

**Source:** School District financial records.

**(1)** Amounts have been reclassified to conform to 2011's presentation

Note: The District implemented GASB 54 in fiscal year 2011.

<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
\$ 91,411	\$ 11,692	\$ 55,216	\$ 47,405	\$ 25,914	\$ 69,089
-	-	-	-	-	-
2,914,113	1,019,637	1,043,776	1,374,728	1,286,370	1,863,659
-	-	2,359,340	7,021,210	10,403,109	12,492,792
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,005,524</u>	<u>\$ 1,031,329</u>	<u>\$ 3,458,332</u>	<u>\$ 8,443,343</u>	<u>\$ 11,715,393</u>	<u>\$ 14,425,540</u>
\$ 47,721	\$ 5,687	\$ 6,407	\$ -	\$ -	\$ 4,574
7,464,292	4,502,573	2,866,727	1,969,909	3,293,294	3,564,274
7,165	6,009	5,258	1,157	2,631	2,735
(363,168)	(2,300,556)	(15,003)	(20,213)	(14,246)	(67,745)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 7,156,010</u>	<u>\$ 2,213,713</u>	<u>\$ 2,863,389</u>	<u>\$ 1,950,853</u>	<u>\$ 3,281,679</u>	<u>\$ 3,503,838</u>
<u>\$ 10,161,534</u>	<u>\$ 3,245,042</u>	<u>\$ 6,321,721</u>	<u>\$ 10,394,196</u>	<u>\$ 14,997,072</u>	<u>\$ 17,929,378</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Revenues</b>				
Taxes	\$ 23,059,926	\$ 21,910,877	\$ 20,531,459	\$ 22,660,821
Payment in lieu of taxes	-	-	722,946	437,386
Intergovernmental	12,357,720	13,047,494	12,925,192	13,844,448
Earnings on investments	955,637	854,137	1,924,940	120,913
Tuition and fees	829,998	796,844	974,007	647,343
Transportation fees	-	-	-	-
Extracurricular	552,173	396,386	401,670	388,489
Gifts and donations	52,242	52,268	188,406	157,148
Charges for services	1,092,344	1,050,312	986,840	654,254
Classroom materials and fees	-	-	-	166,398
Contract services	-	-	-	279,553
Rentals	-	-	-	10,464
Other	144,969	300,262	106,219	52,341
<b>Total revenues</b>	<u>39,045,009</u>	<u>38,408,580</u>	<u>38,761,679</u>	<u>39,419,558</u>
<b>Expenditures</b>				
Current:				
Instructional:				
Regular	17,086,953	15,620,976	17,596,664	16,700,879
Special	3,065,502	3,855,994	4,383,819	4,748,449
Vocational	333,872	325,696	567,326	350,118
Other	2,220,027	2,426,088	1,667,234	1,815,093
Support services:				
Pupil	1,932,553	2,377,913	2,778,659	2,800,822
Instructional staff	1,922,243	2,144,165	2,328,229	2,381,820
Board of education	33,985	81,358	104,125	44,665
Administration	2,116,008	2,232,250	2,429,147	2,562,957
Business and fiscal	968,032	1,247,597	1,097,731	1,327,498
Operations and maintenance	3,427,665	2,716,408	2,611,089	3,147,375
Pupil transportation	1,585,204	1,430,948	1,457,709	1,490,673
Central	534,389	602,677	1,495,083	1,400,496
Operation of non-instructional services	1,369,880	1,552,635	1,836,996	1,801,985
Extracurricular activities	544,462	539,360	517,071	543,071
Facilities acquisition and construction	-	-	-	25,427,970
Capital outlay	-	805,946	4,353,245	349,038
Debt service:				
Principal retirement	284,275	51,954	146,259	162,314
Interest and fiscal charges	15,988	467,481	1,758,916	2,616,768
Issuance costs	-	295,700	287,685	90,849
<b>Total expenditures</b>	<u>37,441,038</u>	<u>38,775,146</u>	<u>47,416,987</u>	<u>69,762,840</u>
Excess of revenues over (under) expenditures	1,603,971	(366,566)	(8,655,308)	(30,343,282)
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	-	5,593	1,819	18,319
General obligation and refunding bonds issued	-	25,949,991	23,999,318	3,997,998
Premiums on bonds issued	-	755,926	568,242	90,849
Payment to refunded bond escrow agent	-	-	-	-
Inception of capital lease	-	245,388	515,659	349,038
Transfers in	153,630	-	65,525	28,714
Transfers (out)	(153,630)	-	(65,525)	(28,714)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>26,956,898</u>	<u>25,085,038</u>	<u>4,456,204</u>
<b>Net change in fund balances</b>	<u>\$ 1,603,971</u>	<u>\$ 26,590,332</u>	<u>\$ 16,429,730</u>	<u>\$ (25,887,078)</u>
Capital expenditures	\$ 855,078	\$ 1,409,895	\$ 4,771,604	\$ 29,805,295
Debt service as a percentage of noncapital expenditures	0.82%	1.39%	4.47%	6.96%

