

**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



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STATE OF OHIO  
OFFICE OF THE AUDITOR

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Honorable Mayor and City Council:

We have audited the financial statements of the City of Vandalia, Montgomery County, Ohio, (the City) as of and for the year ended December 31, 1999, and have issued our report thereon dated May 5, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the City in a separate letter dated May 5, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the City in a separate letter dated May 5, 2000.

Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
City of Vandalia, Montgomery County  
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This report is intended for the information and use of the management and the City Council, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

May 5, 2000



**CITY OF VANDALIA, OHIO**



**COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT**

FOR THE YEAR ENDED DECEMBER 31, 1999

# Introductory Section

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CITY OF VANDALIA, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 1999

Issued by:  
Finance Department

Prepared by:  
Linda Chapman  
*Finance Director*

CITY OF VANDALIA, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 1999

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May 5, 2000

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

I am pleased to present the eleventh Comprehensive Annual Financial Report (CAFR) for the City of Vandalia. This report, for the fiscal year ended December 31, 1999, contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Vandalia ("the City"). The responsibility for the accuracy and completeness of all data presented, and the fairness of the presentation, rests with the City, specifically with the City Finance Director's office.

This CAFR is divided into three sections as follows:

1. The Introductory Section contains the table of contents, letter of transmittal, certificate of achievement, a list of principal officials, and an organization chart of the City.
2. The Financial Section begins with the Report of Independent Accountants and includes the General Purpose Financial Statements and Notes which provide an overview of the City's financial position and operating results, and the Financial Statements and Schedules of Individual Funds and Account Groups which provide detailed information relative to the General Purpose Financial Statements.
3. The Statistical Section presents social and economic data and financial trend information, and demonstrates the fiscal capacity of the City.

### CITY OVERVIEW

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

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

### CITY ORGANIZATION AND REPORTING ENTITY

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

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

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

Component units are organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves their budget, the issuance of their debt or the levying of their taxes. Currently the City does not have any component units.

The City has representation on the board of one entity. The City is associated with the Tri-Cities North Regional Wastewater Authority (Tri-Cities), which is defined as a joint venture. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. This organization is presented in Note 19.

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

## ITEMS OF LOCAL INTEREST

### Parks and Recreation

The City contains nine parks covering 165 acres and provides year-round recreational and educational programs for its citizens.

The Vandalia Senior Citizens Center offers a number of classes, workshops, outings, and health programs for those 55 and older.

Cassel Hills, an 18-hole, par 71 golf course with pro shop and restaurant, gives Miami Valley residents a scenic spot for golfing and dining.

### Culture and Education

Vandalia has many nearby educational facilities, churches, cultural resources, parks and playgrounds. Numerous colleges and universities in the surrounding metropolitan area provide excellent opportunities and facilities for higher educational study to citizens of Vandalia.

The Miami Valley Career-Technology Center offers various areas of study, primarily to provide education in the industrial and commercial field. In addition, an adult education program offers courses in a wide variety of subjects.

The Dayton-Montgomery County Public Library has been serving Vandalia as well as Butler and Harrison Townships since its dedication in December of 1907. The Library's 19,000 square feet hold more than 60,000 volumes.

## Transportation

The Dayton International Airport is located in Vandalia and offers full commercial air passenger and freight service by many major airlines.

Several motor transport companies are based in the area and, together with those of the adjacent metropolitan areas, provide reliable freight transportation to and from the City.

An extensive network of interstate and state highways, including I-75, I-275, I-70 and State Routes 4, 25 and 48 serves the City and surrounding communities.

## ECONOMIC CONDITIONS AND OUTLOOK

Throughout 1999, Vandalia's economy remained stable and experienced a modest growth with the additions of several small businesses.

Sites available for development in Vandalia include the following:

**Northwoods** - A commercial park, located on Engle Road, less than five minutes from the Dayton International Airport. With high visibility from I-75, the park consists of 500 acres of natural woods, gently rolling fields, and tree-lined streams. Companies such as Evenflo, Exhibit Concepts and Abby Credit Union are located in this park.

**Poe Avenue Office/Industrial Park** - As in each of its business sectors, Vandalia continually works to provide the convenience, accessibility and high quality services demanded by such worldwide corporations as Shopsmith, the Iams Company, Whirlpool, Ameritech and Mazer Corporation, all located along Poe Avenue. Not only an office/industrial center, Poe Avenue also offers its employees and clients dining, lodging, shopping and transportation convenience.

**850 West** - Only five minutes from Interstate 75, this easy access site is also contiguous to the Airport Access Road, which runs between Interstate 70 and Dayton International Airport. Eight hundred fifty acres are available for development.

**Airport Corporate Center** - This 66 acre, partially wooded office/commercial development is located directly across from the entrance to the Dayton International Airport and one-half mile east of the National Road-Airport Access Road intersection. The development consists of one 3-story 48,000 square foot office building, three single-story professional buildings and a motel.

**Scholz Industrial Park** - Scholz Industrial Park offers optimum visibility along the I-75 corridor and easy access to points all over the tri-state area. Its tenants include Printgraphics, Smith Industries, Lucas-Ledex, Inc., ElectraForm and Ochs Industries.

The following additions and changes in 1999 helped to strengthen Vandalia's economic condition.

### Poe Avenue Office/Industrial Park

The Iams Company was purchased by Proctor and Gamble. Although Iams is now a subsidiary of Proctor and Gamble, they continue to expand their marketing department to increase the market share of the Iams pet product lines worldwide.

Also, in the Poe Avenue area, Shastar Rent to Own moved their corporate headquarters to an existing building in the area.

C&O Printing completed a 7,500 sq. ft. expansion of their printing business during 1999.

Two other small companies that added to the City's economic strength in the Poe Avenue area were Harper Machine Tool and Staub Laser Cutting.

## Scholz Industrial Park

Central Warehouse Company, a warehousing distribution center for industries, constructed a 79,000 sq. ft. building during 1999. They also do light manufacturing and assembly for their industrial clients.

Tiger Machinery, a sales and service center for John Deere Equipment, completed the construction of a 10,000 sq. ft. building.

Also during 1999, two companies, Circuits and Cables and Quality Circuits moved into the building vacated by Paxar in 1997. These sister companies build and supply electronic circuits.

Harris - Thomas Industries, a company that produces aluminum castings for the automotive industry, moved to an existing building in this same industrial complex.

Vandalia's total assessed valuation has risen from \$325 million in tax year 1998 to \$351 million in tax year 1999. The City's top ten employers provide approximately 5,927 jobs for the community.

The City's excellent location, close to Dayton, Cincinnati, Columbus, and Indianapolis, and its accessible transportation facilities, such as the Dayton International Airport and rail service, have helped Vandalia to solicit new businesses and grow economically.

## MAJOR INITIATIVES

In 1996, the City issued debt in the amount of \$13,675,000 for the purpose of constructing a recreation center, a justice center and the renovation of the municipal building. The 43,000 sq. ft. Justice Center was completed by May 15, 1999, and now houses the police department and the municipal court. The renovation of the municipal building was completed by year-end 1999. Construction of the 59,000 sq. ft. Recreational Facility will be completed October 1, 2000.

In conjunction with the building projects, the City upgraded the telecommunications system for the City, which included a new phone system and internal and external e-mail.

In June of 1996, the Cities of Vandalia, Tipp City and Huber Heights formed a joint venture known as the Tri-Cities North Regional Wastewater Authority. The Miami Conservancy District deeded the wastewater facility and all of the assets associated with the facility to the joint venture.

## FINANCIAL INFORMATION

### Basis of Accounting

The City's records are maintained on a cash basis for all fund types. Prior to the year end closing, adjusting entries are prepared for the various funds to convert the cash basis records to the modified accrual basis for all governmental fund types and the accrual basis for the proprietary funds and the investment trust fund. The modified accrual basis of accounting requires that revenues be recognized when they are both measurable and available. Expenditures, other than interest and principal on long term debt, are generally recorded when the related fund liability is incurred. The accrual basis of accounting used for the proprietary funds and the investment trust fund recognizes revenues when earned and expenses when incurred.

### Internal Control Structure and Budgetary Controls

Development of the City's accounting system included consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements. The concept of reasonable assurance states that internal control should be evaluated to insure that the expense associated with providing internal controls does not exceed the benefit expected to be derived from their implementation. This evaluation involves estimates and judgment by the City administration and members of the finance office. The administrative and financial management personnel believe that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.



Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the amount of the purchase. Each department head is furnished a monthly report showing the month's transactions and summarizing the balances available to be spent from the appropriations for goods and services.

Governmental Funds - Revenues and Expenditures

The following schedule presents a summary of governmental funds' revenues for the year ended December 31, 1999, and the amount and percentage of increases and decreases in relation to the prior year's revenues.

	1998	1999	Percentage of Total	Increase (Decrease) From 1998	Percent of Increase (Decrease)
Revenue by Source					
Municipal Income Tax	\$10,723,977	\$12,376,161	64.18%	\$1,652,184	15.41%
Property and Other Taxes	1,370,172	1,305,833	6.77	(64,339)	(4.70)
Charges for Services	1,117,933	1,117,377	5.79	(556)	(0.05)
Licenses and Permits	133,414	170,657	0.88	37,243	27.92
Fines and Forfeitures	1,192,104	1,236,999	6.41	44,895	3.77
Intergovernmental	1,353,906	1,719,517	8.92	365,611	27.00
Special Assessments	108,150	97,675	0.51	(10,475)	(9.69)
Interest	1,930,919	843,007	4.37	(1,087,912)	(56.34)
Other	284,637	418,589	2.17	133,952	47.06
Total	<u>\$18,215,212</u>	<u>\$19,285,815</u>	<u>100.00%</u>	<u>\$1,070,603</u>	

Municipal income taxes increased due to growth in business and industry, and bonuses received by corporate executives at local businesses.

Property and other taxes decreased due to decreased collections for hotel/motel taxes.

Intergovernmental revenues primarily consist of local government assistance provided by the State through grants and reimbursements for real and personal property tax reductions, gasoline tax, state-levied motor vehicle license tax, inheritance tax and permissive motor vehicle license tax.

Special assessment revenue includes those assessments collected by the City for sidewalk construction. Revenues also include street special assessments and selected sidewalk construction charges collected by the County.

Interest decreased due to the journal entry done to bring investments down to market value per GASB Statement No. 31.

Other revenue increased due to an increase in miscellaneous reimbursements.

Expenditures for governmental operations totaled \$23,736,642. Expenditures for major functions of the City and the percentage of the total are shown in the following table:

	1998 Amount	1999 Amount	Percentage of Total	Increase (Decrease) From 1998	Percent of Increase (Decrease)
Current:					
Public Safety	\$3,812,313	\$4,259,345	17.95%	\$447,032	11.73%
Public Works	2,625,223	2,392,848	10.08	(232,375)	(8.85)
Recreation	1,679,587	1,778,889	7.49	99,302	5.91
General Government	3,499,855	3,874,869	16.32	375,014	10.72
Capital Outlay	5,028,926	10,328,971	43.51	5,300,045	105.39
Debt Service:					
Principal Retirement	340,000	355,000	1.50	15,000	4.41
Interest and Fiscal Charges	761,932	746,720	3.15	(15,212)	(2.00)
Total	<u>\$17,747,836</u>	<u>\$23,736,642</u>	<u>100.00%</u>	<u>\$5,988,806</u>	

Public safety expenditures increased due to staffing increases. Public works expenditures decreased because of a one time increase in contractual services for a street maintenance project last year.

The general government function captures the cost of maintaining the legislative, judicial and administrative branches of the City government. This function includes expenditures of the Council, the Courts, the City Manager, the Finance Director, and general administration, and the cost of operating various municipal buildings.

Capital outlay expenditures represent costs incurred in acquiring fixed assets and undertaking major projects. The 105.39 percent increase in 1999 was due to construction costs related to the Justice Center, the Municipal Building and the Recreation Center.

Principal retirement and interest and fiscal charges reflect payments made for general obligation and special assessment bonded debt.

#### Enterprise Funds

The City's Enterprise Funds consist of the golf, sewer and water operating funds. The enterprise funds are user-fee supported.

	Total Assets	Total Equity	Income (Loss) Before Operating Transfers	Return on Assets	Return on Equity
Golf	\$1,754,272	\$908,683	\$10,848	0.62%	1.19%
Sewer	12,409,966	12,269,495	(60,254)	(0.49)	(0.49)
Water	7,624,445	7,287,602	269,567	3.54	3.70

Charges for services for the Golf Enterprise Fund are intended to cover operational costs; however, items such as depreciation have not historically been built into the fee structure. The fund has a deficit retained earnings at December 31, 1999, of \$450,610. The City will make operating transfers to the Golf Enterprise Fund on an as needed basis. Although the sewer fund experienced a loss before operating transfers for 1999, this fund has a significant positive retained earnings balance at December 31, 1999.

#### Internal Service Fund

The City's Internal Service Fund is a self-insurance fund created for the purpose of providing life and medical coverage for employees. The Internal Service Fund is supported by charges to other funds.

### Investment Trust Fund

The Investment Trust Fund was established to account for the individual investment account of the Tri-Cities joint venture.

### Debt Administration

The Debt Service Funds relate to the special assessment obligations and general obligations of the City. These funds are used to accumulate resources for the payment of principal and interest on the City's general obligation debt. Revenues for these funds normally consist of special assessments and transfers from the General Fund.

As of December 31, 1999, the City had the following bonds outstanding: \$252,766 in special assessment bonded debt with governmental commitment and \$12,892,234 in general obligation bonded debt issued for the purpose of improving streets, constructing a recreation center and a justice center, and renovating the municipal building. The City has maintained its "Aa" bond rating from Moody's Investors Service, Inc.

The City's legal debt margins as of December 31, 1999, were as follows:

Overall Legal Debt Margin	\$24,049,332
Unvoted Legal Debt Margin	\$6,481,271

A more complete presentation of the calculations of these figures may be found in the statistical section of this report.

### Cash Management

In August 1994 the City adopted a new investment policy and hired BondTech, Inc. as an investment consultant. With the guidance of BondTech, the City pursues an aggressive cash management program by expediting the receipt of revenues and prudently investing available cash pursuant to the City's investment policy. The total interest earned by the City was \$846,581 for the year ended December 31, 1999, which represents an annual interest yield of 3.46 percent of the total receipts for the year; and a 56.34 percent decrease in investment earnings in governmental and enterprise funds from 1998. A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 110 percent of the public funds on deposit. The collateral is held by trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions. The City regularly reviews the market value of the pool to insure that adequate collateral is being provided.

In 1998, the City implemented GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." This statement established accounting and reporting guidelines for government investments and investment pools. Certain investments, which were reported at cost in years prior to 1998, are now reported at fair value.

### Risk Management

The City is a member of a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA, Inc.), for liability insurance coverage.

The City is self insured for medical and life benefits for employees. A self-insurance internal service fund receives \$583 per employee each month from the other funds as a "premium." All claims are reviewed by a third party administrator and are paid by the City from money in the Hospital Care Internal Service Fund. The City purchases stop-loss insurance that reimburses the fund for claims exceeding \$30,000 per person per year.

The City pays the State Workers' Compensation System a fee which is an experience based rate charged upon each \$100 of payroll.

## OTHER INFORMATION

### Independent Audit

An audit team from Auditor of State Jim Petro's Office has performed this year's audit. The results of the audit are presented in the Report of Independent Accountants.

### 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 City of Vandalia, Ohio, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 1998. This was the tenth year that the government has received this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### Acknowledgments

Sincere appreciation is extended to the many people who have contributed their time and effort to prepare this report. The Finance Department Staff is to be commended for their input and commitment.

I would also like to express appreciation to Mr. Jim Petro, Auditor of State, and his Local Government Services staff for their guidance and assistance in preparing this report.