**Source:** School District financial records.

	2012	2013	2014	2015	2016	2017
\$	21,836,503	\$ 19,315,037	\$ 22,570,961	\$ 25,444,159	\$ 24,756,016	\$ 25,712,380
	584,391	865,818	748,597	735,631	1,058,075	1,115,807
	12,093,364	11,667,858	12,271,550	11,680,659	11,794,191	12,377,630
	180,237	57,965	40,420	4,007	171,205	134,355
	616,916	291,393	748,321	425,895	934,597	388,679
	-	67,251	50,337	6,930	6,692	8,077
	340,665	444,982	486,166	560,169	369,209	431,735
	127,025	126,865	126,730	175,999	1,474	1,504
	724,992	651,714	589,426	529,869	529,724	538,228
	166,489	154,104	158,778	164,930	172,327	170,867
	320,731	433,559	366,635	346,063	352,394	361,572
	3,239	15,220	11,698	21,638	26,284	23,313
	58,558	76,731	190,342	51,035	157,555	278,923
	<u>37,053,110</u>	<u>34,168,497</u>	<u>38,359,961</u>	<u>40,146,984</u>	<u>40,329,743</u>	<u>41,543,070</u>
	17,887,657	12,977,157	11,971,419	12,251,790	11,546,297	12,039,942
	4,421,866	4,800,457	4,579,251	4,695,750	5,712,405	5,664,760
	353,800	211,102	152,193	71,253	108,019	112,788
	2,290,890	1,855,777	1,868,560	1,954,433	1,353,690	1,939,047
	3,043,247	2,774,072	2,655,445	2,676,298	2,364,577	2,123,602
	2,983,229	2,223,037	953,301	851,151	593,223	1,446,183
	74,555	30,735	21,577	22,485	20,457	45,938
	2,111,998	1,968,872	1,886,110	1,895,745	2,144,769	2,184,516
	1,277,509	1,214,661	1,298,845	1,182,665	1,057,052	1,031,064
	2,412,479	2,216,800	2,780,614	2,316,359	2,423,627	2,681,149
	1,460,668	1,093,416	1,342,488	1,859,412	1,390,849	1,616,105
	1,052,395	364,777	203,838	235,699	542,655	534,290
	1,766,159	1,378,967	1,469,766	1,652,808	1,537,080	1,776,398
	543,835	845,119	471,594	561,998	681,043	938,464
	13,300,538	3,299,668	10,070	-	-	266,095
	-	-	-	2,621,204	-	-
	1,184,039	1,336,798	1,383,810	2,070,122	2,293,651	2,401,397
	2,431,919	2,493,574	2,454,714	2,262,968	1,989,341	1,820,507
	38,155	-	-	418,761	223,832	205,968
	<u>58,634,938</u>	<u>41,084,989</u>	<u>35,503,595</u>	<u>39,600,901</u>	<u>35,982,567</u>	<u>38,828,213</u>
	(21,581,828)	(6,916,492)	2,856,366	546,083	4,347,176	2,714,857
	-	-	220,313	478,864	31,868	11,481
	999,833	-	-	16,569,983	8,329,988	8,821,849
	38,155	-	-	2,988,711	1,662,901	1,011,087
	-	-	-	(19,132,370)	(9,769,057)	(9,626,968)
	-	-	-	2,621,204	-	-
	168,355	2,161,733	117,393	1,254,388	1,254,388	-
	<u>(168,355)</u>	<u>(2,161,733)</u>	<u>(117,393)</u>	<u>(1,254,388)</u>	<u>(1,254,388)</u>	<u>-</u>
	<u>1,037,988</u>	<u>-</u>	<u>220,313</u>	<u>3,526,392</u>	<u>255,700</u>	<u>217,449</u>
\$	<u>(20,543,840)</u>	<u>(6,916,492)</u>	<u>3,076,679</u>	<u>4,072,475</u>	<u>4,602,876</u>	<u>2,932,306</u>
\$	19,546,340	\$ 365,939	\$ 311,209	\$ 2,874,359	\$ 50,084	\$ 358,251
	9.25%	9.41%	10.91%	11.80%	11.92%	10.97%

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN COLLECTION (CALENDAR) YEARS*

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
2008	\$ 454,070,050	\$ 181,147,250	\$ 1,814,906,571	\$ 10,958,200	\$ 43,832,800
2009	446,871,220	185,827,790	1,807,711,457	10,904,770	43,619,080
2010	443,985,460	182,940,760	1,791,217,771	10,654,960	42,619,840
2011	445,175,230	177,802,380	1,779,936,029	11,106,770	44,427,080
2012	420,603,010	159,402,950	1,657,159,886	11,348,140	45,392,560
2013	419,653,230	154,655,690	1,640,882,629	12,070,370	48,281,480
2014	419,054,650	158,213,340	1,649,337,114	13,313,880	53,255,520
2015	413,718,530	155,459,650	1,626,223,371	13,740,700	54,962,800
2016	413,976,050	161,175,140	1,643,289,114	14,375,970	57,503,880
2017	416,049,720	165,186,620	1,660,675,257	15,241,160	60,964,640

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal. The assessed value of real property (including public utility real property) is 35 percent of estimated true value.

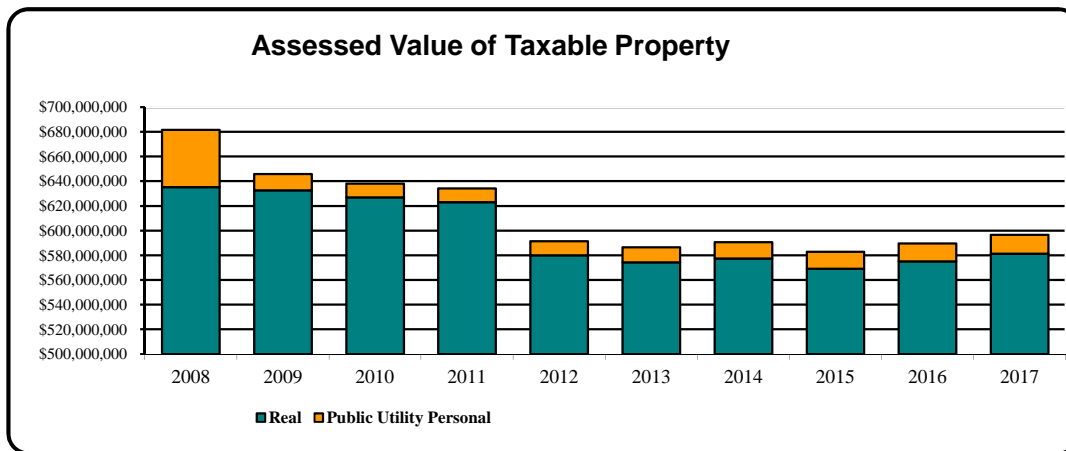
Personal property tax prior to 2006 was assessed on all tangible personal property used in business in Ohio. Prior to 2006 machinery and equipment were taxed at 25 percent and inventories at 23 percent. Beginning in 2006, the general business tangible personal property tax was phased out. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the \$10,000 exemption for commercial/industrial property has been eliminated.

**Source:** Office of the County Auditor, Montgomery County, Ohio



Tangible Personal Property		General Business		Total		Total Direct Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio		
\$ 35,462,720	\$ 141,850,880	\$ 681,638,220	\$ 2,000,590,251	34.07%	\$ 53.30	
2,342,340	9,369,360	645,946,120	1,860,699,897	34.72%	53.69	
527,300	2,109,200	638,108,480	1,835,946,811	34.76%	53.69	
-	-	634,084,380	1,824,363,109	34.76%	54.61	
-	-	591,354,100	1,702,552,446	34.73%	55.51	
-	-	586,379,290	1,689,164,109	34.71%	55.57	
-	-	590,581,870	1,702,592,634	34.69%	62.53	
-	-	582,918,880	1,681,186,171	34.67%	62.53	
-	-	589,527,160	1,700,792,994	34.66%	62.48	
-	-	596,477,500	1,721,639,897	34.65%	62.48	



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*PRINCIPAL PROPERTY TAX PAYERS  
REAL ESTATE TAX  
CURRENT CALENDAR YEAR AND NINE YEARS AGO*

Name of Taxpayer	2016	
	Assessed Value	Percent of Real Property Assessed Value
Dayton City of	\$ 11,109,730	1.91%
ARCP ID Union OH LLC	7,783,190	1.34%
Moor Partners LLP	2,887,690	0.50%
Mo Northwoods LLC	2,496,310	0.43%
Wal-mart Stores INC	2,437,540	0.42%
Sand Lake Plaza LLC	2,281,150	0.39%
Garrett-Ryan LLC	1,936,960	0.33%
DDC Hotels INC	1,805,900	0.31%
Floriday LLC	1,770,840	0.30%
Brownstone Village LLC	1,768,250	0.30%
Totals	<u>\$ 36,277,560</u>	<u>6.24%</u>
Total Assessed Valuation	<u>\$ 581,236,340</u>	

Name of Taxpayer	2007	
	Assessed Value	Percent of Real Property Assessed Value
Delphi Automotive System	\$ 4,657,770	0.73%
The IAMS Company	3,039,100	0.48%
W2005/Fargo Hotels	3,015,970	0.47%
The Beerman Realty Company	2,311,430	0.36%
SAM'S Real Estate Business	2,101,410	0.33%
Northwoods Shoppes, LLC	2,044,630	0.32%
Mid-States Development	1,658,110	0.26%
Timberlake Limited Partnership	1,596,670	0.25%
ABMD LTD	1,498,920	0.24%
BRE/ESA Portfolio LLC	1,418,530	0.22%
Totals	<u>\$ 23,342,540</u>	<u>3.67%</u>
Total Assessed Valuation	<u>\$ 635,217,300</u>	

Source: Montgomery County Auditor

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*PRINCIPAL PROPERTY TAX PAYERS  
PUBLIC UTILITY TAX  
CURRENT CALENDAR YEAR AND NINE YEARS AGO*