  
Linda Chapman  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Vandalia,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Cary Brubaker*  
President

*Jeffrey L. Esler*  
Executive Director

CITY OF VANDALIA, OHIO  
LIST OF PRINCIPAL OFFICIALS  
DECEMBER 31, 1999

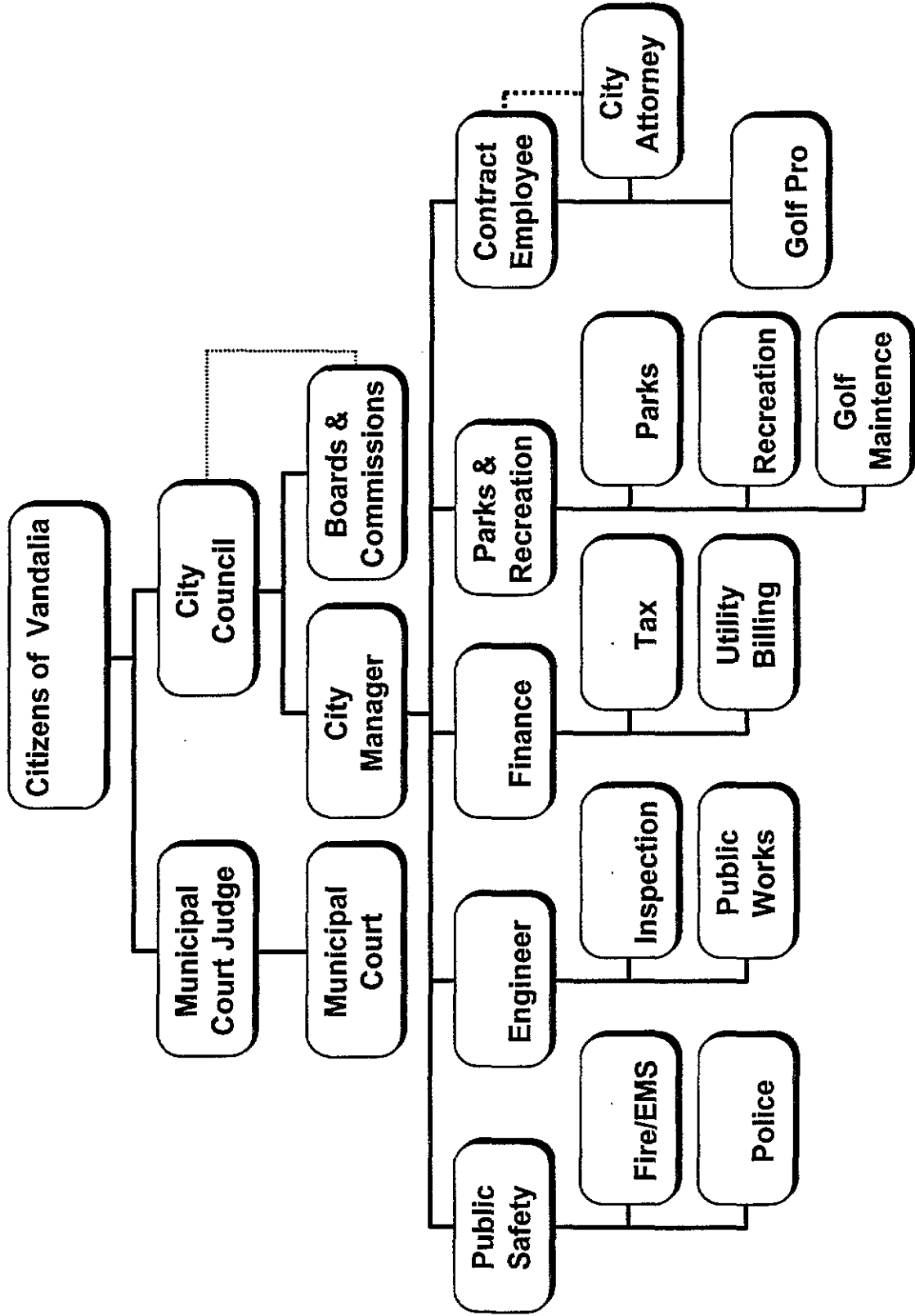
ELECTED OFFICIALS

MAYOR	Mark Hunter
VICE MAYOR	Arlene Setzer
COUNCIL MEMBERS	Candace Farst Joseph Cassano Joyce Orange-Smith Michael Blakesley Jack Shirley

APPOINTED OFFICIALS

CITY MANAGER	Bruce E. Sucher
FINANCE DIRECTOR	Linda Chapman
CITY ATTORNEY	G. Jack Davis
CHIEF OF POLICE	Douglas Knight
CITY ENGINEER/SERVICE DIRECTOR	Theodore Rusen
FIRE CHIEF	John Sands
PARKS AND RECREATION DIRECTOR	Dean Nardecchia

# City of Vandalia, Ohio Organization Chart - 1999



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# Financial Section

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**REPORT OF INDEPENDENT ACCOUNTANTS**

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

To the Honorable Mayor and City Council:

We have audited the accompanying general-purpose financial statements of the City of Vandalia, Montgomery County, (the City) as of and for the year ended December 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Vandalia, Montgomery County, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types and the changes in net assets of its fiduciary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2000 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the statistical section of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro".

**JIM PETRO**  
Auditor of State

May 5, 2000

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## GENERAL PURPOSE FINANCIAL STATEMENTS

The following general purpose financial statements, along with the notes to the general purpose financial statements, present an overview of the City's financial position at December 31, 1999, and the results of operations and cash flows of the proprietary funds for the year then ended.

CITY OF VANDALIA, OHIO  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 DECEMBER 31, 1999

GOVERNMENTAL FUND TYPES

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>
<b>Assets and Other Debits</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$11,828,315	\$966,400	\$12,205,845	\$90,362
Cash and Cash Equivalents with Fiscal and Escrow Agents	0	0	0	0
Investments	0	0	0	0
<b>Receivables:</b>				
Municipal Income Tax	867,814	0	0	0
Property and Other Taxes	1,488,234	0	0	0
Accounts	75,169	8,485	0	0
Special Assessments	0	0	65,969	443,067
Accrued Interest	326	0	0	0
Due from Other Funds	115,592	11,992	0	0
Due from Other Governments	57,995	35,731	0	0
<b>Materials and Supplies</b>				
Inventory	6,997	62,448	0	0
Advances Receivable	1,339,669	0	0	0
Notes Receivable	0	0	121,586	0
<b>Restricted Assets:</b>				
Cash and Cash Equivalents	0	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Investment in Joint Venture	0	0	0	0
<b>Other Debits:</b>				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount Available in Debt Service Fund for Retirement of Special Assessment Debt	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Amount to be Provided from Special Assessments	0	0	0	0
<b>Total Assets and Other Debits</b>	<b><u>\$15,780,111</u></b>	<b><u>\$1,085,056</u></b>	<b><u>\$12,393,400</u></b>	<b><u>\$533,429</u></b>

<u>PROPRIETARY FUND TYPES</u>		<u>FIDUCIARY FUND TYPES</u>	<u>ACCOUNT GROUPS</u>			<u>TOTAL (MEMORANDUM ONLY)</u>
<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>TRUST AND AGENCY</u>	<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG-TERM OBLIGATIONS</u>		
\$2,653,896	\$773,084	\$46,294	\$0	\$0		\$28,564,196
0	0	257,771	0	0		257,771
0	0	5,379,927	0	0		5,379,927
0	0	0	0	0		867,814
0	0	0	0	0		1,488,234
603,967	18,293	15,767	0	0		721,681
0	0	0	0	0		509,036
0	0	0	0	0		326
0	0	0	0	0		127,584
0	0	0	0	0		93,726
75,645	0	0	0	0		145,090
0	0	0	0	0		1,339,669
0	0	0	0	0		121,586
23,941	0	0	0	0		23,941
13,056,439	0	0	27,743,597	0		40,800,036
5,374,795	0	0	0	0		5,374,795
0	0	0	0	31,403		31,403
0	0	0	0	58,959		58,959
0	0	0	0	14,053,487		14,053,487
0	0	0	0	193,807		193,807
<u>\$21,788,683</u>	<u>\$791,377</u>	<u>\$5,699,759</u>	<u>\$27,743,597</u>	<u>\$14,337,656</u>		<u>\$100,153,068</u>

(Continued)

CITY OF VANDALIA, OHIO  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 DECEMBER 31, 1999  
 (Continued)

GOVERNMENTAL FUND TYPES

<u>Liabilities, Fund Equity and Other Credits</u>	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>
<u>Liabilities:</u>				
Accounts Payable	\$154,230	\$8,694	\$54,846	\$0
Claims Payable	0	0	0	0
Contracts Payable	0	0	1,065,091	0
Retainage Payable	0	0	438,353	0
Accrued Wages	188,684	12,950	0	0
Compensated Absences Payable	34,012	726	0	0
Due to Other Funds	0	0	0	0
Due to Other Governments	197,200	7,674	0	0
Advances Payable	0	0	558,635	0
Deferred Revenue	1,481,747	0	65,969	443,067
Undistributed Monies	0	0	0	0
<u>Payable from Restricted Assets:</u>				
Refundable Deposits	0	0	0	0
Police Pension Liability	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Special Assessment Debt with Governmental Commitment	0	0	0	0
<b>Total Liabilities</b>	<b><u>2,055,873</u></b>	<b><u>30,044</u></b>	<b><u>2,182,894</u></b>	<b><u>443,067</u></b>
<u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets	0	0	0	0
<u>Contributed Capital:</u>				
Wastewater Authority	0	0	0	0
Other	0	0	0	0
Net Assets in Investment Trust Fund	0	0	0	0
<u>Retained Earnings:</u>				
Unreserved	0	0	0	0
<u>Fund Balance:</u>				
Reserved for Encumbrances	1,695,074	72,039	11,250,256	0
Reserved for Inventory	6,997	62,448	0	0
Reserved for Notes Receivable	0	0	121,586	0
Reserved for Advances Receivable	1,339,669	0	0	0
Unreserved (Deficit)	10,682,498	920,525	(1,161,336)	90,362
<b>Total Fund Equity and Other Credits</b>	<b><u>13,724,238</u></b>	<b><u>1,055,012</u></b>	<b><u>10,210,506</u></b>	<b><u>90,362</u></b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b><u>\$15,780,111</u></b>	<b><u>\$1,085,056</u></b>	<b><u>\$12,393,400</u></b>	<b><u>\$533,429</u></b>

See accompanying notes to the general purpose financial statements

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS			TOTAL (MEMORANDUM ONLY)
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS		
\$408,200	\$502	\$0	\$0	\$0		\$626,472
0	141,593	0	0	0		141,593
0	0	0	0	0		1,065,091
0	0	0	0	0		438,353
14,342	0	0	0	0		215,976
63,885	0	0	0	921,316		1,019,939
0	0	127,584	0	0		127,584
27,720	0	56,739	0	234,161		523,494
781,034	0	0	0	0		1,339,669
3,781	0	0	0	0		1,994,564
0	0	135,509	0	0		135,509
23,941	0	0	0	0		23,941
0	0	0	0	37,179		37,179
0	0	0	0	12,892,234		12,892,234
0	0	0	0	252,766		252,766
<u>1,322,903</u>	<u>142,095</u>	<u>319,832</u>	<u>0</u>	<u>14,337,656</u>		<u>20,834,364</u>
0	0	0	27,743,597	0		27,743,597
5,193,023	0	0	0	0		5,193,023
6,074,518	0	0	0	0		6,074,518
0	0	5,379,927	0	0		5,379,927
9,198,239	649,282	0	0	0		9,847,521
0	0	0	0	0		13,017,369
0	0	0	0	0		69,445
0	0	0	0	0		121,586
0	0	0	0	0		1,339,669
0	0	0	0	0		10,532,049
<u>20,465,780</u>	<u>649,282</u>	<u>5,379,927</u>	<u>27,743,597</u>	<u>0</u>		<u>79,318,704</u>
<u>\$21,788,683</u>	<u>\$791,377</u>	<u>\$5,699,759</u>	<u>\$27,743,597</u>	<u>\$14,337,656</u>		<u>\$100,153,068</u>



CITY OF VANDALIA, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL (MEMORANDUM ONLY)
Revenues:					
Municipal Income Tax	\$12,376,161	\$0	\$0	\$0	\$12,376,161
Property and Other Taxes	1,305,833	0	0	0	1,305,833
Charges for Services	943,946	173,431	0	0	1,117,377
Licenses and Permits	170,657	0	0	0	170,657
Fines and Forfeitures	1,050,655	186,344	0	0	1,236,999
Intergovernmental	1,014,524	524,853	180,140	0	1,719,517
Special Assessments	0	0	15,103	82,572	97,675
Interest	318,175	0	524,832	0	843,007
Other	405,400	12,789	400	0	418,589
<b>Total Revenues</b>	<b>17,585,351</b>	<b>897,417</b>	<b>720,475</b>	<b>82,572</b>	<b>19,285,815</b>
Expenditures:					
Current:					
Public Safety	4,258,529	816	0	0	4,259,345
Public Works	1,882,126	509,348	0	1,374	2,392,848
Recreation	1,557,247	221,642	0	0	1,778,889
General Government	3,756,153	118,716	0	0	3,874,869
Capital Outlay	0	85,274	10,243,697	0	10,328,971
Debt Service:					
Principal Retirement	0	0	0	355,000	355,000
Interest and Fiscal Charges	0	0	0	746,720	746,720
<b>Total Expenditures</b>	<b>11,454,055</b>	<b>935,796</b>	<b>10,243,697</b>	<b>1,103,094</b>	<b>23,736,642</b>
Excess of Revenues Over (Under) Expenditures	6,131,296	(38,379)	(9,523,222)	(1,020,522)	(4,450,827)
Other Financing Sources (Uses):					
Operating Transfers - In	0	70,276	2,785,917	1,039,140	3,895,333
Operating Transfers - Out	(3,895,333)	0	(11,424)	0	(3,906,757)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,895,333)</b>	<b>70,276</b>	<b>2,774,493</b>	<b>1,039,140</b>	<b>(11,424)</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,235,963	31,897	(6,748,729)	18,618	(4,462,251)
Fund Balances at Beginning of Year	11,484,994	1,023,601	16,959,235	71,744	29,539,574
Increase (Decrease) in Reserve for Inventory	3,281	(486)	0	0	2,795
<b>Fund Balances at End of Year</b>	<b>\$13,724,238</b>	<b>\$1,055,012</b>	<b>\$10,210,506</b>	<b>\$90,362</b>	<b>\$25,080,118</b>

See accompanying notes to the general purpose financial statements

CITY OF VANDALIA, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 ALL GOVERNMENTAL FUND TYPES  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	GENERAL FUND		
	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Municipal Income Tax	\$12,013,325	\$12,211,905	\$198,580
Property and Other Taxes	1,379,728	1,382,893	3,165
Charges for Services	887,502	891,209	3,707
Licenses and Permits	169,810	170,141	331
Fines and Forfeitures	1,056,674	1,056,674	0
Intergovernmental	1,015,340	1,024,630	9,290
Special Assessments	0	0	0
Interest	955,813	1,038,628	82,815
Other	401,814	401,814	0
<b>Total Revenues</b>	<b>17,880,006</b>	<b>18,177,894</b>	<b>297,888</b>
Expenditures:			
Current:			
Public Safety	4,340,568	4,306,743	33,825
Public Works	2,104,606	2,091,861	12,745
Recreation	1,604,370	1,585,936	18,434
General Government	4,287,516	4,238,515	49,001
Capital Outlay	959,107	959,107	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>13,296,167</b>	<b>13,182,162</b>	<b>114,005</b>
Excess of Revenues Over (Under) Expenditures	4,583,839	4,995,732	411,893
Other Financing Sources (Uses):			
Repayment of Notes Receivable	0	0	0
Operating Transfers - In	0	0	0
Operating Transfers - Out	(3,895,333)	(3,895,333)	0
Advances - In	6,000	6,000	0
Advances - Out	(176,635)	(176,635)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(4,065,968)</b>	<b>(4,065,968)</b>	<b>0</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	517,871	929,764	411,893
Fund Balances Beginning of Year	9,071,141	9,071,141	0
Prior Year Encumbrances Appropriated	641,677	641,677	0
<b>Fund Balances at End of Year</b>	<b>\$10,230,689</b>	<b>\$10,642,582</b>	<b>\$411,893</b>

(Continued)

CITY OF VANDALIA, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 ALL GOVERNMENTAL FUND TYPES  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999  
 (Continued)

	SPECIAL REVENUE FUNDS		
	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Municipal Income Tax	\$0	\$0	\$0
Property and Other Taxes	0	0	0
Charges for Services	174,139	174,139	0
Licenses and Permits	0	0	0
Fines and Forfeitures	147,868	147,868	0
Intergovernmental	564,367	564,367	0
Special Assessments	0	0	0
Interest	0	0	0
Other	8,923	8,923	0
<b>Total Revenues</b>	<b>895,297</b>	<b>895,297</b>	<b>0</b>
Expenditures:			
Current:			
Public Safety	59,643	43,071	16,572
Public Works	539,265	538,074	1,191
Recreation	222,363	222,053	310
General Government	123,962	123,566	396
Capital Outlay	87,851	87,598	253
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>1,033,084</b>	<b>1,014,362</b>	<b>18,722</b>
Excess of Revenues Over (Under) Expenditures	(137,787)	(119,065)	18,722
Other Financing Sources (Uses):			
Repayment of Notes Receivable	0	0	0
Operating Transfers - In	70,276	70,276	0
Operating Transfers - Out	0	0	0
Advances - In	0	0	0
Advances - Out	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>70,276</b>	<b>70,276</b>	<b>0</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(67,511)	(48,789)	18,722
Fund Balances Beginning of Year	817,347	817,347	0
Prior Year Encumbrances Appropriated	119,859	119,859	0
<b>Fund Balances at End of Year</b>	<b>\$869,695</b>	<b>\$888,417</b>	<b>\$18,722</b>