Name of Taxpayer	2016	
	Assessed Value	Percent of Public Utility Assessed Value
Dayton Power and Light Co.	\$ 13,180,190	86.48%
Vectren Energy Delivery of Ohio	1,611,940	10.58%
Pioneer Rural Electric Cooperative Inc.	447,930	2.94%
Buckeye Power Inc.	1,100	0.01%
<b>Total</b>	<b>\$ 15,241,160</b>	<b>100.00%</b>
<b>Total Assessed Valuation</b>	<b>\$ 15,241,160</b>	

Name of Taxpayer	2007	
	Assessed Value	Percent of Public Utility Assessed Value
Dayton Power and Light	\$ 9,672,820	88.27%
<b>Total</b>	<b>\$ 9,672,820</b>	<b>88.27%</b>
<b>Total Assessed Valuation</b>	<b>\$ 10,958,200</b>	

Source: Montgomery County Auditor

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 OF ASSESSED VALUATION)  
LAST TEN COLLECTION (CALENDAR) YEARS (1)  
2007-2016*

Collection Year	Montgomery County	Dayton Metro Library	Butler Township	City of Vandalia	City of Union	Miami Valley Career Technology Center	Vandalia-Butler City School District		
							General	Bond Retirement	Total
2016	\$ 22.94	\$ 3.31	\$ 16.94	\$ 4.14	\$ 17.13	\$ 2.58	\$ 56.48	\$ 6.00	\$ 62.48
2015	21.94	3.31	16.94	4.14	17.13	2.58	56.48	6.00	62.48
2014	20.94	3.31	16.94	4.14	17.13	2.58	56.53	6.00	62.53
2013	20.94	3.31	16.94	4.14	17.13	2.58	56.53	6.00	62.53
2012	17.74	3.31	16.40	4.14	17.13	2.58	49.54	6.03	55.57
2011	17.74	1.75	16.40	4.14	17.13	2.58	49.51	6.00	55.51
2010	20.94	1.75	16.94	4.14	17.13	2.58	49.06	5.55	54.61
2009	20.94	1.75	16.94	4.14	17.13	2.58	48.93	4.76	53.69
2008	20.94	1.25	16.94	4.14	17.13	2.58	53.69	-	53.69
2007	18.24	1.25	16.94	4.14	17.13	2.58	53.30	-	53.30

Source: Montgomery County Auditor.

(1) Montgomery County property tax rate records are maintained on a calendar / collection year basis.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*PROPERTY TAX LEVIES AND COLLECTIONS - REAL, PERSONAL, AND PUBLIC UTILITY PROPERTY  
LAST TEN COLLECTION (CALENDAR) YEARS  
2007-2016*

Collection Year	Current Levy (1)	Current Collection (2)	Percent of Current Levy Collected	Delinquent Collection (4)	Total Collection (2)	Percent of Total Tax Collections to Current Levy (4)	Outstanding Delinquent Taxes (3)	Total Collection As a Percent of Current Levy
2016	\$ 28,201,263	\$ 27,714,879	98.28%	\$ 645,864	\$ 28,360,743	100.57%	\$ 599,675	2.13%
2015	27,904,466	27,104,246	97.13%	688,822	27,793,068	99.60%	593,171	2.13%
2014	28,092,209	27,147,308	96.64%	350,456	27,497,764	97.88%	541,966	1.93%
2013	23,877,173	23,334,349	97.73%	444,606	23,778,955	99.59%	488,504	2.05%
2012	23,966,930	23,164,343	96.65%	416,890	23,581,233	98.39%	606,196	2.53%
2011	24,470,420	23,624,490	96.54%	763,997	24,388,487	99.67%	1,097,593	4.49%
2010	23,904,272	23,027,122	96.33%	676,669	23,703,791	99.16%	1,322,018	5.53%
2009	24,161,467	22,980,834	95.11%	492,965	23,473,799	97.15%	1,420,253	5.88%
2008	25,583,060	24,455,231	95.59%	538,071	24,993,302	97.69%	1,151,419	4.50%
2007	27,008,398	25,765,307	95.40%	997,537	26,762,844	99.09%	1,429,944	5.29%

Source: Montgomery County Auditor.

(1) Taxes levied and collected are presented on a cash basis.

(2) State reimbursements of rollback and homestead exemptions are included.

(3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

(4) Delinquent Tax Collections are only available by collection year; therefore the percentage of total tax collections to the current levy may exceed 100 percent in some years. The School District will continue to work to get this information in the future.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE  
AND NET BONDED DEBT PER CAPITA  
LAST TEN YEARS  
2007-2016*