See accompanying notes to the general purpose financial statements

CAPITAL PROJECTS FUNDS			DEBT SERVICE FUNDS		
REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
180,140	180,140	0	0	0	0
15,193	15,193	0	82,572	82,572	0
496,313	551,733	55,420	0	0	0
400	400	0	0	0	0
<u>692,046</u>	<u>747,466</u>	<u>55,420</u>	<u>82,572</u>	<u>82,572</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	1,374	1,374	0
0	0	0	0	0	0
0	0	0	0	0	0
21,114,176	21,083,844	30,332	0	0	0
0	0	0	355,000	355,000	0
0	0	0	746,720	746,720	0
<u>21,114,176</u>	<u>21,083,844</u>	<u>30,332</u>	<u>1,103,094</u>	<u>1,103,094</u>	<u>0</u>
<u>(20,422,130)</u>	<u>(20,336,378)</u>	<u>85,752</u>	<u>(1,020,522)</u>	<u>(1,020,522)</u>	<u>0</u>
24,207	24,207	0	0	0	0
2,785,917	2,785,917	0	1,039,140	1,039,140	0
0	0	0	0	0	0
176,635	176,635	0	0	0	0
0	0	0	(6,000)	(6,000)	0
<u>2,986,759</u>	<u>2,986,759</u>	<u>0</u>	<u>1,033,140</u>	<u>1,033,140</u>	<u>0</u>
(17,435,371)	(17,349,619)	85,752	12,618	12,618	0
12,349,694	12,349,694	0	77,744	77,744	0
5,738,563	5,738,563	0	0	0	0
<u>\$652,886</u>	<u>\$738,638</u>	<u>\$85,752</u>	<u>\$90,362</u>	<u>\$90,362</u>	<u>\$0</u>

CITY OF VANDALIA, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN RETAINED EARNINGS  
 ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
Operating Revenues:			
Charges for Services	\$3,920,374	\$1,007,482	\$4,927,856
Other	<u>26,941</u>	<u>193,692</u>	<u>220,633</u>
Total Operating Revenues	<u>3,947,315</u>	<u>1,201,174</u>	<u>5,148,489</u>
Operating Expenses:			
Personal Services	876,892	0	876,892
Contractual Services	2,119,690	135,241	2,254,931
Materials and Supplies	244,173	0	244,173
Other	80,724	84	80,808
Claims	0	1,089,436	1,089,436
Depreciation	<u>386,023</u>	<u>0</u>	<u>386,023</u>
Total Operating Expenses	<u>3,707,502</u>	<u>1,224,761</u>	<u>4,932,263</u>
Operating Income (Loss)	<u>239,813</u>	<u>(23,587)</u>	<u>216,226</u>
Non-Operating Revenues (Expenses):			
Investment in Joint Venture	(23,791)	0	(23,791)
Interest	3,574	0	3,574
Gain on Disposal of Fixed Assets	7,818	0	7,818
Loss on Disposal of Fixed Assets	<u>(7,253)</u>	<u>0</u>	<u>(7,253)</u>
Total Non-Operating Revenues (Expenses)	<u>(19,652)</u>	<u>0</u>	<u>(19,652)</u>
Income (Loss) Before Operating Transfers	220,161	(23,587)	196,574
Operating Transfers - In	<u>11,424</u>	<u>0</u>	<u>11,424</u>
Net Income (Loss)	231,585	(23,587)	207,998
Retained Earnings at Beginning of Year - Restated (Note 5)	<u>8,966,654</u>	<u>672,869</u>	<u>9,639,523</u>
Retained Earnings at End of Year	<u>\$9,198,239</u>	<u>\$649,282</u>	<u>\$9,847,521</u>

See accompanying notes to the general purpose financial statements

CITY OF VANDALIA, OHIO  
 STATEMENT OF CHANGES IN NET ASSETS  
 FIDUCIARY FUND TYPE  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	INVESTMENT TRUST
Revenues:	
Investment Income	\$170,291
Increase in Net Assets Resulting from Operations	170,291
Distributions to Participants	0
Capital Transactions	(36,647)
Total Increase in Net Assets	133,644
Net Assets Beginning of Year	5,246,283
Net Assets End of Year	\$5,379,927

See accompanying notes to the general purpose financial statements

CITY OF VANDALIA, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND EQUITY - BUDGET AND ACTUAL  
 ALL PROPRIETARY FUND TYPES  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	ENTERPRISE FUNDS		
	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Charges for Services	\$3,943,667	\$3,955,668	\$12,001
Utility Deposits Received	4,614	4,614	0
Interest	3,231	3,574	343
Other	30,178	30,515	337
	3,981,690	3,994,371	12,681
Total Revenues			
Expenses:			
Current:			
Personal Services	875,220	875,220	0
Contractual Services	2,445,360	2,440,725	4,635
Materials and Supplies	325,907	310,532	15,375
Other	70,567	70,567	0
Claims	0	0	0
Capital Outlay	6,815	5,600	1,215
Utility Deposits Returned	1,968	1,968	0
	3,725,837	3,704,612	21,225
Total Expenses			
Excess of Revenues Over (Under) Expenses	255,853	289,759	33,906
Fund Equity at Beginning Year	1,981,691	1,981,691	0
Prior Year Encumbrances Appropriated	38,291	38,291	0
	\$2,275,835	\$2,309,741	\$33,906
Fund Equity at End of Year			

See accompanying notes to the general purpose financial statements

INTERNAL SERVICE FUND

<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$1,007,482	\$1,007,542	\$60
0	0	0
0	0	0
<u>175,660</u>	<u>175,660</u>	<u>0</u>
<u>1,183,142</u>	<u>1,183,202</u>	<u>60</u>
0	0	0
141,530	135,144	6,386
0	0	0
84	84	0
1,077,438	1,074,136	3,302
0	0	0
<u>0</u>	<u>0</u>	<u>0</u>
<u>1,219,052</u>	<u>1,209,364</u>	<u>9,688</u>
(35,910)	(26,162)	9,748
666,453	666,453	0
<u>93,415</u>	<u>93,415</u>	<u>0</u>
<u>\$723,958</u>	<u>\$733,706</u>	<u>\$9,748</u>



CITY OF VANDALIA, OHIO  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$3,947,169	\$0	\$3,947,169
Cash Received from Quasi-External Transactions with Other Funds	0	1,007,542	1,007,542
Other Operating Receipts	27,015	175,660	202,675
Cash Payments for Employee Services and Benefits	(875,220)	0	(875,220)
Cash Payments to Suppliers for Goods and Services	(2,366,165)	(134,739)	(2,500,904)
Cash Payments for Employee Medical, Dental and Life Insurance Claims	0	(1,035,163)	(1,035,163)
Other Operating Expenses	(80,821)	(84)	(80,905)
Utility Deposits Received	4,614	0	4,614
Utility Deposits Returned	(1,968)	0	(1,968)
<b>Net Cash Provided by Operating Activities</b>	<b>654,624</b>	<b>13,216</b>	<b>667,840</b>
Cash Flows from Noncapital Financing Activities:			
Operating Transfers - In	11,424	0	11,424
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>11,424</b>	<b>0</b>	<b>11,424</b>
Cash Flows from Capital and Related Financing Activities:			
Proceeds from Sale of Fixed Assets	12,000	0	12,000
Acquisition of Capital Assets	(23,767)	0	(23,767)
<b>Net Cash Used for Capital and Related Financing Activities</b>	<b>(11,767)</b>	<b>0</b>	<b>(11,767)</b>
Cash Flows from Investing Activities:			
Interest	3,574	0	3,574
<b>Net Cash Provided by Investing Activities</b>	<b>3,574</b>	<b>0</b>	<b>3,574</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>657,855</b>	<b>13,216</b>	<b>671,071</b>
<b>Cash and Cash Equivalents Beginning of Year</b>	<b>2,019,982</b>	<b>759,868</b>	<b>2,779,850</b>
<b>Cash and Cash Equivalents End of Year</b>	<b>\$2,677,837</b>	<b>\$773,084</b>	<b>\$3,450,921</b>

(Continued)

CITY OF VANDALIA, OHIO  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999  
 (Continued)

	ENTERPRISE	INTERNAL SERVICE	TOTAL (MEMORANDUM ONLY)
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>			
Operating Income (Loss)	\$239,813	(\$23,587)	\$216,226
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities			
Depreciation	386,023	0	386,023
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	27,717	(17,972)	9,745
Increase in Materials and Supplies Inventory	(18,506)	0	(18,506)
Increase in Accounts Payable	16,107	502	16,609
Increase in Claims Payable	0	54,273	54,273
Increase in Accrued Wages	576	0	576
Decrease in Due to Other Governments	(4,535)	0	(4,535)
Increase in Liabilities Payable from Restricted Assets	2,646	0	2,646
Increase in Compensated Absences	5,631	0	5,631
Decrease in Deferred Revenue	(848)	0	(848)
Net Cash Provided by Operating Activities	\$654,624	\$13,216	\$667,840

Non-cash Capital Financing Activities:

The Capital Improvement Capital Projects Fund purchased infrastructure, machinery and equipment for the Golf, Sewer and Water Enterprise Funds with fair market value of \$72,988, \$1,581 and \$36,618, respectively.

See accompanying notes to the general purpose financial statements

CITY OF VANDALIA, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION

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

Reporting Entity

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

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

The Vandalia Municipal Court has been included in the City's financial statements as an agency fund. The clerk of courts is an appointed City official who has fiduciary responsibility for the collection and distribution of the court fees and fines.

The City is associated with the Tri-Cities North Regional Wastewater Authority (Tri-Cities), which is defined as a joint venture. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. This organization is presented in Note 19.

The Miami Valley Risk Management Association, Inc. (MVRMA) is a risk sharing insurance pool established for the purpose of enabling the subscribing politically subdivisions to obtain liability insurance and providing a formalized, jointly administered self-insurance fund for its members. The members formed a not-for-profit corporation known as Miami Valley Risk Management Association, Inc. for the purpose of administering the pool. The subscribing members of the self-insurance pool include the Cities of Beavercreek, Blue Ash, Indian Hill, Kettering, Maderia, Mason, Miamisburg, Montgomery, Sidney, Springdale, Tipp City, Troy, West Carrollton, Wilmington, Wyoming and Vandalia. The City has no explicit and measurable equity interest in MVRMA and no ongoing financial responsibility for MVRMA.

Basis of Presentation - Fund Accounting

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

CITY OF VANDALIA, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (Continued)

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds and the investment trust fund) are accounted for through governmental funds. The following are the City's governmental fund types.

General Fund - This fund is the operating fund of the City and is used to account for all financial resources except those required to be required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

Special Revenue Funds - These funds are established to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payment of, general long-term and special assessment debt principal and interest.

Proprietary Funds

The proprietary funds are used to account for the City's ongoing activities that are similar to those found in the private sector. The following are the City's proprietary fund types:

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses including depreciation) of providing services to the general public on a continuing basis be recovered or financed primarily through user charges or where it has been decided that a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Fund - This fund is used to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

CITY OF VANDALIA, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (Continued)

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and other funds. The City's fiduciary funds are agency funds and an investment trust fund. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The investment trust fund uses the same combination of measurement focus and basis of accounting as do proprietary funds.

ACCOUNT GROUPS

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is used to account for all fixed assets of the City other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group - This account group is used to account for all unmatured general long-term indebtedness of the City that is not a specific liability of the proprietary funds, including special assessment debt for which the City is obligated in some manner.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Vandalia have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements issued on or before November 30, 1989, to the proprietary funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below.

Measurement Focus and Basis of Accounting

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and the investment trust fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital, retained earnings and net assets components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to the time when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

CITY OF VANDALIA, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All governmental fund types and agency funds are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the City is thirty-one days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest, state-levied locally shared taxes (including gasoline tax), fines and forfeitures and employer withheld income tax.

The City reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of December 31, 1999, whose availability is indeterminate and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue. Levied special assessments are measurable, and have been recorded as a receivable. Assessments due outside the available period have been deferred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when the related fund liability is incurred, if measurable. Principal and interest on special assessment long-term obligations are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year, and the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds and the investment trust fund. Revenues are recognized when they are earned and become measurable and expenses are recognized when incurred, if measurable. Unbilled service charges receivable are recognized as revenue at year end.

Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, and the investment trust fund are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level (personal services, operations and maintenance) within each department. Budgetary modifications may only be made by resolution of City Council.

Budget

A tax budget of estimated revenues and expenditures for all funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

CITY OF VANDALIA, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenues. The commission certifies its actions to the City by October 1. As part of this certification, the City receives the official certificate of estimated resources which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the fiscal officer determines that the revenue to be collected is greater or less than the current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 1999.

Appropriations

A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance generally controls expenditures at the departmental level by personal services and operations and maintenance, and may be amended or supplemented only by Council during the year as required. One supplemental appropriation measure was legally enacted during 1999. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and is not reappropriated.

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled, except cash held by a trustee or fiscal agent and money held for Tri-Cities, the joint venture for which the City serves as fiscal agent. Individual fund integrity is maintained through the City's records.

CITY OF VANDALIA, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City operates a separate individual investment account for Tri-Cities joint venture. This investing activity is reflected in the Investment Trust Fund.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost.

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 1999. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 1999.

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue is credited to the General Fund, Capital Improvement, Justice Center/Municipal Building and Recreation Center Capital Projects Funds and Golf Enterprise Fund. Interest revenue earned during 1999 amounted to \$318,175, \$11,480, \$80,972, \$432,380, and \$3,574, respectively, which includes \$247,017 assigned to the General Fund from other City funds.

Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred.

Interfund Assets/Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Long-term interfund loans are classified as "advances to/from other funds" and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources.

Inventory of Supplies

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at cost or market value whichever is lower. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund types when used.



CITY OF VANDALIA, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Restricted Assets

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

Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets and infrastructure utilized in the proprietary funds are capitalized in the respective fund.

All purchased fixed assets are valued at cost when historical records are available and at estimated historical cost when historical records do not exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs, gutters, sidewalks, and drainage systems are not capitalized, as these assets are immovable and of value only to the City.

Assets in the general fixed assets account group are not depreciated. Depreciation in the proprietary fund types is computed using the straight-line method over the following useful lives:

Water and Sewer Lines	65 years
Golf Course Irrigation System	65 years
Buildings and Improvements	15-45 years
Machinery and Equipment	6-20 years

Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

CITY OF VANDALIA, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The City follows the provisions of Governmental Accounting Standards Board Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the City's termination policy.

The City records a liability for all accumulated unused vacation time when earned for all employees. The City records a liability for accumulated unused sick leave for all employees after twenty years of accumulative service. For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as fund liability.

Accrued Liabilities and Long-Term Debt

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension benefits are reported as liabilities in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Payments made more than thirty-one days after year-end are considered not to have been paid using current available financial resources.

Bonds are recognized as a liability of the general long-term obligations account group until due. Long-term obligations to be paid from proprietary funds are reported as liabilities in the appropriate proprietary funds.

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
Special Assessment Bonds	Street Special Assessment Bond Fund
Police Pension	General Fund
Compensated Absences	Will be paid by the fund from which the employee's salary is paid
Due to Other Governments	Will be paid by the fund from which the employee's salary is paid
General Obligation Bonds	General Obligation Bond Retirement Fund

CITY OF VANDALIA, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Capital

Contributed capital represents resources from other funds, federal and state grants, other governments, and private sources provided to the City's proprietary funds which are not subject to repayment.

Because the City, prior to 1987, had not prepared its financial statements in accordance with generally accepted accounting principles, the exact amount of contributed capital pertaining to years prior to 1987 cannot be determined. Consequently, only those amounts that could be specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to the proprietary funds have been classified as retained earnings.

Reservations of Fund Equity

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure or the portion of fund balance that is legally segregated for a specific future use. Fund equity has been reserved for encumbrances, inventory, notes receivable and advances receivable.

Self-Insurance Fund

The City has created a self-insurance internal service fund for the purpose of paying employee health and life benefits. Contributions to the fund are made in lieu of insurance premium payments.

Estimates

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

Total Columns on General Purpose Financial Statements

Total columns on the General Purpose Financial Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 - BUDGET TO GAAP RECONCILIATION

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, requires accounting for certain transactions on the basis of cash receipts, disbursements, appropriations and encumbrances.