Collection Year	Population (1)	Total Assessed Value (2)	Gross Bonded Debt (3)	Less Restricted for Debt Service	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Percentage of Personal Income (4)
2017	22,952	\$ 596,477,500	\$ 54,439,174	\$ 1,409,866	\$ 53,029,308	8.89%	\$2,310	8.63%
2016	22,990	589,527,160	55,130,480	1,415,459	53,715,021	9.11%	\$2,336	8.73%
2015	23,025	582,918,880	54,857,334	463,765	54,393,569	9.33%	\$2,362	8.82%
2014	23,665	590,581,870	53,294,705	1,630,533	51,664,172	8.75%	\$2,183	9.02%
2013	23,140	586,379,290	54,383,411	1,517,354	52,866,057	9.02%	\$2,285	9.44%
2012	23,140	591,354,100	55,469,764	3,872,121	51,597,643	8.73%	\$2,230	9.21%
2011	23,140	634,084,380	55,409,097	3,301,165	52,107,932	8.22%	\$2,252	9.31%
2010	22,985	638,108,480	51,621,060	2,845,942	48,775,118	7.64%	2,122	8.77%
2009	22,985	645,946,120	26,905,448	553,078	26,352,370	4.08%	1,147	4.74%
2008	22,985	681,638,220	-	92,852	(92,852)	-0.01%	0	-0.02%

Sources:

- (1) Census data for 2010, estimates from the City of Vandalia and Butler Township.
- (2) Montgomery County Auditor, calendar year basis.
- (3) Gross Bonded Debt includes premiums and accreted debt associated with the general obligation bonds.
- (4) Personal Income reported as in Census data multiplied times the population to yield total personal income.



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS*

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Tax Valuation	<u>\$ 681,638,220</u>	<u>\$ 645,946,120</u>	<u>\$ 638,108,480</u>	<u>\$ 634,084,380</u>
Debt Limit - 9% of Taxable Valuation	<u>61,347,440</u>	<u>58,135,151</u>	<u>57,429,763</u>	<u>57,067,594</u>
Amount of Debt Applicable to Debt Limit				
General obligation bonds	-	25,949,991	49,949,309	50,924,187
Less: amount available in debt service	<u>-</u>	<u>(553,078)</u>	<u>(2,348,353)</u>	<u>(3,356,092)</u>
Amount of Debt Subject to Limit	<u>-</u>	<u>25,396,913</u>	<u>47,600,956</u>	<u>47,568,095</u>
Legal debt margin	<u>\$ 61,347,440</u>	<u>\$ 32,738,238</u>	<u>\$ 9,828,807</u>	<u>\$ 9,499,499</u>
Legal debt margin as a percentage of the debt limit	100.00%	56.31%	17.11%	16.65%
Energy conservation debt limit - 0.90% of assessed value (1)	6,134,744	5,813,515	5,742,976	5,706,759
Amount of Debt Subject to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,998,120</u>
Unvoted legal debt margin	<u>\$ 6,134,744</u>	<u>\$ 5,813,515</u>	<u>\$ 5,742,976</u>	<u>\$ 2,708,639</u>
Unvoted legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	47.46%
Unvoted debt limit - 0.10% of taxable valuation (1)	681,638	645,946	638,108	634,084
Amount of Debt Subject to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted legal debt margin	<u>\$ 681,638</u>	<u>\$ 645,946</u>	<u>\$ 638,108</u>	<u>\$ 634,084</u>
Unvoted legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	100.00%

Source: Montgomery County Auditor and District Financial Records

(1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

Note: The definition of tax valuation for the purpose of calculating the debt margin was modified by H.B. 530 effective 3/30/06, to exclude tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, or personal property owned or leased by a railroad company and used in railroad operations.



<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>\$ 591,354,100</u>	<u>\$ 586,379,290</u>	<u>\$ 590,581,870</u>	<u>\$ 582,918,880</u>	<u>\$ 589,527,160</u>	<u>\$ 596,477,500</u>
<u>53,221,869</u>	<u>52,774,136</u>	<u>53,152,368</u>	<u>52,462,699</u>	<u>53,057,444</u>	<u>53,682,975</u>
<u>50,044,187</u> <u>(3,924,174)</u>	<u>49,084,187</u> <u>(4,148,923)</u>	<u>48,084,187</u> <u>(2,372,139)</u>	<u>47,029,170</u> <u>(1,451,670)</u>	<u>45,799,706</u> <u>(2,791,154)</u>	<u>44,429,085</u> <u>(3,184,116)</u>
<u>46,120,013</u>	<u>44,935,264</u>	<u>45,712,048</u>	<u>45,577,500</u>	<u>43,008,552</u>	<u>41,244,969</u>
<u>\$ 7,101,856</u>	<u>\$ 7,838,872</u>	<u>\$ 7,440,320</u>	<u>\$ 6,885,199</u>	<u>\$ 10,048,892</u>	<u>\$ 12,438,006</u>
13.34%	14.85%	14.00%	13.12%	18.94%	23.17%
<u>5,322,187</u>	<u>5,277,414</u>	<u>5,315,237</u>	<u>5,246,270</u>	<u>5,305,744</u>	<u>5,368,298</u>
<u>3,827,953</u>	<u>3,592,953</u>	<u>3,357,953</u>	<u>3,134,833</u>	<u>2,889,833</u>	<u>2,639,833</u>
<u>\$ 1,494,234</u>	<u>\$ 1,684,461</u>	<u>\$ 1,957,284</u>	<u>\$ 2,111,437</u>	<u>\$ 2,415,911</u>	<u>\$ 2,728,465</u>
28.08%	31.92%	36.82%	40.25%	45.53%	50.83%
<u>591,354</u>	<u>586,379</u>	<u>590,582</u>	<u>582,919</u>	<u>589,527</u>	<u>596,478</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 591,354</u>	<u>\$ 586,379</u>	<u>\$ 590,582</u>	<u>\$ 582,919</u>	<u>\$ 589,527</u>	<u>\$ 596,478</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS*