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual, (Budget Basis) All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity, Budget and Actual, All Proprietary Fund Types are 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:

CITY OF VANDALIA, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 DECEMBER 31, 1999

NOTE 3 - BUDGET TO GAAP RECONCILIATION (Continued)

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures/expenses (budget basis) rather than a reservation of fund balance for governmental funds or note disclosure for proprietary funds (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The adjustments necessary to convert the results of operations for the year ended December 31, 1999 on the GAAP basis to the budget basis are as follows:

Excess of Revenues and Other Financing Sources  
 Over (Under) Expenditures and Other Financing Uses  
 All Governmental Fund Types

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>
GAAP Basis	\$2,235,963	\$31,897	(\$6,748,729)	\$18,618
Adjustments:				
Revenue Accruals	5,029	(2,120)	(43,517)	0
Expenditure Accruals	45,140	(583)	697,568	0
Encumbrances	(1,773,247)	(77,983)	(11,537,715)	0
Decrease in Fair Value of Investments	587,514	0	70,508	0
Repayment of Notes Receivable	0	0	24,207	0
Transfers In/Out	0	0	11,424	0
Advances In/Out	(170,635)	0	176,635	(6,000)
Budget Basis	<u>\$929,764</u>	<u>(\$48,789)</u>	<u>(\$17,349,619)</u>	<u>\$12,618</u>

CITY OF VANDALIA, OHIO  
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NOTE 3 - BUDGET TO GAAP RECONCILIATION (Continued)

	Enterprise	Internal Service
Net Income/Excess of Revenues and Operating Transfers Over Expenses All Proprietary Fund Types		
GAAP Basis	\$231,585	(\$23,587)
Adjustments:		
Revenue Accruals	38,868	(17,972)
Expense Accruals	(7,808)	54,775
Supplies Inventory	18,506	0
Capital Outlay	(23,767)	0
Depreciation	386,023	0
Encumbrances	(368,096)	(39,378)
Gain on Disposal of Fixed Assets	(7,818)	0
Loss on Disposal of Fixed Assets	7,253	0
Utility Deposits Received	4,614	0
Utility Deposits Returned	(1,968)	0
Investment in Joint Venture	23,791	0
Transfers In/Out	(11,424)	0
Budget Basis	\$289,759	(\$26,162)

NOTE 4 - ACCOUNTABILITY

Accountability

The Webster Street Capital Projects Fund had a deficit of \$433,835 in fund balance at December 31, 1999. The deficit is a result of timing with grant money receipts. The General Fund has advanced money to this fund to cover the cash flow problem. An advances receivable and advances payable has been established for this. The Golf Enterprise Fund had a deficit of \$450,610 in retained earnings at December 31, 1999, however, the fund had operating income for the year. In the past, the City has made routine operating transfers to cover losses and, if needed, will continue to do so in the future.

NOTE 5 - RESTATEMENT OF PRIOR YEAR RETAINED EARNINGS

The Sewer and Water Enterprise Funds had restatements of retained earnings at December 31, 1998. The restatement in the Sewer Fund was due to an overstatement of the City's equity interest in Tri-Cities joint venture and accounts receivable of \$108,351 and \$18,443, respectively. The restatement in the Water Fund was due to an understatement of fixed assets in the amount of \$5,368. As a result of these restatements, retained earnings as of December 31, 1998 for the Enterprise Funds decreased by \$121,426, from \$9,088,080 to \$8,966,654.

CITY OF VANDALIA, OHIO  
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NOTE 6 - DEPOSITS AND INVESTMENTS

Policies and Procedures

The investment and deposit of City monies are governed by the provisions of the Charter and Codified Ordinances of the City and the Ohio Revised Code. In accordance with these provisions, investments purchased for the portfolio may be safekept by any Ohio financial institution or any primary government security dealer. Authorized dealer/brokers are restricted to Ohio financial institutions, primary government securities dealers, and NASD registered dealers. Interest income is distributed to the funds according to the City Charter guidelines.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in addition to amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities, the face value of which is at least 110% of the total value of public monies on deposit at the institution.

Deposits

At year end, the carrying amount of the City's deposits was \$3,248,264 and the bank balance was \$3,415,029. Of the bank balance, \$501,121, was covered by federal deposit insurance. The remaining \$2,913,908 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust departments in the City's name and all state statutory requirements for the investment of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

Investments

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

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

The maximum maturity of any investment is limited to a final stated maturity of seven years or an average life of seven years, where the average life is estimated by nationally recognized firms independent of the dealer selling the security to the City.

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

1. Obligations of the United States including U.S. treasury securities and government agency securities guaranteed by the United States.
2. United States government agency securities and the securities issued by instrumentalities of the U.S. including, but not limited to, obligations of the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Farm Credit Bank, the Federal Home Loan Bank, the Government National Mortgage Association (GNMA), and the Small Business Administration (SBA).
3. State Treasury Asset Reserve of Ohio (STAR Ohio).

CITY OF VANDALIA, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

4. Obligations of the State of Ohio and obligations of political subdivisions of the State of Ohio.
5. Deposits of any Ohio financial institution subject to collateralization of public funds defined by the Ohio Revised Code.
6. Bankers Acceptances and Deposits of the top fifty banks in the United States based upon asset size or Ohio based financial institutions with at least \$2 billion in total assets.
7. Prime Commercial Paper issued with a credit rating of P-1 by Standard & Poors Corporation or A-1 by Moody's rating service.
8. Obligations of corporate entities having debt rating of Aa or better by Standard & Poors Corporation or Moody's rating service.

The portfolio shall be diversified so as to avoid concentrations of credit risk from any rated issuer: (1) At the time of purchase, aggregate collateralized investments in the obligations of any financial institution are limited to the greater of \$1,000,000 or 20 percent of the portfolio, where eligible collateral is defined by the Ohio Revised Code; (2) At the time of purchase, aggregate investments in the obligations of any U.S. corporation and non-collateralized investments in the obligations of any financial institution are limited to the greater of \$500,000 or 10 percent of the portfolio. Investments in eligible short term investments which can be readily converted to cash within 48 hours are limited to the greater of \$2,500,000 or 30 percent of the portfolio.

No delayed settlement transactions exceeding 30 days between the trade date and the settlement date are permitted. Securities will be executed at the best possible bid or offer available in the market at the time of execution.

During 1999 the City continued to diversify its investment portfolio to gain a higher rate of return while still maintaining liquidity and minimizing risk. Investments include commercial paper, U.S. Treasury Notes, Federal Home Loan Bank (FHLB) notes and participation certificates, real estate mortgage investment conduits and mortgage backed securities issued by FNMA and FHLMC. Purchases of commercial paper are limited to corporate issuers rated A-1 or P-1. It is the City's intent that all investments in commercial paper will be held to maturity. The FHLB note has an interest rate that varies directly with the Constant Maturity Treasury (CMT), an index of Treasury securities published by the Federal Reserve Board. The note is issued with a coupon floor and a coupon cap which establish a range of possible interest rates for the security regardless of the change in market rates. The security was selected for purchase because the minimum interest rate, when coupled with the discount at the time of purchase, yields a rate of return that exceeds what was available from more conventional securities and that yield will increase if market interest rates increase.

A participation certificate (PC) is a mortgage pass-through security. It represents an interest in a pool of mortgage loans. Holders of the PC receive principal and interest payments as the principal and interest payments on the underlying mortgages are made. For the PCs purchased by the City, FNMA and FHLMC guarantee the timely payment of the mortgage principal and interest payments. The average life of a PC is a measure of when mortgage principal payments are actually received and will vary depending on how quickly the mortgages are paid. If the mortgages in the pool are prepaid because the owners sell their homes, or if interest rates decline and mortgages are prepaid through refinancing, the average life of the PC will shorten. If interest rates increase, the average life of the PC will increase. PCs are fixed income securities; that means that their prices vary as market rates change. PCs are therefore purchased on the open market at a premium or discount. Changes in average life caused by prepayments will affect yield depending on whether the security was purchased at a premium or discount.

CITY OF VANDALIA, OHIO  
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DECEMBER 31, 1999

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

A Real Estate Mortgage Investment Conduit (REMIC) is a multi-class security collateralized by mortgage pass-through securities or mortgage loans. Each class of security in the REMIC receives an allocation of the principal and interest payments on the collateral based on the terms in the offering circular. As with PCs, the City is guaranteed the timely payment of the mortgage principal and interest payments and the maturity of the security will fluctuate with changes in interest rates. The risk associated with purchasing a particular class of security in a REMIC depends on the nature of the payments that will be received (principal only, interest only, or both), and the effect on the security of a change in the market rate of interest. The City of Vandalia has only invested in vehicles that earn both principal and interest. The City does not have any principal only or interest only investments.

The City analyzes PCs and REMICs searching for estimated maturities that satisfy the City's liquidity standards and yields that will remain above what is otherwise available even as interest rates fluctuate.

GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that the City's investments be classified in categories of risk. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. STAR Ohio, an investment fund operated by the Ohio State Treasurer, is unclassified since it is not evidenced by securities that exist in physical or book entry form.

	Category 2	Unclassified	Carrying Value	Fair Value
STAR Ohio	\$0	\$178,732	\$178,732	\$178,732
Repurchase Agreements	1,144,031	0	1,144,031	1,144,031
US Treasury Fund Money Market	30,379	0	30,379	30,379
GE Interest Plus Commercial Paper	3,147,215	0	3,147,215	3,147,215
Federal Home Loan Bank Notes	8,325,515	0	8,325,515	8,325,515
Federal National Mortgage Association (FNMA) Participation Certificates	21,832	0	21,832	21,832
Federal Home Loan Mortgage Corporation (FHLMC) Participation Certificates	88,605	0	88,605	88,605
FNMA Medium Term Notes	11,116,335	0	11,116,335	11,116,335
FHLMC Medium Term Notes	6,797,157	0	6,797,157	6,797,157
FHLMC REMICs	50,685	0	50,685	50,685
Bank Trust	77,085	0	77,085	77,085
<b>Total</b>	<b>\$30,798,839</b>	<b>\$178,732</b>	<b>\$30,977,571</b>	<b>\$30,977,571</b>

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:



CITY OF VANDALIA, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 DECEMBER 31, 1999

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$28,845,908	\$5,379,927
Investments:		
STAR Ohio	(178,732)	178,732
Repurchase Agreement	(67,656)	67,656
GE Interest Plus Commercial Paper	(2,634,207)	2,634,207
Federal Home Loan Bank Notes	(6,815,725)	6,815,725
Federal National Mortgage Association (FNMA) Participation Certificates	(21,832)	21,832
Federal Home Loan Mortgage Corporation (FHLMC) Participation Certificates	(88,605)	88,605
FNMA Medium Term Notes	(9,113,070)	9,113,070
FHLMC Medium Term Notes	(6,550,047)	6,550,047
FHLMC REMICs	(50,685)	50,685
Bank Trust	(77,085)	77,085
GASB Statement 3	<u>\$3,248,264</u>	<u>\$30,977,571</u>

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property (other than public utility) located in the City. Property tax revenue received during 1999 for real and public utility property taxes is for 1998 taxes and property tax revenue received during 1999 for tangible personal property (other than public utility) is for 1999 taxes.

The 1999 real property taxes are levied after October 1, 1999 on the assessed value as of January 1, 1999, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 1999 real property taxes are collected in and intended to finance 2000.

Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 88 percent of cost). The 1999 public utility property taxes became a lien December 31, 1998, are levied after October 1, 1999, and are collected in 2000 with real property taxes.

The 1999 tangible personal property taxes are levied after October 1, 1998, on the value as of December 31, 1998. Collections are made in 1999. Tangible personal property assessments are 25 percent of assessed valuations.

The assessed value for the taxes collected in 1999 was \$328,558,668 of which real property represented 74 percent (\$244,489,040) of the total, public utility property represented 4 percent (\$11,650,920) of the total, and tangible personal property represented 22 percent (\$72,418,708) of the total. The full tax rate for all City operations for taxes collected in 1999, was \$4.14 per \$1,000 of assessed valuation.

CITY OF VANDALIA, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999

NOTE 7 - PROPERTY TAXES (Continued)

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Vandalia. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 1999. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 1999 operations. The receivable is offset by deferred revenue.

NOTE 8 - INCOME TAX

The City levies a 1.75 percent income tax on substantially all income earned within the City. In addition, City residents employed in municipalities having an income tax less than 1.75 percent must pay the difference to the City of Vandalia. Additional increases in the income tax rate require voter approval.

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

Income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by Council. In 1999, the proceeds were allocated to the General Fund. Income tax revenue for 1999 was \$12,376,161.

NOTE 9 - RECEIVABLES

Receivables at December 31, 1999, consisted of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, interest on investments, utility accounts and notes receivable. All receivables are considered fully collectible. A summary of intergovernmental receivables follows:

GENERAL FUND

Liquor Permit Reimbursement	\$431
Local Government Assistance	14,448
Reimbursement - Court Salaries	<u>43,116</u>
Total General Fund	<u>57,995</u>

CITY OF VANDALIA, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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NOTE 9 - RECEIVABLES (Continued)

SPECIAL REVENUE FUNDS

Permissive Motor Vehicle Tax Fund

Permissive Motor Vehicle License Tax	\$2,494
<u>State Highway Fund</u>	
Gas Tax	659
Motor Vehicle Tax	1,834
Total State Highway Fund	2,493
<u>Street Fund</u>	
Gas Tax	8,129
Motor Vehicle Tax	22,615
Total Street Fund	30,744
Total Special Revenue Funds	35,731
Total All Funds	\$93,726

By statute, local property taxes are reduced ten percent, with additional reductions for the elderly and the disabled. The amount of these reductions, estimated to be approximately, \$119,000 will be paid to the City by the State of Ohio in the latter part of 2000.

Notes Receivable

The City sold two tracts of land in January of 1986 and April of 1987 to interested developers. The terms and conditions of the sale were such that the City would specify usage of the property and also carry a mortgage note on the property for the developer.

Capital Projects Fund Type:

Mortgage note receivable - semi-annual payments are \$5,765, including interest at 8.75%, through August 1, 2005	\$52,944
Mortgage note receivable - semi-annual payments are \$6,339, including interest at 8.75%, through April 1, 2007	68,642
Total	\$121,586

NOTE 10 - FIXED ASSETS

Changes in general fixed assets during the year ended December 31, 1999, were as follows:

	Balance December 31, 1998	Additions	Deletions	Balance December 31, 1999
Land	\$1,698,249	\$0	\$0	\$1,698,249
Buildings and Improvements	6,691,796	7,421,250	2,286	14,110,760
Machinery and Equipment	7,288,937	2,306,114	533,005	9,062,046
Construction in Progress	2,831,425	2,872,542	2,831,425	2,872,542
Totals	\$18,510,407	\$12,599,906	\$3,366,716	\$27,743,597

CITY OF VANDALIA, OHIO  
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 DECEMBER 31, 1999

NOTE 10 - FIXED ASSETS (Continued)

The Capital Improvement Capital Projects Fund purchased fixed assets in the amount of \$111,187 and immediately contributed them to the enterprise funds for their use in 1999.

A summary of the proprietary funds' fixed assets at December 31, 1999, follows:

	December 31, 1999
Land	\$126,837
Infrastructure	16,760,133
Buildings and Improvements	2,761,169
Machinery and Equipment	1,035,294
Total	20,683,433
LESS: Accumulated Depreciation	7,626,994
Total	\$13,056,439

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

The City of Vandalia contributes to the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report that may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations, and the City of Vandalia is required to contribute 9.35 percent. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City of Vandalia's required contributions to PERS for the years ended December 31, 1999, 1998, and 1997, were \$284,296, \$251,947, and \$354,259, respectively. The full amount has been contributed for 1998 and 1997; 64.60 percent has been contributed for 1999 with the remainder being reported as a liability within the General Long-Term Obligations Account Group.

B. Police and Firemen's Disability and Pension Fund

The City of Vandalia contributes to the Police and Firemen's Disability and Pension Fund of Ohio (PFDPF), a cost-sharing multiple employer public employee retirement system administered by PFDPF's Board of Trustees. PFDPF provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code. The PFDPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Police and Firemen's Disability and Pension Fund of Ohio, 140 East Town Street, Columbus, Ohio 43215-5164.

CITY OF VANDALIA, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City of Vandalia is required to contribute 12.5 percent for police and 17 percent for firefighters. Contributions are authorized by State statute. The City of Vandalia's contributions to PFDPF for police and firefighters were \$159,095 and \$49,037 for the year ended December 31, 1999, \$157,397 and \$43,170 for the year ended December 31, 1998, and \$202,908 and \$42,060 for 1997. The full amount has been contributed for 1998 and 1997; 41.14 percent for police and 35.85 percent for firefighters have been contributed for 1999 with the remainder being reported as a liability within the General Long-Term Obligations Account Group.

In addition to the current contribution, the City of Vandalia pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and firefighters in 1967. As of December 31, 1999, the unfunded liability of the City of Vandalia was \$37,179, payable in semiannual payments through the year 2035. This is an accounting liability of the City of Vandalia which will not vary. The liability is reported in the General Long-Term Obligations Account Group.

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 1999 employer contribution rate was 13.55 percent of covered payroll; 4.2 percent was the portion that was used to fund health care for 1999.

For 1999, benefits are funded on a pay-as-you-go basis. OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. During 1999, OPEB expenditures made by PERS were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. At December 31, 1999, the total number of benefit recipients eligible for OPEB through PERS was 118,062. The City's actual contributions for 1999 which were used to fund OPEB were \$119,544.

B. Police and Firemen's Disability and Pension Fund

The Police and Firemen's Disability and Pension Fund (PFDPF) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Police and Firemen's Disability and Pension Fund's board of trustees to provide health care coverage and states that health care cost paid from the Police and Firemen's Disability and Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.0 percent of covered payroll is applied to the postemployment health care program. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

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NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

The number of participants eligible to receive health care benefits as of December 31, 1998, was 11,424 for police and 9,186 for firefighters. The City's actual contributions for 1999 that were used to fund postemployment benefits were \$87,388 for police and \$18,911 for fire. The Fund's total health care expenses for the year ended December 31, 1998 (the latest information available) were \$78,596,790.

NOTE 13 - OTHER EMPLOYEE BENEFITS

Compensated Absences

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. All employees may accrue a maximum of 45 days. In the event of a termination of employment, death or retirement, employees (or their estates) are paid for unused vacation leave. The total obligation for vacation accrual for the City as a whole amounted to \$479,679 at December 31, 1999.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of 4.616 hours per eighty hours of service. A maximum of 1,250 hours may be carried from one year to the next. Any hours over 1,250 accrued and not taken will be paid on a one for three basis at the end of the year. In the case of death or retirement, employees (or the employees' estates) are paid for one half of their accumulated leave with 625 hours being the maximum amount paid. The total obligation for sick leave accrual for the City as a whole as of December 31, 1999, was \$531,205.

Accumulated Unpaid Compensatory Time

From time to time employees may need, with prior approval from their supervisors, to work overtime. These overtime hours will usually be paid at the appropriate overtime rate; however, with permission of the supervisor, an employee may have the option of taking the overtime in compensatory time at one and one half times the amount of hours worked. The total obligation for compensatory time accrual for the City as a whole as of December 31, 1999, was \$9,055.

NOTE 14 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 1988, the City joined the Miami Valley Risk Management Association, Inc. (MVRMA) a risk sharing insurance pool. The pool consists of sixteen municipalities who pool risk for property, crime, liability, boiler and machinery and public official liability.

The City pays an annual premium to MVRMA for this coverage. The agreement provides that the MVRMA will be self-sustaining through member premiums and excess insurance. The deductible per occurrence for all types of claims is \$2,500, except Boiler and Machinery which is \$1,000. The joint insurance pool will cover additional claims up to \$500,000 for liability, \$250,000 for property and \$5,000 for boiler and machinery.

CITY OF VANDALIA, OHIO  
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NOTE 14 - RISK MANAGEMENT (Continued)

Excess insurance coverage will cover additional claims up to the limits listed below:

General Liability	\$10,500,000 each occurrence
Automobile Liability	
Public Officials Liability	\$500,000 excess \$500,000 (\$500,000 Aggregate)
	\$10 million excess \$1 million (\$10 million Aggregate per city)
Boiler and Machinery	\$453,000,000 Blanket Limit
Property	\$453,000,000 Blanket Limit
Flood (Property)	\$100,000,000 annual aggregate
Earthquake (Property)	\$100,000,000 annual aggregate

There has been no material change in this coverage from the prior year. Settled claims have not exceeded this commercial coverage in any of the past three years.

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

The City has elected to provide employee medical, dental and life insurance benefits through a self insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan provides medical and dental plans with a \$50 deductible for single and \$100 deductible for families, and \$40,000 in accidental life insurance. A third party administrator, ACMG Benefit Administrators Inc., reviews all claims which are then paid by the City. The City purchases stop-loss coverage of \$30,000 per employee. The City pays the self-insurance internal service fund \$583 per month per employee which represents the entire premium required. This premium is paid by the fund that pays the employee's salary and is based on historic cost information.

The liability for unpaid claims of \$141,593 reported in the fund at December 31, 1999, as estimated by an analysis of claim payments, is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for claims, including insured but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount in 1998 and 1999 were:

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
1998	\$82,652	\$914,760	\$910,092	\$87,320
1999	\$87,320	\$1,089,436	\$1,035,163	\$141,593

CITY OF VANDALIA, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 DECEMBER 31, 1999

**NOTE 15 - LONG TERM OBLIGATIONS**

Changes in general long term obligations during December 31, 1999 were as follows:

	Balance December 31, 1998	Increase	Decrease	Balance December 31, 1999
<b>Special Assessment Bonds</b>				
5.9%-7.15% - 1990				
Street Improvement	\$294,894	\$0	\$42,128	\$252,766
<b>Unvoted General Obligation Bonds</b>				
5.9%-7.15% - 1990				
Street Improvement	20,106	0	2,872	17,234
5.75%-5.85% - 1996				
Various Purpose Improvement Bonds	13,185,000	0	310,000	12,875,000
Total Unvoted General Obligation Bonds	13,205,106	0	312,872	12,892,234
Compensated Absences	895,777	25,539	0	921,316
Due to Other Governments	254,460	234,161	254,460	234,161
Police Pension	37,624	0	445	37,179
Total - General Long Term Obligations	\$14,687,881	\$259,700	\$609,905	\$14,337,656

The Special Assessment Street Improvement Bonds will be paid with special assessment revenue. The unvoted General Obligation Bonds for Street Improvement will be paid with municipal income tax revenue, and the Various Purpose Improvement Bonds will be paid with transfers from General Fund property tax revenues. The Special Assessment bond issues are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

As of December 31, 1999, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$24,049,332 and the unvoted legal debt margin was \$6,481,271. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 1999 are:

Year	Special Assessment Bonds	General Obligation Bonds	Police Pension Liability	Total
2000	\$59,758	\$1,040,462	\$2,039	\$1,102,259
2001	56,915	1,040,643	2,039	1,099,597
2002	54,029	1,039,806	2,039	1,095,874
2003	51,101	1,037,922	2,039	1,091,062
2004	48,131	1,039,959	2,039	1,090,129
2005-2009	45,142	5,196,968	10,195	5,252,305
2010-2014	0	5,208,323	10,195	5,218,518
2015-2019	0	5,208,413	10,195	5,218,608
2020-2035	0	2,079,065	24,468	2,103,533
Totals	\$315,076	\$22,891,561	\$65,248	\$23,271,885



CITY OF VANDALIA, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 DECEMBER 31, 1999

NOTE 16 - INTERFUND ASSETS/LIABILITIES

At December 31, 1999, the General Fund had an advances receivable of \$1,339,669. The Golf Enterprise Fund had an advances payable in the amount of \$781,034. The Webster Street Capital Projects Fund had an advances payable of \$433,835 and Homestretch Road Capital Projects Fund had advances payable of \$124,800. The Municipal Court Agency Fund had a due to other funds balance of \$127,584 at December 31, 1998. The funds that reflected a due from other funds at December 31, 1999 included: General Fund \$115,592; Computer Legal Research Special Revenue Fund \$11,288; OMVI Education and Enforcement Special Revenue Fund \$55; and OMVI Indigent Special Revenue Fund \$649.

NOTE 17 - SEGMENT INFORMATION

The City maintains three enterprise funds. The Golf Fund accounts for the operation of the City's golf course. The Sewer and Water Funds account for the utility services provided to all consumers within City corporation limits and to some consumers outside the City. Segment information as of and for the year ended December 31, 1999, is as follows:

	Golf Fund	Sewer Fund	Water Fund	Total
Operating Revenues	\$1,162,456	\$1,296,058	\$1,488,801	\$3,947,315
Depreciation Expense	65,724	160,894	159,405	386,023
Operating Income (Loss)	14,527	(36,463)	261,749	239,813
Net Non-Operating Revenues (Expenses)	(3,679)	(23,791)	7,818	(19,652)
Operating Transfers-In	5,393	926	5,105	11,424
Net Income (Loss)	16,241	(59,328)	274,672	231,585
Current Capital Contributions	72,988	1,581	36,618	111,187
Fixed Assets:				
Additions	23,767	0	0	23,767
Deletions	22,904	0	23,567	46,471
Net Working Capital (Deficit)	(501,529)	1,408,861	1,207,006	2,114,338
Total Assets	1,754,272	12,409,966	7,624,445	21,788,683
Long-Term Liabilities				
Payable from Revenues	29,324	25,230	25,238	79,792
Total Equity	908,683	12,269,495	7,287,602	20,465,780
Encumbrances Outstanding at End of Year	62,629	7,723	297,744	368,096

NOTE 18 - CONTRIBUTED CAPITAL

During 1999, the Capital Improvement Capital Projects Fund purchased assets for the Golf, Sewer and Water Enterprise Funds which were immediately contributed to those funds. The amounts representing contributed capital at December 31, 1999, are as follows:

CITY OF VANDALIA, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 DECEMBER 31, 1999

NOTE 18 - CONTRIBUTED CAPITAL (Continued)

	Golf Fund	Sewer Fund	Water Fund	Total
Value of Fixed Assets	\$72,988	\$1,581	\$36,618	\$111,187
Contributed Capital as of December 31, 1998	<u>1,286,305</u>	<u>5,888,977</u>	<u>3,981,072</u>	<u>11,156,354</u>
Contributed Capital as of December 31, 1999	<u>\$1,359,293</u>	<u>\$5,890,558</u>	<u>\$4,017,690</u>	<u>\$11,267,541</u>

NOTE 19 - JOINT VENTURE

Prior to June of 1996, the Miami Conservancy District provided the Cities of Vandalia, Tipp City and Huber Heights with wastewater treatment services. The Miami Conservancy District expressed the intent to no longer provide these services to the cities and gave them the option to acquire and operate the facility themselves. In order to do so, the three cities established the Tri-Cities North Regional Wastewater Authority. In June of 1996, the Miami Conservancy District deeded the wastewater facility and all of the assets associated with the facility to the joint venture at no cost to the joint venture.

The Tri-Cities North Regional Wastewater Authority (Tri-Cities) is a joint venture among the cities of Vandalia, Huber Heights and Tipp City. Tri-Cities is governed by a management board consisting of the city managers of the three cities. The board has complete authority over all aspects of the operation. Tri-Cities supplies all participating residents of the member cities with sewer services. Each city owns the sewage lines located in its city and bills its residents for usage. Continued existence of Tri-Cities is dependent on the City's continued participation, and the City does have an equity interest. The percentage of equity interest for each City is based on annual usage and is adjusted each year accordingly. The City of Vandalia's percentage of usage was smaller in 1999, therefore, the equity interest in the joint venture decreased for 1999. The City's equity interest is \$5,374,795 which represents 27.95 percent of the total equity in Tri-Cities. This reflects a decrease of .69 in the City's equity interest of 28.64 percent in 1998. Tri-Cities is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City of Vandalia was party to several transactions during 1999 involving Tri-Cities for services provided to the City by Tri-Cities. The amounts for services provided to the City are reflected on the City's financial statements on a GAAP basis in the amount of \$933,464. Complete financial statements can be obtained from the Tri-Cities North Regional Wastewater Authority, c/o City of Vandalia, 333 J.E. Bohanan Drive, Vandalia, Ohio 45377.

CITY OF VANDALIA, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 DECEMBER 31, 1999

**NOTE 20 - CONTRACTUAL COMMITMENTS**

As of December 31, 1999, the City had contractual commitments as follows:

<u>Company</u>	<u>Project</u>	<u>Amount Remaining On Contract</u>
ADC Information Technologies, Inc.	Technology Consultant - Recreation Center	\$644,796
Monarch Construction	Builder - Recreation Center	7,637,764
John Poe Associates	Architect - Recreation Center	106,398
Lupton Rausch Architects, Inc.	Owners Representative - Recreation Center	108,579
Brumbaugh Construction Company	Builder - Municipal Building Renovation	569,518
Staffco Construction	Builder - Justice Center	304,353
Audio Visual Systems	AV Equipment - Municipal Building Renovation	71,197
Finrock Construction	Street Construction	245,800
Mechanic System of Dayton	HVAC Refurbishment	78,800

**NOTE 21 - CONTINGENT LIABILITIES**

Litigation

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

Rebatable Arbitrage

The Internal Revenue Code requires that the proceeds of tax exempt debt be expended by the City within a certain schedule. The purpose of this requirement is to prevent the City from generating what the federal government considers excessive revenue by investing the borrowed money at rates that exceed the interest rate on the debt. If the debt proceeds are retained by the City beyond the scheduled deadlines, the City is required to pay to the federal government a portion of the interest earnings. For the 1996 Various Purpose Improvement Bonds, the City has not met the expenditure schedule. The City will be required to make a payment to the federal government. It is not possible at this time to make a reasonable estimate of the amount.

State Grants

For the period January 1, 1999, to December 31, 1999, the City received state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

FINANCIAL STATEMENTS AND SCHEDULES  
OF INDIVIDUAL  
FUNDS AND ACCOUNT GROUPS

## GENERAL FUND

To account for government resources which are not accounted for in any other fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter and/or the general laws of Ohio.

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues:</b>			
Municipal Income Tax	\$12,013,325	\$12,211,905	\$198,580
Property and Other Taxes	1,379,728	1,382,893	3,165
Charges for Services	887,502	891,209	3,707
Licenses and Permits	169,810	170,141	331
Fines and Forfeitures	1,056,674	1,056,674	0
Intergovernmental	1,015,340	1,024,630	9,290
Interest	955,813	1,038,628	82,815
Other	401,814	401,814	0
<b>Total Revenues</b>	<b>17,880,006</b>	<b>18,177,894</b>	<b>297,888</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Public Safety</b>			
<b>Police</b>			
Personal Services	2,863,543	2,863,543	0
Operations and Maintenance	393,523	364,634	28,889
<b>Fire</b>			
Personal Services	867,159	867,159	0
Operations and Maintenance	216,343	211,407	4,936
<b>Total Public Safety</b>	<b>4,340,568</b>	<b>4,306,743</b>	<b>33,825</b>
<b>Public Works</b>			
<b>Engineering and Inspection</b>			
Personal Services	458,972	458,972	0
Operations and Maintenance	114,646	113,131	1,515
<b>Refuse Collection</b>			
Operations and Maintenance	840,159	832,942	7,217
<b>Service Department</b>			
Personal Services	96,022	96,022	0
Operations and Maintenance	4,512	4,089	423
<b>Street Lighting</b>			
Operations and Maintenance	188,772	185,197	3,575
<b>Street Maintenance</b>			
Personal Services	396,868	396,868	0
Operations and Maintenance	4,655	4,640	15
<b>Total Public Works</b>	<b>2,104,606</b>	<b>2,091,861</b>	<b>12,745</b>
<b>Recreation</b>			
<b>Parks</b>			
Personal Services	1,157,870	1,156,869	1,001
Operations and Maintenance	446,500	429,067	17,433
<b>Total Recreation</b>	<b>1,604,370</b>	<b>1,585,936</b>	<b>18,434</b>

(Continued)

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999  
 (Continued)

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
General Government			
Council and Administration			
Personal Services	\$2,071,818	\$2,071,818	\$0
Operations and Maintenance	<u>2,215,698</u>	<u>2,166,697</u>	<u>49,001</u>
Total General Government	<u>4,287,516</u>	<u>4,238,515</u>	<u>49,001</u>
Capital Outlay	<u>959,107</u>	<u>959,107</u>	<u>0</u>
Total Expenditures	<u>13,296,167</u>	<u>13,182,162</u>	<u>114,005</u>
Excess of Revenues Over Expenditures	<u>4,583,839</u>	<u>4,995,732</u>	<u>411,893</u>
Other Financing Sources (Uses):			
Operating Transfers - Out	(3,895,333)	(3,895,333)	0
Advances - In	6,000	6,000	0
Advances - Out	<u>(176,635)</u>	<u>(176,635)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(4,065,968)</u>	<u>(4,065,968)</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	517,871	929,764	411,893
Fund Balance at Beginning of Year	9,071,141	9,071,141	0
Prior Year Encumbrances Appropriated	<u>641,677</u>	<u>641,677</u>	<u>0</u>
Fund Balance at End of Year	<u>\$10,230,689</u>	<u>\$10,642,582</u>	<u>\$411,893</u>

## SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than expendable trust or for major capital projects) that are legally restricted to expenditures for specific purposes.

### Baseball Recreation

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

### Computer Legal Research

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

### Drug Law Enforcement

To account for fines and costs collected for felonious drug trafficking convictions. This money may be used in any drug law enforcement activity.

### Law Enforcement

To account for all monies and expenditures related to property or goods obtained by seizure or forfeiture.