Fiscal Year	Governmental Activities			Total Primary Government	Per Capita (2)	Ratio of Total Debt Outstanding to Personal Income (2)
	General Obligation Bonds (1)	Notes Payable	Capital Leases			
2008	\$ -	\$ -	\$ 50,978	\$ 50,978	\$ 2.22	0.01%
2009	26,905,448	24,000,000	244,412	51,149,860	2,225.36	9.20%
2010	51,621,060	-	613,812	52,234,872	2,272.56	9.39%
2011	55,409,097	-	658,261	56,067,358	2,422.96	10.01%
2012	55,469,764	-	524,222	55,993,986	2,419.79	10.07%
2013	54,383,411	-	382,424	54,765,835	2,366.72	10.22%
2014	53,294,705	-	233,614	53,528,319	2,313.24	10.22%
2015	54,857,334	-	2,079,696	56,937,030	2,460.55	9.24%
2016	55,130,480	-	1,401,045	56,531,525	2,443.02	9.02%
2017	54,439,174	-	784,646	55,223,820	2,386.51	9.35%

SOURCE: School District Records

(1) General obligation bonds include any premiums and accreted debt associated with the general obligation bond.

(2) Personal Income reported at \$24,828 in 2010 Census data multiplied times the population of 23,140 to yield total personal income.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
June 30, 2017*

Governmental Unit	Gross General Obligation	Percent Applicable to District	Amount Applicable to District
<b>Direct:</b>			
Vandalia-Butler City School District	\$ 55,223,820 **	100.00%	\$ 55,223,820
<b>Overlapping:</b>			
Montgomery County	24,556,669	6.21%	1,524,969
Butler Township (1)	9,319,830	100.00%	9,319,830
City of Dayton (2)	79,087,831	2.37%	1,874,382
City of Union (3)	1,291,956	0.25% *	3,230
City of Vandalia (4)	3,868,858	100.00%	3,868,858
<b>Total overlapping</b>	<b>\$ 118,125,144</b>		<b>\$ 16,591,269</b>
<b>Total direct and overlapping debt</b>	<b>\$ 173,348,964</b>		<b>\$ 71,815,089</b>

Source: Montgomery County Auditor

(1) 2013/2014 Audit Report. Information as of June 30, 2017 was not available.

(2) City of Dayton 2016 CAFR

(3) City of Union 12/31/15 Audit Report. Information as of June 30, 2017 was not available.

(4) City of Vandalia 2016 Audit Report

\* Percent applicable to School District is estimated based on prior year

\*\* Amount includes premiums and accreted debt associated with the general obligation bonds and capital leases.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*Ratio of Annual Debt Service Expenditures for  
General Obligation Bonded Debt to Total General Fund Expenditures  
Last Ten Fiscal Years  
2007-2016*

Fiscal Year	Principal (1)	Interest and Issuance Costs (1)	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
2017	\$ 1,785,000	\$ 1,882,308	\$ 3,667,308	\$ 31,936,766	11.48%
2016	1,115,000	2,108,559	3,223,559	30,081,209	10.72%
2015	1,295,000	2,555,744	3,850,744	33,678,952	11.43%
2014	1,235,000	2,334,377	3,569,377	29,617,779	12.05%
2013	1,195,000	2,357,341	3,552,341	31,717,335	11.20%
2012	1,050,000	2,438,446	3,488,446	35,361,480	9.87%
2011	25,000	2,596,382	2,621,382	35,446,786	7.40%
2010	-	2,034,700	2,034,700	35,406,721	5.75%
2009	-	755,377	755,377	33,682,084	2.24%
2008	250,000	12,836	262,836	33,310,714	0.79%

Source: Vandalia-Butler City School District Financial Records.  
(1) Excludes principal and interest paid on tax anticipation notes.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
2007-2016*

Year	Population (1)	Per Capita Income (2)	Personal Income	School Enrollment (3)	Average Federal Income (4)	Unemployment Rate Montgomery County (5)
2017	22,952	\$25,734	\$590,646,768	3,065	\$48,665	4.8%
2016	22,990	27,254	626,569,460	3,071	\$48,099	5.0%
2015	23,025	26,774	616,471,350	2,999	\$46,482	5.1%
2014	23,665	27,061	640,398,565	3,156	\$44,888	8.0%
2013	23,140	25,225	583,706,500	3,324	\$44,322	7.8%
2012	23,140	24,828	574,519,920	3,325	\$43,965	9.4%
2011	23,140	24,199	559,964,860	3,331	\$41,611	10.7%
2010	22,985	24,199	556,214,015	3,351	\$45,237	11.6%
2009	22,985	24,199	556,214,015	3,422	Information not available	11.8%
2008	22,985	24,199	556,214,015	3,411	Information not available	7.8%

Sources:

- (1) Based on 2010 data - Ohio Department of Development.
- (2) U.S. Census Bureau - Montgomery County, 2015 information most recent available.
- (3) Vandalia-Butler City School District Financial Records.
- (4) Social Security Administration National Average Wage Index as of 2016
- (5) Ohio Department of Jobs and Family Services - annual average 2016.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*PRINCIPAL EMPLOYERS (1)  
CURRENT YEAR AND NINE YEARS AGO*

Employer	Nature of Business	2016			2007		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
CBS Personnel Services	Employment Agency	1,143	1	3.17%	0		0.00%
Vandalia-Butler Schools	School	502	2	1.39%	390	3	1.05%
GE Aviation (formerly Smiths Aerospace)	Aerospace Engineering & Manufacturing	482	3	1.34%	417	2	1.12%
All Service Plastic Molding	Injection Molding	471	4	1.31%	0		0.00%
City of Vandalia	Local Government	360	5	1.00%	371	4	1.00%
SAIA Burgess, Inc. (formerly Johnson Controls)	Electronics Manufacturing	339	6	0.94%	315	5	0.85%
Mahle Behr	Automotive Manufacturing & Engineering	308	7	0.85%	0		0.00%
Kroger Limited Partnership	Grocery Retail	305	8	0.85%	0		0.00%
Adare Pharmaceuticals, Inc. (formerly Aptalis)	Specialty Pharmaceutical Company	261	9	0.72%	0		0.00%
Dayton Freight Lines, Inc.	Trucking Company	255	10	0.71%	0		0.00%
Delphi Automotive System	Automotive Manufacturing & Engineering	0		0.00%	1,141	1	3.07%
Coorstek Medical, LLC (formerly IMDS)	Medical Device Design & Manufacturing	0		0.00%	287	6	0.77%
P&G Pet Care (formerly Iams)	Headquarters - Cat & Dog Food	0		0.00%	242	7	0.65%
Evenflo	Headquarters - Juvenile Products Manufacturer	0		0.00%	192	8	0.52%
Eurand	Pharmaceutical	0		0.00%	157	9	0.42%
Lion Apparel	Work Uniforms & Custom Corporate Apparel	0		0.00%	124	10	0.33%
<b>Total</b>		<b>4,426</b>		<b>12.28%</b>	<b>3,636</b>		<b>9.78%</b>
<b>Total Employment within the School District</b>		<b>36,042</b>			<b>37,178</b>		

Source: City of Vandalia CAFR as of December 31, 2016.

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.

(1) - Information not available for Butler Township

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE  
LAST TEN FISCAL YEARS*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Instruction</b>										
Classroom Teachers	188.27	194.01	191.60	186.40	171.70	149.78	122.92	121.50	121.50	127.00
Special Education Teachers and Tutors	42.39	42.28	43.86	41.80	46.40	45.60	48.50	51.00	51.00	49.00
Educational/Media Aides	32.00	30.00	32.00	31.00	32.00	29.00	45.00	43.00	43.00	43.00
Counselor	6.00	6.00	6.00	6.00	6.00	7.10	5.34	6.00	6.00	6.00
<b>Total Instruction</b>	<b>268.66</b>	<b>272.29</b>	<b>273.46</b>	<b>265.20</b>	<b>256.10</b>	<b>231.48</b>	<b>221.76</b>	<b>221.50</b>	<b>221.50</b>	<b>225.00</b>
<b>Support and Administration</b>										
Central Office Support/Administrators	25.00	29.70	29.00	31.60	31.40	29.03	16.00	16.00	16.00	16.00
Principals	10.00	10.00	10.00	10.00	8.00	8.00	7.00	7.00	7.00	7.00
Clerical Support	16.00	18.50	18.00	17.00	17.00	11.00	19.00	17.00	17.00	17.00
Professional Support	8.05	6.05	6.00	6.00	5.00	5.36	4.96	5.00	5.00	5.00
Transportation	32.00	34.00	33.00	33.00	32.50	28.00	-	-	-	-
Food Service	39.00	38.00	38.00	39.00	41.00	36.00	30.00	33.00	31.00	31.00
Custodial	20.00	20.00	20.00	20.00	21.00	20.00	15.00	16.00	14.00	14.00
Maintenance and Mechanics	5.00	5.00	5.00	5.00	4.00	5.00	3.00	3.00	3.00	3.00
<b>Total Support and Administration</b>	<b>155.05</b>	<b>161.25</b>	<b>159.00</b>	<b>161.60</b>	<b>159.90</b>	<b>142.39</b>	<b>94.96</b>	<b>97.00</b>	<b>93.00</b>	<b>93.00</b>
<b>Total Employees</b>	<b>423.71</b>	<b>433.54</b>	<b>432.46</b>	<b>426.80</b>	<b>416.00</b>	<b>373.87</b>	<b>316.72</b>	<b>318.50</b>	<b>314.50</b>	<b>318.00</b>