### OMVI Education and Enforcement

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

### OMVI Indigent

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

### Permissive Motor Vehicle Tax

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

### Soccer Recreation

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

### State Highway

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

### Street

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



CITY OF VANDALIA, OHIO  
 COMBINING BALANCE SHEET  
 ALL SPECIAL REVENUE FUNDS  
 DECEMBER 31, 1999

	<u>BASEBALL RECREATION</u>	<u>COMPUTER LEGAL RESEARCH</u>	<u>DRUG LAW ENFORCEMENT</u>	<u>LAW ENFORCEMENT</u>
<b>Assets:</b>				
Cash and Cash Equivalents	\$23,911	\$195,494	\$1,500	\$194
Receivables:				
Accounts	0	0	0	0
Due from Other Funds	0	11,288	0	0
Due from Other Governments	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<b>Total Assets</b>	<b><u>\$23,911</u></b>	<b><u>\$206,782</u></b>	<b><u>\$1,500</u></b>	<b><u>\$194</u></b>
<b>Liabilities:</b>				
Accounts Payable	\$304	\$2,207	\$0	\$0
Accrued Wages	0	2,145	0	0
Compensated Absences Payable	0	726	0	0
Due to Other Governments	659	1,064	0	0
<b>Total Liabilities</b>	<b><u>963</u></b>	<b><u>6,142</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Fund Equity :</b>				
Fund Balance:				
Reserved for Encumbrances	794	7,353	0	0
Reserved for Inventory	0	0	0	0
Unreserved	22,154	193,287	1,500	194
<b>Total Fund Equity</b>	<b><u>22,948</u></b>	<b><u>200,640</u></b>	<b><u>1,500</u></b>	<b><u>194</u></b>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$23,911</u></b>	<b><u>\$206,782</u></b>	<b><u>\$1,500</u></b>	<b><u>\$194</u></b>

OMVI EDUCATION AND ENFORCEMENT	OMVI INDIGENT	PERMISSIVE MOTOR VEHICLE TAX	SOCCER RECREATION	STATE HIGHWAY	STREET	TOTAL
\$2,388	\$179,752	\$92,039	\$692	\$78,742	\$391,688	\$966,400
0	0	0	0	0	8,485	8,485
55	649	0	0	0	0	11,992
0	0	2,494	0	2,493	30,744	35,731
0	0	0	0	0	62,448	62,448
<u>\$2,443</u>	<u>\$180,401</u>	<u>\$94,533</u>	<u>\$692</u>	<u>\$81,235</u>	<u>\$493,365</u>	<u>\$1,085,056</u>
\$0	\$0	\$145	\$141	\$1,815	\$4,082	\$8,694
0	0	0	0	0	10,805	12,950
0	0	0	0	0	0	726
0	0	0	417	0	5,534	7,674
0	0	145	558	1,815	20,421	30,044
158	0	14,888	65	10,001	38,780	72,039
0	0	0	0	0	62,448	62,448
2,285	180,401	79,500	69	69,419	371,716	920,525
2,443	180,401	94,388	134	79,420	472,944	1,055,012
<u>\$2,443</u>	<u>\$180,401</u>	<u>\$94,533</u>	<u>\$692</u>	<u>\$81,235</u>	<u>\$493,365</u>	<u>\$1,085,056</u>

CITY OF VANDALIA, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	BASEBALL RECREATION	COMPUTER LEGAL RESEARCH	DRUG LAW ENFORCEMENT	LAW ENFORCEMENT
<b>Revenues:</b>				
Charges for Services	\$103,933	\$0	\$0	\$0
Fines and Forfeitures	0	130,979	0	5,181
Intergovernmental	0	0	0	0
Other	461	0	0	0
<b>Total Revenues</b>	<b>104,394</b>	<b>130,979</b>	<b>0</b>	<b>5,181</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public Safety	0	0	0	0
Public Works	0	0	0	5,101
Recreation	137,318	0	0	0
General Government	0	118,716	0	0
Capital Outlay	0	85,274	0	0
<b>Total Expenditures</b>	<b>137,318</b>	<b>203,990</b>	<b>0</b>	<b>5,101</b>
Excess of Revenues Over (Under) Expenditures	(32,924)	(73,011)	0	80
<b>Other Financing Sources:</b>				
Operating Transfers - In	55,869	0	0	0
<b>Total Other Financing Sources</b>	<b>55,869</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	22,945	(73,011)	0	80
Fund Balances at Beginning of Year	3	273,651	1,500	114
Decrease in Reserve for Inventory	0	0	0	0
<b>Fund Balances at End of Year</b>	<b>\$22,948</b>	<b>\$200,640</b>	<b>\$1,500</b>	<b>\$194</b>

<u>OMVI EDUCATION AND ENFORCEMENT</u>	<u>OMVI INDIGENT</u>	<u>PERMISSIVE MOTOR VEHICLE TAX</u>	<u>SOCCER RECREATION</u>	<u>STATE HIGHWAY</u>	<u>STREET</u>	<u>TOTAL</u>
\$0	\$0	\$0	\$69,156	\$0	\$342	\$173,431
1,332	9,665	0	0	39,187	0	186,344
0	8,025	33,516	0	0	483,312	524,853
0	0	0	0	0	12,328	12,789
<u>1,332</u>	<u>17,690</u>	<u>33,516</u>	<u>69,156</u>	<u>39,187</u>	<u>495,982</u>	<u>897,417</u>
816	0	0	0	0	0	816
0	0	18,171	0	35,607	450,469	509,348
0	0	0	84,324	0	0	221,642
0	0	0	0	0	0	118,716
0	0	0	0	0	0	85,274
<u>816</u>	<u>0</u>	<u>18,171</u>	<u>84,324</u>	<u>35,607</u>	<u>450,469</u>	<u>935,796</u>
<u>516</u>	<u>17,690</u>	<u>15,345</u>	<u>(15,168)</u>	<u>3,580</u>	<u>45,513</u>	<u>(38,379)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>14,407</u>	<u>0</u>	<u>0</u>	<u>70,276</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>14,407</u>	<u>0</u>	<u>0</u>	<u>70,276</u>
516	17,690	15,345	(761)	3,580	45,513	31,897
1,927	162,711	79,043	895	75,840	427,917	1,023,601
0	0	0	0	0	(486)	(486)
<u>\$2,443</u>	<u>\$180,401</u>	<u>\$94,388</u>	<u>\$134</u>	<u>\$79,420</u>	<u>\$472,944</u>	<u>\$1,055,012</u>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 BASEBALL RECREATION FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Charges for Services	\$103,933	\$103,933	\$0
Other	<u>461</u>	<u>461</u>	<u>0</u>
Total Revenues	<u>104,394</u>	<u>104,394</u>	<u>0</u>
Expenditures:			
Current:			
Recreation			
Personal Services	42,567	42,567	0
Operation and Maintenance	<u>95,065</u>	<u>95,015</u>	<u>50</u>
Total Expenditures	<u>137,632</u>	<u>137,582</u>	<u>50</u>
Excess of Revenues Under Expenditures	<u>(33,238)</u>	<u>(33,188)</u>	<u>50</u>
Other Financing Sources:			
Operating Transfers - In	<u>55,869</u>	<u>55,869</u>	<u>0</u>
Total Other Financing Sources	<u>55,869</u>	<u>55,869</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures	22,631	22,681	50
Fund Balance at Beginning of Year	4	4	0
Prior Year Encumbrances Appropriated	<u>128</u>	<u>128</u>	<u>0</u>
Fund Balance at End of Year	<u>\$22,763</u>	<u>\$22,813</u>	<u>\$50</u>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 COMPUTER LEGAL RESEARCH FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Fines and Forfeitures	<u>\$131,460</u>	<u>\$131,460</u>	<u>\$0</u>
Total Revenues	<u>131,460</u>	<u>131,460</u>	<u>0</u>
Expenditures:			
Current:			
General Government			
Personal Services	66,981	66,981	0
Operation and Maintenance	56,871	56,585	286
Capital Outlay	<u>87,851</u>	<u>87,598</u>	<u>253</u>
Total Expenditures	<u>211,703</u>	<u>211,164</u>	<u>539</u>
Excess of Revenues Under Expenditures	(80,243)	(79,704)	539
Fund Balance at Beginning of Year	200,915	200,915	0
Prior Year Encumbrances Appropriated	<u>64,750</u>	<u>64,750</u>	<u>0</u>
Fund Balance at End of Year	<u>\$185,422</u>	<u>\$185,961</u>	<u>\$539</u>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DRUG LAW ENFORCEMENT FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Total Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures:			
Current:			
Public Safety			
Operation and Maintenance	<u>110</u>	<u>0</u>	<u>110</u>
Total Expenditures	<u>110</u>	<u>0</u>	<u>110</u>
Excess of Revenues Under Expenditures	<u>(110)</u>	<u>0</u>	<u>110</u>
Fund Balance at Beginning of Year	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Fund Balance at End of Year	<u>\$1,390</u>	<u>\$1,500</u>	<u>\$110</u>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 LAW ENFORCEMENT FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Fines and Forfeitures	<u>\$5,181</u>	<u>\$5,181</u>	<u>\$0</u>
Total Revenues	<u>5,181</u>	<u>5,181</u>	<u>0</u>
Expenditures:			
Current:			
Public Safety			
Operations and Maintenance	<u>5,101</u>	<u>5,101</u>	<u>0</u>
Total Expenditures	<u>5,101</u>	<u>5,101</u>	<u>0</u>
Excess of Revenues Over Expenditures	80	80	0
Fund Balance at Beginning of Year	<u>115</u>	<u>115</u>	<u>0</u>
Fund Balance at End of Year	<u>\$195</u>	<u>\$195</u>	<u>\$0</u>



CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 OMVI EDUCATION AND ENFORCEMENT FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Fines and Forfeitures	<u>\$1,347</u>	<u>\$1,347</u>	<u>\$0</u>
Total Revenues	<u>1,347</u>	<u>1,347</u>	<u>0</u>
Expenditures:			
Current:			
Public Safety			
Operation and Maintenance	<u>974</u>	<u>974</u>	<u>0</u>
Total Expenditures	<u>974</u>	<u>974</u>	<u>0</u>
Excess of Revenues Over Expenditures	<u>373</u>	<u>373</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>1,857</u>	<u>1,857</u>	<u>0</u>
Fund Balance at End of Year	<u>\$2,230</u>	<u>\$2,230</u>	<u>\$0</u>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 OMVI INDIGENT FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Fines and Forfeitures	\$9,880	\$9,880	\$0
Intergovernmental	<u>8,025</u>	<u>8,025</u>	<u>0</u>
Total Revenues	<u>17,905</u>	<u>17,905</u>	<u>0</u>
Expenditures:			
Current:			
Public Safety			
Operation and Maintenance	<u>16,000</u>	<u>0</u>	<u>16,000</u>
Total Expenditures	<u>16,000</u>	<u>0</u>	<u>16,000</u>
Excess of Revenues Over Expenditures	1,905	17,905	16,000
Fund Balance at Beginning of Year	<u>161,847</u>	<u>161,847</u>	<u>0</u>
Fund Balance at End of Year	<u>\$163,752</u>	<u>\$179,752</u>	<u>\$16,000</u>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 PERMISSIVE MOTOR VEHICLE TAX FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Intergovernmental	<u>\$33,641</u>	<u>\$33,641</u>	<u>\$0</u>
Total Revenues	<u>33,641</u>	<u>33,641</u>	<u>0</u>
Expenditures:			
Current:			
Public Works			
Street Repair and Maintenance			
Operation and Maintenance	<u>37,568</u>	<u>36,996</u>	<u>572</u>
Total Expenditures	<u>37,568</u>	<u>36,996</u>	<u>572</u>
Excess of Revenues Under Expenditures	<u>(3,927)</u>	<u>(3,355)</u>	<u>572</u>
Fund Balance at Beginning of Year	<u>75,853</u>	<u>75,853</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>4,508</u>	<u>4,508</u>	<u>0</u>
Fund Balance at End of Year	<u>\$76,434</u>	<u>\$77,006</u>	<u>\$572</u>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 SOCCER RECREATION FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Charges for Services	\$69,864	\$69,864	\$0
Other	216	216	0
<b>Total Revenues</b>	<b>70,080</b>	<b>70,080</b>	<b>0</b>
Expenditures:			
Current:			
Recreation			
Personal Services	28,931	28,931	0
Operation and Maintenance	55,800	55,540	260
<b>Total Expenditures</b>	<b>84,731</b>	<b>84,471</b>	<b>260</b>
Excess of Revenues Under Expenditures	(14,651)	(14,391)	260
Other Financing Sources:			
Operating Transfers - In	14,407	14,407	0
<b>Total Other Financing Sources</b>	<b>14,407</b>	<b>14,407</b>	<b>0</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(244)	16	260
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	517	517	0
<b>Fund Balance at End of Year</b>	<b>\$273</b>	<b>\$533</b>	<b>\$260</b>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 STATE HIGHWAY FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Intergovernmental	<u>\$39,202</u>	<u>\$39,202</u>	<u>\$0</u>
Total Revenues	<u>39,202</u>	<u>39,202</u>	<u>0</u>
Expenditures:			
Current:			
Public Works			
State Highway Maintenance			
Operations and Maintenance	<u>45,699</u>	<u>45,535</u>	<u>164</u>
Total Expenditures	<u>45,699</u>	<u>45,535</u>	<u>164</u>
Excess of Revenues Under Expenditures	<u>(6,497)</u>	<u>(6,333)</u>	<u>164</u>
Fund Balance at Beginning of Year	<u>59,137</u>	<u>59,137</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>14,999</u>	<u>14,999</u>	<u>0</u>
Fund Balance at End of Year	<u>\$67,639</u>	<u>\$67,803</u>	<u>\$164</u>

CITY OF VANDALIA, OHIO  
SCHEDULES OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
STREET FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Charges for Services	\$342	\$342	\$0
Intergovernmental	483,499	483,499	0
Other	<u>8,246</u>	<u>8,246</u>	<u>0</u>
Total Revenues	<u>492,087</u>	<u>492,087</u>	<u>0</u>
Expenditures:			
Current:			
Public Works			
Street Repair and Maintenance			
Personal Services	334,001	334,001	0
Operations and Maintenance	<u>159,565</u>	<u>158,538</u>	<u>1,027</u>
Total Expenditures	<u>493,566</u>	<u>492,539</u>	<u>1,027</u>
Excess of Revenues Under Expenditures	(1,479)	(452)	1,027
Fund Balance at Beginning of Year	316,119	316,119	0
Prior Year Encumbrances Appropriated	<u>34,957</u>	<u>34,957</u>	<u>0</u>
Fund Balance at End of Year	<u>\$349,597</u>	<u>\$350,624</u>	<u>\$1,027</u>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 ALL SPECIAL REVENUE FUNDS  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues:</b>			
Charges for Services	\$174,139	\$174,139	\$0
Fines and Forfeitures	147,868	147,868	0
Intergovernmental	564,367	564,367	0
Other	8,923	8,923	0
<b>Total Revenues</b>	<b>895,297</b>	<b>895,297</b>	<b>0</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Public Safety</b>			
Operation and Maintenance	59,643	43,071	16,572
<b>Total Public Safety</b>	<b>59,643</b>	<b>43,071</b>	<b>16,572</b>
<b>Public Works</b>			
State Highway Maintenance			
Operations and Maintenance	45,699	45,535	164
Street Repair and Maintenance			
Personal Services	334,001	334,001	0
Operation and Maintenance	159,565	158,538	1,027
<b>Total Public Works</b>	<b>539,265</b>	<b>538,074</b>	<b>1,191</b>
<b>Recreation</b>			
Personal Services	71,498	71,498	0
Operation and Maintenance	150,865	150,555	310
<b>Total Recreation</b>	<b>222,363</b>	<b>222,053</b>	<b>310</b>
<b>General Government</b>			
Personal Services	66,981	66,981	0
Operation and Maintenance	56,981	56,585	396
<b>Total General Government</b>	<b>123,962</b>	<b>123,566</b>	<b>396</b>
<b>Capital Outlay</b>	<b>87,851</b>	<b>87,598</b>	<b>253</b>
<b>Total Expenditures</b>	<b>1,033,084</b>	<b>1,014,362</b>	<b>18,722</b>
<b>Excess of Revenues Under Expenditures</b>	<b>(137,787)</b>	<b>(119,065)</b>	<b>18,722</b>
<b>Other Financing Sources:</b>			
Operating Transfers - In	70,276	70,276	0
<b>Total Other Financing Sources</b>	<b>70,276</b>	<b>70,276</b>	<b>0</b>
<b>Excess of Revenues and Other Financing Sources Under Expenditures</b>	<b>(67,511)</b>	<b>(48,789)</b>	<b>18,722</b>
Fund Balances at Beginning of Year	817,347	817,347	0
Prior Year Encumbrances Appropriated	119,859	119,859	0
<b>Fund Balances at End of Year</b>	<b>\$869,695</b>	<b>\$888,417</b>	<b>\$18,722</b>

## CAPITAL PROJECTS FUNDS

To account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

### Capital Improvement

To account for that portion of municipal income tax designated by Council for the purpose of improving, constructing, maintaining, and purchasing those items necessary to enhance the operation of the City.