Source: Fiscal Year October EMIS Reports

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*BUILDING STATISTICS  
LAST TEN FISCAL YEARS*

	2008	2009	2010	2011	2012	2013
<b>Demmitt Elementary School</b>						
Constructed in 1957						
Total Building Square Footage 43,977						
Total Acres 11						
Enrollment Grades K-4	402	418	366	361	340	430
Student Capacity	368	368	368	368	426	426
Regular Instruction Classrooms 15	22	22	22	22	20	20
Regular Instruction Teachers	26	26	26	26	15	15
Special Instruction Classrooms	3	3	3	3	7	7
Special Instruction Teachers	4	4	4	4	7	7
<b>Helke Elementary School</b>						
Constructed in 1969						
Total Building Square Footage 42,456						
Total Acres 10.5						
Enrollment Grades K-4	455	445	419	401	414	390
Student Capacity	350	350	350	350	405	405
Regular Instruction Classrooms	16	16	16	16	21	21
Regular Instruction Teachers	24	24	24	24	15	15
Special Instruction Classrooms	1	1	1	1	3	3
Special Instruction Teachers	2	2	2	2	3	3
<b>Murlin Heights Elementary School</b>						
Constructed in 1952						
Total Building Square Footage 40,930						
Total Acres 15						
Enrollment Grades K-4	379	389	403	401	393	381
Student Capacity	335	335	335	350	388	388
Regular Instruction Classrooms	25	25	25	16	22	22
Regular Instruction Teachers	23	23	23	24	15	15
Special Instruction Classrooms	3	3	3	1	5	5
Special Instruction Teachers	3	3	3	2	5	5
<b>Morton Middle School</b>						
Constructed in 2011						
Total Building Square Footage 102,100						
Total Acres 16						
Enrollment Grades 5-8	487	483	505	498	533	525
Student Capacity	444	444	444	444	820	820
Regular Instruction Classrooms	32	32	32	32	34	34
Regular Instruction Teachers	32	32	32	32	27	27
Special Instruction Classrooms	3	3	3	3	8	8
Special Instruction Teachers	8	8	8	8	8	8



2014	2015	2016	2017
531	420	512	519
426	426	426	426
20	16	16	16
20	14	14	14
6	7	7	7
8	9	9	9
394	378	381	388
405	405	405	405
16	13	13	14
16	14	14	14
6	2	2	2
6	3	3	4
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
744	730	673	679
820	820	820	820
30	27	27	32
33	30	30	37
10	10	10	10
10	11	11	11

- Continued

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*BUILDING STATISTICS (CONTINUED)  
LAST TEN FISCAL YEARS*

	2008	2009	2010	2011	2012	2013
<b>Smith Middle School</b>						
Constructed in 1969						
Total Building Square Footage 66,113						
Total Acres 84.5						
Enrollment Grades 5-8	489	507	530	546	553	524
Student Capacity	406	406	406	406	511	511
Regular Instruction Classrooms	32	32	32	32	32	32
Regular Instruction Teachers	32	32	32	32	27	27
Special Instruction Classrooms	5	5	5	5	6	6
Special Instruction Teachers	7	7	7	7	7	7
<b>Butler High School</b>						
Constructed in 1956, Renovated in 2011						
Total Building Square Footage 266,000						
Total Acres 23.8						
Enrollment Grades 9-12	1,175	1,180	1,128	1,125	1,092	1,074
Student Capacity	1,375	1,375	1,375	1,375	1,455	1,455
Regular Instruction Classrooms	64	64	64	64	50	50
Regular Instruction Teachers	62	62	62	62	42	42
Special Instruction Classrooms	4	4	4	4	12	12
Special Instruction Teachers	10	10	10	10	12	12

Source: Enrollment Oct Fiscal Year EMIS Report  
N/A - Information not available

2014	2015	2016	2017
470	426	441	440
511	511	511	511
18	18	18	18
18	18	18	18
7	11	11	11
7	14	14	14
1,085	1,045	1,037	1,037
1,455	1,455	1,455	1,455
50	55	55	55
42	41	41	44
12	11	11	11
12	11	11	11

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*OPERATING STATISTICS  
LAST TEN FISCAL YEARS*

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio
2008*	\$ 36,897,296	3,259	\$ 11,322	12.74%	210	15.5
2009	38,496,444	3,422	11,250	-0.64%	233	14.7
2010	43,353,688	3,351	12,938	15.00%	231	14.5
2011	40,629,342	3,331	12,197	-5.72%	228	14.6
2012	39,947,933	3,325	12,014	-1.50%	218	15.3
2013	41,283,184	3,324	12,420	3.37%	195	17.0
2014	35,726,473	3,156	11,320	-8.85%	242	13.0
2015	36,233,283	3,054	11,864	4.81%	205	14.9
2016	36,195,042	3,071	11,786	-0.66%	201	15.3
2017	39,892,531	3,065	13,016	10.43%	205	15.0

Source: School District Records.  
\*Included severance plan in 2008



# Dave Yost • Auditor of State

VANDALIA-BUTLER CITY SCHOOL DISTRICT

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  
MARCH 6, 2018