### Homestretch Road

To account for expenditures of Issue II grant funds.

### Justice Center/Municipal Building

To account for expenditures of bond proceeds to construct a Justice Center and to renovate the Municipal Building.

### Recreation Center

To account for expenditures of bond proceeds to construct a Recreation Center.

### Webster Street

To account for expenditures of Issue II grant funds.



CITY OF VANDALIA, OHIO  
 COMBINING BALANCE SHEET  
 ALL CAPITAL PROJECTS FUNDS  
 DECEMBER 31, 1999

	CAPITAL IMPROVEMENT	HOMESTRETCH ROAD	JUSTICE CENTER/ MUNICIPAL BUILDING	RECREATION CENTER	WEBSTER STREET	TOTAL
<b>Assets:</b>						
Cash and Cash Equivalents	\$4,115,763	\$124,800	\$951,299	\$7,013,983	\$0	\$12,205,845
Receivables:						
Special Assessments	65,969	0	0	0	0	65,969
Notes Receivable	121,586	0	0	0	0	121,586
<b>Total Assets</b>	<b>\$4,303,318</b>	<b>\$124,800</b>	<b>\$951,299</b>	<b>\$7,013,983</b>	<b>\$0</b>	<b>\$12,393,400</b>
<b>Liabilities:</b>						
Accounts Payable	\$45,105	\$0	\$8,878	\$863	\$0	\$54,846
Contracts Payable	71,169	0	330,605	663,317	0	1,065,091
Retainage Payable	12,701	0	221,461	204,191	0	438,353
Advances Payable	0	124,800	0	0	433,835	558,635
Deferred Revenue	65,969	0	0	0	0	65,969
<b>Total Liabilities</b>	<b>194,944</b>	<b>124,800</b>	<b>560,944</b>	<b>868,371</b>	<b>433,835</b>	<b>2,182,894</b>
<b>Fund Equity:</b>						
Fund Balance:						
Reserved for Encumbrances	3,431,824	124,800	660,543	6,908,289	124,800	11,250,256
Reserved for Notes Receivable	121,586	0	0	0	0	121,586
Unreserved (Deficit)	554,964	(124,800)	(270,188)	(762,677)	(558,635)	(1,161,336)
<b>Total Fund Equity (Deficit)</b>	<b>4,108,374</b>	<b>0</b>	<b>390,355</b>	<b>6,145,612</b>	<b>(433,835)</b>	<b>10,210,506</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$4,303,318</b>	<b>\$124,800</b>	<b>\$951,299</b>	<b>\$7,013,983</b>	<b>\$0</b>	<b>\$12,393,400</b>

CITY OF VANDALIA, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 ALL CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	CAPITAL IMPROVEMENT	JUSTICE CENTER/ MUNICIPAL BUILDING	RECREATION CENTER	WEBSTER STREET	TOTAL
Revenues:					
Intergovernmental	\$180,140	\$0	\$0	\$0	\$180,140
Special Assessments	15,103	0	0	0	15,103
Interest	11,480	80,972	432,380	0	524,832
Other	400	0	0	0	400
<b>Total Revenues</b>	<b>207,123</b>	<b>80,972</b>	<b>432,380</b>	<b>0</b>	<b>720,475</b>
Expenditures:					
Capital Outlay	3,876,349	3,235,404	2,698,109	433,835	10,243,697
<b>Total Expenditures</b>	<b>3,876,349</b>	<b>3,235,404</b>	<b>2,698,109</b>	<b>433,835</b>	<b>10,243,697</b>
Excess of Revenues Under Expenditures	(3,669,226)	(3,154,432)	(2,265,729)	(433,835)	(9,523,222)
Other Financing Sources (Uses):					
Operating Transfers - In	2,785,917	0	0	0	2,785,917
Operating Transfers - Out	(11,424)	0	0	0	(11,424)
<b>Total Other Financing Sources (Uses)</b>	<b>2,774,493</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,774,493</b>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(894,733)	(3,154,432)	(2,265,729)	(433,835)	(6,748,729)
Fund Balances at Beginning of Year	5,003,107	3,544,787	8,411,341	0	16,959,235
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$4,108,374</b>	<b>\$390,355</b>	<b>\$6,145,612</b>	<b>(\$433,835)</b>	<b>\$10,210,506</b>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 CAPITAL IMPROVEMENT FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental	\$180,140	\$180,140	\$0
Special Assessments	15,193	15,193	0
Other	400	400	0
Total Revenues	<u>195,733</u>	<u>195,733</u>	<u>0</u>
Expenditures:			
Capital Outlay	<u>7,426,779</u>	<u>7,399,885</u>	<u>26,894</u>
Total Expenditures	<u>7,426,779</u>	<u>7,399,885</u>	<u>26,894</u>
Excess of Revenues Under Expenditures	<u>(7,231,046)</u>	<u>(7,204,152)</u>	<u>26,894</u>
Other Financing Sources:			
Repayment of Notes Receivable	24,207	24,207	0
Operating Transfers - In	<u>2,785,917</u>	<u>2,785,917</u>	<u>0</u>
Total Other Financing Sources	<u>2,810,124</u>	<u>2,810,124</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Under Expenditures	<u>(4,420,922)</u>	<u>(4,394,028)</u>	<u>26,894</u>
Fund Balance at Beginning Year	2,614,538	2,614,538	0
Prior Year Encumbrances Appropriated	<u>2,377,328</u>	<u>2,377,328</u>	<u>0</u>
Fund Balance at End of Year	<u>\$570,944</u>	<u>\$597,838</u>	<u>\$26,894</u>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 HOMESTRETCH ROAD FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Total Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures:			
Capital Outlay	<u>124,800</u>	<u>124,800</u>	<u>0</u>
Total Expenditures	<u>124,800</u>	<u>124,800</u>	<u>0</u>
Excess of Revenues Under Expenditures	<u>(124,800)</u>	<u>(124,800)</u>	<u>0</u>
Other Financing Sources:			
Advances - In	<u>124,800</u>	<u>124,800</u>	<u>0</u>
Total Other Financing Sources	<u>124,800</u>	<u>124,800</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 JUSTICE CENTER/MUNICIPAL BUILDING FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Interest	<u>\$122,021</u>	<u>\$129,225</u>	<u>\$7,204</u>
Total Revenues	<u>122,021</u>	<u>129,225</u>	<u>7,204</u>
Expenditures:			
Capital Outlay	<u>4,383,553</u>	<u>4,380,115</u>	<u>3,438</u>
Total Expenditures	<u>4,383,553</u>	<u>4,380,115</u>	<u>3,438</u>
Excess of Revenues Under Expenditures	(4,261,532)	(4,250,890)	10,642
Fund Balance at Beginning of Year	1,671,612	1,671,612	0
Prior Year Encumbrances Appropriated	<u>2,606,082</u>	<u>2,606,082</u>	<u>0</u>
Fund Balance at End of Year	<u>\$16,162</u>	<u>\$26,804</u>	<u>\$10,642</u>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 RECREATION CENTER FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Interest	\$374,292	\$422,508	\$48,216
Total Revenues	<u>374,292</u>	<u>422,508</u>	<u>48,216</u>
Expenditures:			
Capital Outlay	8,745,209	8,745,209	0
Total Expenditures	<u>8,745,209</u>	<u>8,745,209</u>	<u>0</u>
Excess of Revenues Under Expenditures	(8,370,917)	(8,322,701)	48,216
Fund Balance at Beginning of Year	8,063,544	8,063,544	0
Prior Year Encumbrances Appropriated	<u>373,153</u>	<u>373,153</u>	<u>0</u>
Fund Balance at End of Year	<u>\$65,780</u>	<u>\$113,996</u>	<u>\$48,216</u>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 WEBSTER STREET FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Total Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures:			
Capital Outlay	<u>433,835</u>	<u>433,835</u>	<u>0</u>
Total Expenditures	<u>433,835</u>	<u>433,835</u>	<u>0</u>
Excess of Revenues Under Expenditures	<u>(433,835)</u>	<u>(433,835)</u>	<u>0</u>
Other Financing Sources:			
Advances - In	<u>51,835</u>	<u>51,835</u>	<u>0</u>
Total Other Financing Sources	<u>51,835</u>	<u>51,835</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Under Expenditures	<u>(382,000)</u>	<u>(382,000)</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>382,000</u>	<u>382,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

CITY OF VANDALIA, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
ALL CAPITAL PROJECTS FUNDS  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 1999

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues:</b>			
Intergovernmental	\$180,140	\$180,140	\$0
Special Assessments	15,193	15,193	0
Interest	496,313	551,733	55,420
Other	400	400	0
<b>Total Revenues</b>	<b>692,046</b>	<b>747,466</b>	<b>55,420</b>
<b>Expenditures:</b>			
Capital Outlay	21,114,176	21,083,844	30,332
<b>Total Expenditures</b>	<b>21,114,176</b>	<b>21,083,844</b>	<b>30,332</b>
<b>Excess of Revenues Under Expenditures</b>	<b>(20,422,130)</b>	<b>(20,336,378)</b>	<b>85,752</b>
<b>Other Financing Sources:</b>			
Repayment of Notes Receivable	24,207	24,207	0
Operating Transfers - In	2,785,917	2,785,917	0
Advances - In	176,635	176,635	0
<b>Total Other Financing Sources</b>	<b>2,986,759</b>	<b>2,986,759</b>	<b>0</b>
<b>Excess of Revenues and Other Financing Sources Under Expenditures</b>	<b>(17,435,371)</b>	<b>(17,349,619)</b>	<b>85,752</b>
<b>Fund Balances at Beginning of Year</b>	<b>12,349,694</b>	<b>12,349,694</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>5,738,563</b>	<b>5,738,563</b>	<b>0</b>
<b>Fund Balances at End of Year</b>	<b>\$652,886</b>	<b>\$738,638</b>	<b>\$85,752</b>



## DEBT SERVICE FUNDS

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

### General Obligation Bond Retirement

To account for transfers from General Fund property tax revenue to pay for general obligation bonded debt.

### Street Special Assessment Bond Retirement

To account for special assessments collected for the payment of special assessment bonded debt with governmental commitment.

CITY OF VANDALIA, OHIO  
 COMBINING BALANCE SHEET  
 ALL DEBT SERVICE FUNDS  
 DECEMBER 31, 1999

	GENERAL OBLIGATION BOND RETIREMENT	STREET SPECIAL ASSESSMENT BOND RETIREMENT	TOTAL
Assets:			
Cash and Cash Equivalents	\$31,403	\$58,959	\$90,362
Receivables:			
Special Assessments	<u>0</u>	<u>443,067</u>	<u>443,067</u>
Total Assets	<u>\$31,403</u>	<u>\$502,026</u>	<u>\$533,429</u>
Liabilities:			
Deferred Revenue	<u>\$0</u>	<u>\$443,067</u>	<u>\$443,067</u>
Total Liabilities	<u>0</u>	<u>443,067</u>	<u>443,067</u>
Fund Equity :			
Fund Balance:			
Unreserved	<u>31,403</u>	<u>58,959</u>	<u>90,362</u>
Total Fund Equity	<u>31,403</u>	<u>58,959</u>	<u>90,362</u>
Total Liabilities and Fund Equity	<u>\$31,403</u>	<u>\$502,026</u>	<u>\$533,429</u>

CITY OF VANDALIA, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 ALL DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	GENERAL OBLIGATION BOND RETIREMENT	STREET SPECIAL ASSESSMENT BOND RETIREMENT	TOTAL
Revenues:			
Special Assessments	\$0	\$82,572	\$82,572
Total Revenues	0	82,572	82,572
Expenditures:			
Current:			
Public Works	0	1,374	1,374
Debt Service:			
Principal Retirement	312,872	42,128	355,000
Interest and Fiscal Charges	726,226	20,494	746,720
Total Expenditures	1,039,098	63,996	1,103,094
Excess of Revenues Over (Under) Expenditures	(1,039,098)	18,576	(1,020,522)
Other Financing Sources:			
Operating Transfers - In	1,039,140	0	1,039,140
Total Other Financing Sources	1,039,140	0	1,039,140
Excess of Revenues and Other Financing Sources Over Expenditures	42	18,576	18,618
Fund Balances at Beginning of Year	31,361	40,383	71,744
Fund Balances at End of Year	\$31,403	\$58,959	\$90,362

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL OBLIGATION BOND RETIREMENT FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Total Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures:			
Debt Service:			
Principal Retirement	312,872	312,872	0
Interest and Fiscal Charges	<u>726,226</u>	<u>726,226</u>	<u>0</u>
Total Expenditures	<u>1,039,098</u>	<u>1,039,098</u>	<u>0</u>
Excess of Revenues Under Expenditures	<u>(1,039,098)</u>	<u>(1,039,098)</u>	<u>0</u>
Other Financing Sources:			
Operating Transfers - In	<u>1,039,140</u>	<u>1,039,140</u>	<u>0</u>
Total Other Financing Sources	<u>1,039,140</u>	<u>1,039,140</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures	42	42	0
Fund Balance at Beginning of Year	<u>31,361</u>	<u>31,361</u>	<u>0</u>
Fund Balance at End of Year	<u>\$31,403</u>	<u>\$31,403</u>	<u>\$0</u>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 STREET SPECIAL ASSESSMENT BOND RETIREMENT FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Special Assessments	<u>\$82,572</u>	<u>\$82,572</u>	<u>\$0</u>
Total Revenues	<u>82,572</u>	<u>82,572</u>	<u>0</u>
Expenditures:			
Current:			
Public Works			
Operation and Maintenance	1,374	1,374	0
Debt Service:			
Principal Retirement	42,128	42,128	0
Interest and Fiscal Charges	<u>20,494</u>	<u>20,494</u>	<u>0</u>
Total Expenditures	<u>63,996</u>	<u>63,996</u>	<u>0</u>
Excess of Revenues Over Expenditures	<u>18,576</u>	<u>18,576</u>	<u>0</u>
Other Financing Uses:			
Advances - Out	<u>(6,000)</u>	<u>(6,000)</u>	<u>0</u>
Total Other Financing Uses	<u>(6,000)</u>	<u>(6,000)</u>	<u>0</u>
Excess of Revenues Over Expenditures and Other Financing Uses	12,576	12,576	0
Fund Balance at Beginning of Year	<u>46,383</u>	<u>46,383</u>	<u>0</u>
Fund Balance at End of Year	<u>\$58,959</u>	<u>\$58,959</u>	<u>\$0</u>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 ALL DEBT SERVICE FUNDS  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Special Assessments	<u>\$82,572</u>	<u>\$82,572</u>	<u>\$0</u>
Total Revenues	<u>82,572</u>	<u>82,572</u>	<u>0</u>
Expenditures:			
Current:			
Public Works			
Operation and Maintenance	1,374	1,374	0
Debt Service:			
Principal Retirement	355,000	355,000	0
Interest and Fiscal Charges	<u>746,720</u>	<u>746,720</u>	<u>0</u>
Total Expenditures	<u>1,103,094</u>	<u>1,103,094</u>	<u>0</u>
Excess of Revenues Under Expenditures	<u>(1,020,522)</u>	<u>(1,020,522)</u>	<u>0</u>
Other Financing Sources (Uses):			
Operating Transfers - In	1,039,140	1,039,140	0
Advances - Out	<u>(6,000)</u>	<u>(6,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,033,140</u>	<u>1,033,140</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	12,618	12,618	0
Fund Balances at Beginning of Year	<u>77,744</u>	<u>77,744</u>	<u>0</u>
Fund Balances at End of Year	<u>\$90,362</u>	<u>\$90,362</u>	<u>\$0</u>

## ENTERPRISE FUNDS

To account for operations that are financed and operated in a manner similar to private business enterprises where (a) the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

### Golf

To account for the operations of the golf course.

### Sewer

To account for the provision of sanitary sewer service to the residents and commercial users located within the City.

### Water

To account for the provision of water treatment and distribution to residential and commercial users.

CITY OF VANDALIA, OHIO  
 COMBINING BALANCE SHEET  
 ALL ENTERPRISE FUNDS  
 DECEMBER 31, 1999

	<u>GOLF</u>	<u>SEWER</u>	<u>WATER</u>	<u>TOTAL</u>
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$275,757	\$1,228,522	\$1,149,617	\$2,653,896
<b>Receivables:</b>				
Accounts	0	287,691	316,276	603,967
Materials and Supplies Inventory	38,979	0	36,666	75,645
<b>Total Current Assets</b>	<u>314,736</u>	<u>1,516,213</u>	<u>1,502,559</u>	<u>3,333,508</u>
<b>Restricted Assets:</b>				
Cash and Cash Equivalents	0	7,889	16,052	23,941
<b>Total Restricted Assets</b>	<u>0</u>	<u>7,889</u>	<u>16,052</u>	<u>23,941</u>
<b>Fixed Assets (Net of Accumulated Depreciation)</b>				
Investment in Joint Venture	1,439,536	5,511,069	6,105,834	13,056,439
	0	5,374,795	0	5,374,795
<b>Total Assets</b>	<u>\$1,754,272</u>	<u>\$12,409,966</u>	<u>\$7,624,445</u>	<u>\$21,788,683</u>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$19,817	\$100,118	\$288,265	\$408,200
Accrued Wages	4,915	4,685	4,742	14,342
Compensated Absences Payable	1,029	0	0	1,029
Due to Other Governments	5,689	2,549	2,546	10,784
Advances Payable	781,034	0	0	781,034
Deferred Revenue	3,781	0	0	3,781
<b>Total Current Liabilities</b>	<u>816,265</u>	<u>107,352</u>	<u>295,553</u>	<u>1,219,170</u>
<b>Payable From Restricted Assets:</b>				
Refundable Deposits	0	7,889	16,052	23,941
<b>Total Payable from Restricted Assets</b>	<u>0</u>	<u>7,889</u>	<u>16,052</u>	<u>23,941</u>
<b>Long-Term Liabilities:</b>				
Compensated Absences Payable	23,440	19,708	19,708	62,856
Due to Other Governments	5,884	5,522	5,530	16,936
<b>Total Long-Term Liabilities</b>	<u>29,324</u>	<u>25,230</u>	<u>25,238</u>	<u>79,792</u>
<b>Total Liabilities</b>	<u>845,589</u>	<u>140,471</u>	<u>336,843</u>	<u>1,322,903</u>
<b>Fund Equity:</b>				
<b>Contributed Capital:</b>				
Wastewater Authority	0	5,193,023	0	5,193,023
Other	1,359,293	697,535	4,017,690	6,074,518
<b>Retained Earnings:</b>				
Unreserved (Deficit)	(450,610)	6,378,937	3,269,912	9,198,239
<b>Total Fund Equity</b>	<u>908,683</u>	<u>12,269,495</u>	<u>7,287,602</u>	<u>20,465,780</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$1,754,272</u>	<u>\$12,409,966</u>	<u>\$7,624,445</u>	<u>\$21,788,683</u>



CITY OF VANDALIA, OHIO  
 COMBINING STATEMENT OF REVENUE, EXPENSES  
 AND CHANGES IN RETAINED EARNINGS  
 ALL ENTERPRISE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>GOLF</u>	<u>SEWER</u>	<u>WATER</u>	<u>TOTAL</u>
Operating Revenues:				
Charges for Services	\$1,135,880	\$1,295,876	\$1,488,618	\$3,920,374
Other	<u>26,576</u>	<u>182</u>	<u>183</u>	<u>26,941</u>
Total Operating Revenues	<u>1,162,456</u>	<u>1,296,058</u>	<u>1,488,801</u>	<u>3,947,315</u>
Operating Expenses:				
Personal Services	454,997	211,021	210,874	876,892
Contractual Services	348,323	943,298	828,069	2,119,690
Materials and Supplies	200,167	16,291	27,715	244,173
Other	78,718	1,017	989	80,724
Depreciation	<u>65,724</u>	<u>160,894</u>	<u>159,405</u>	<u>386,023</u>
Total Operating Expenses	<u>1,147,929</u>	<u>1,332,521</u>	<u>1,227,052</u>	<u>3,707,502</u>
Operating Income (Loss)	<u>14,527</u>	<u>(36,463)</u>	<u>261,749</u>	<u>239,813</u>
Non-Operating Revenues (Expenses):				
Investment in Joint Venture	0	(23,791)	0	(23,791)
Interest	3,574	0	0	3,574
Gain on Disposal of Fixed Assets	0	0	7,818	7,818
Loss on Disposal of Fixed Assets	<u>(7,253)</u>	<u>0</u>	<u>0</u>	<u>(7,253)</u>
Total Non-Operating Revenues (Expenses)	<u>(3,679)</u>	<u>(23,791)</u>	<u>7,818</u>	<u>(19,652)</u>
Income (Loss) Before Operating Transfers	10,848	(60,254)	269,567	220,161
Operating Transfers - In	<u>5,393</u>	<u>926</u>	<u>5,105</u>	<u>11,424</u>
Net Income (Loss)	16,241	(59,328)	274,672	231,585
Retained Earnings (Deficit) at Beginning of Year	<u>(466,851)</u>	<u>6,438,265</u>	<u>2,995,240</u>	<u>8,966,654</u>
Retained Earnings (Deficit) at End of Year	<u>(\$450,610)</u>	<u>\$6,378,937</u>	<u>\$3,269,912</u>	<u>\$9,198,239</u>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENSES AND  
 CHANGES IN FUND EQUITY - BUDGET AND ACTUAL  
 GOLF FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Charges for Services	\$1,132,802	\$1,135,032	\$2,230
Interest	3,231	3,574	343
Other	<u>30,078</u>	<u>30,150</u>	<u>72</u>
Total Revenues	<u>1,166,111</u>	<u>1,168,756</u>	<u>2,645</u>
Expenses:			
Current:			
Personal Services	454,439	454,439	0
Contractual Services	393,343	391,590	1,753
Materials and Supplies	263,217	251,305	11,912
Other	68,596	68,596	0
Capital Outlay	<u>6,815</u>	<u>5,600</u>	<u>1,215</u>
Total Expenses	<u>1,186,410</u>	<u>1,171,530</u>	<u>14,880</u>
Excess of Revenues Under Expenses	(20,299)	(2,774)	17,525
Fund Equity at Beginning Year	192,012	192,012	0
Prior Year Encumbrances Appropriated	<u>23,889</u>	<u>23,889</u>	<u>0</u>
Fund Equity at End of Year	<u>\$195,602</u>	<u>\$213,127</u>	<u>\$17,525</u>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENSES AND  
 CHANGES IN FUND EQUITY - BUDGET AND ACTUAL  
 SEWER FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Charges for Services	\$1,307,469	\$1,311,674	\$4,205
Utility Deposits Received	1,523	1,523	0
Other	<u>0</u>	<u>182</u>	<u>182</u>
Total Revenues	<u>1,308,992</u>	<u>1,313,379</u>	<u>4,387</u>
Expenses:			
Current:			
Personal Services	210,495	210,495	0
Contractual Services	929,019	926,850	2,169
Materials and Supplies	24,938	22,508	2,430
Other	992	992	0
Utility Deposits Returned	<u>649</u>	<u>649</u>	<u>0</u>
Total Expenses	<u>1,166,093</u>	<u>1,161,494</u>	<u>4,599</u>
Excess of Revenues Over Expenses	142,899	151,885	8,986
Fund Equity at Beginning of Year	1,066,793	1,066,793	0
Prior Year Encumbrances Appropriated	<u>10,011</u>	<u>10,011</u>	<u>0</u>
Fund Equity at End of Year	<u>\$1,219,703</u>	<u>\$1,228,689</u>	<u>\$8,986</u>

CITY OF VANDALIA, OHIO  
 SCHEDULE OF REVENUES, EXPENSES AND  
 CHANGES IN FUND EQUITY - BUDGET AND ACTUAL  
 WATER FUND  
 BUDGET BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>Revenues:</b>			
Charges for Services	\$1,503,396	\$1,508,962	\$5,566
Utility Deposits Received	3,091	3,091	0
Other	100	183	83
<b>Total Revenues</b>	<u>1,506,587</u>	<u>1,512,236</u>	<u>5,649</u>
<b>Expenses:</b>			
<b>Current:</b>			
Personal Services	210,286	210,286	0
Contractual Services	1,122,998	1,122,285	713
Materials and Supplies	37,752	36,719	1,033
Other	979	979	0
Utility Deposits Returned	1,319	1,319	0
<b>Total Expenses</b>	<u>1,373,334</u>	<u>1,371,588</u>	<u>1,746</u>
<b>Excess of Revenues Over Expenses</b>	133,253	140,648	7,395
Fund Equity at Beginning Year	722,886	722,886	0
Prior Year Encumbrances Appropriated	4,391	4,391	0
<b>Fund Equity at End of Year</b>	<u>\$860,530</u>	<u>\$867,925</u>	<u>\$7,395</u>

CITY OF VANDALIA, OHIO  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL  
ALL ENTERPRISE FUNDS  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 1999

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues:</b>			
Charges for Services	\$3,943,667	\$3,955,668	\$12,001
Utility Deposits Received	4,614	4,614	0
Interest	3,231	3,574	343
Other	30,178	30,515	337
<b>Total Revenues</b>	<b>3,981,690</b>	<b>3,994,371</b>	<b>12,681</b>
<b>Expenses:</b>			
<b>Current:</b>			
<b>Personal Services</b>			
Golf	454,439	454,439	0
Sewer	210,495	210,495	0
Water	210,286	210,286	0
<b>Total Personal Services</b>	<b>875,220</b>	<b>875,220</b>	<b>0</b>
<b>Contractual Services</b>			
Golf	393,343	391,590	1,753
Sewer	929,019	926,850	2,169
Water	1,122,998	1,122,285	713
<b>Total Contractual Services</b>	<b>2,445,360</b>	<b>2,440,725</b>	<b>4,635</b>
<b>Materials and Supplies</b>			
Golf	263,217	251,305	11,912
Sewer	24,938	22,508	2,430
Water	37,752	36,719	1,033
<b>Total Material and Supplies</b>	<b>325,907</b>	<b>310,532</b>	<b>15,375</b>
<b>Other</b>			
Golf	68,596	68,596	0
Sewer	992	992	0
Water	979	979	0
<b>Total Other</b>	<b>70,567</b>	<b>70,567</b>	<b>0</b>
Capital Outlay	6,815	5,600	1,215
Utility Deposits Returned	1,968	1,968	0
<b>Total Expenses</b>	<b>3,725,837</b>	<b>3,704,612</b>	<b>21,225</b>
<b>Excess of Revenues Over Expenses</b>	<b>255,853</b>	<b>289,759</b>	<b>33,906</b>
Fund Equity at Beginning Year	1,981,691	1,981,691	0
Prior Year Encumbrances Appropriated	38,291	38,291	0
<b>Fund Equity at End of Year</b>	<b>\$2,275,835</b>	<b>\$2,309,741</b>	<b>\$33,906</b>

CITY OF VANDALIA, OHIO  
 COMBINING STATEMENT OF CASH FLOWS  
 ALL ENTERPRISE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>GOLF</u>	<u>SEWER</u>	<u>WATER</u>	<u>TOTAL</u>
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>				
Cash Flows from Operating Activities:				
Cash Received from Customers	\$1,135,032	\$1,311,674	\$1,500,463	\$3,947,169
Other Operating Receipts	26,650	182	183	27,015
Cash Payments for Employee Services and Benefits	(454,439)	(210,495)	(210,286)	(875,220)
Cash Payments to Suppliers for Goods and Services	(557,240)	(942,558)	(866,367)	(2,366,165)
Other Operating Expenses	(78,850)	(992)	(979)	(80,821)
Utility Deposits Received	0	1,523	3,091	4,614
Utility Deposits Returned	0	(649)	(1,319)	(1,968)
Net Cash Provided by Operating Activities	<u>71,153</u>	<u>158,685</u>	<u>424,786</u>	<u>654,624</u>
Cash Flows from Noncapital Financing Activities:				
Operating Transfers - In	<u>5,393</u>	<u>926</u>	<u>5,105</u>	<u>11,424</u>
Net Cash Provided by Noncapital Financing Activities	<u>5,393</u>	<u>926</u>	<u>5,105</u>	<u>11,424</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from Sale of Fixed Assets	3,500	0	8,500	12,000
Acquisition of Capital Assets	<u>(23,767)</u>	<u>0</u>	<u>0</u>	<u>(23,767)</u>
Net Cash Provided by (Used for) Capital And Related Financing Activities	<u>(20,267)</u>	<u>0</u>	<u>8,500</u>	<u>(11,767)</u>
Cash Flows from Investing Activities:				
Interest	<u>3,574</u>	<u>0</u>	<u>0</u>	<u>3,574</u>
Net Cash Provided by Investing Activities	<u>3,574</u>	<u>0</u>	<u>0</u>	<u>3,574</u>
Net Increase in Cash and Cash Equivalents	59,853	159,611	438,391	657,855
Cash and Cash Equivalents Beginning of Year	<u>215,904</u>	<u>1,076,800</u>	<u>727,278</u>	<u>2,019,982</u>
Cash and Cash Equivalents End of Year	<u>\$275,757</u>	<u>\$1,236,411</u>	<u>\$1,165,669</u>	<u>\$2,677,837</u>

(Continued)

CITY OF VANDALIA, OHIO  
 COMBINING STATEMENT OF CASH FLOWS  
 ALL ENTERPRISE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999  
 (Continued)

	<u>GOLF</u>	<u>SEWER</u>	<u>WATER</u>	<u>TOTAL</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>				
Operating Income (Loss)	\$14,527	(\$36,463)	\$261,749	\$239,813
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>				
Depreciation	65,724	160,894	159,405	386,023
<u>Changes in Assets and Liabilities:</u>				
Decrease in Accounts Receivable	74	15,798	11,845	27,717
Increase in Materials and Supplies Inventory	(12,934)	0	(5,572)	(18,506)
Increase (Decrease) in Accounts Payable	4,052	17,056	(5,001)	16,107
Increase (Decrease) in Accrued Wages	(787)	653	710	576
Increase (Decrease) in Due to Other Governments	(4,812)	136	141	(4,535)
Increase in Liabilities Payable from Restricted Assets	0	874	1,772	2,646
Increase (Decrease) in Compensated Absences Payable	6,157	(263)	(263)	5,631
Decrease in Deferred Revenue	(848)	0	0	(848)
Net Cash Provided by Operating Activities	<u>\$71,153</u>	<u>\$158,685</u>	<u>\$424,786</u>	<u>\$654,624</u>

Non-Cash Capital Financing Activities:

The Capital Improvement Capital Projects Fund purchased infrastructure, machinery and equipment for the Golf, Sewer and Water Enterprise Funds with fair market value of \$72,988 \$1,581 and \$36,618, respectively.

## INTERNAL SERVICE FUND

To account for the financing of goods and services provided by one department to other departments within the City.

### Hospital Care

To account for the payment of all City employees' health insurance claims. Since this is the only Internal Service Fund, no individual statements are presented.



## FIDUCIARY FUND TYPES

### INVESTMENT TRUST FUND

Established to account for the individual investment account of the Tri-Cities joint venture.

### AGENCY FUNDS

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

#### Building Standards

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

#### Municipal Court

Established to account for monies that flow through the Clerk of Courts office.

#### Performance Bond

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

#### Unclaimed Money

Established to account for unclaimed bonds from the Municipal Court and other unclaimed funds from the City.

#### Webster Street

Established to account for the County's portion of costs related to a joint Issue II project with the City.

CITY OF VANDALIA, OHIO  
 COMBINING BALANCE SHEET  
 ALL FIDUCIARY FUND TYPES  
 DECEMBER 31, 1999

	INVESTMENT TRUST	AGENCY	TOTAL
<b>Assets:</b>			
Cash and Cash Equivalents	\$0	\$46,294	\$46,294
Cash and Cash Equivalents with Fiscal and Escrow Agents	0	257,771	257,771
Investments	5,379,927	0	5,379,927
Accounts Receivable	0	15,767	15,767
<b>Total Assets</b>	<b>\$5,379,927</b>	<b>\$319,832</b>	<b>\$5,699,759</b>
<b>Liabilities:</b>			
Due to Other Funds	\$0	\$127,584	\$127,584
Due to Other Governments	0	56,739	56,739
Undistributed Monies	0	135,509	135,509
<b>Total Liabilities</b>	<b>0</b>	<b>319,832</b>	<b>319,832</b>
<b>Fund Equity :</b>			
Net Assets in Investment Trust Fund	5,379,927	0	5,379,927
<b>Total Fund Equity</b>	<b>5,379,927</b>	<b>0</b>	<b>5,379,927</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$5,379,927</b>	<b>\$319,832</b>	<b>\$5,699,759</b>

CITY OF VANDALIA, OHIO  
 COMBINING BALANCE SHEET  
 ALL AGENCY FUNDS  
 DECEMBER 31, 1999

	<u>BUILDING STANDARDS</u>	<u>MUNICIPAL COURT</u>	<u>PERFORMANCE BOND</u>	<u>UNCLAIMED MONEY</u>	<u>TOTAL</u>
<b>Assets:</b>					
Cash and Cash Equivalents	\$288	\$0	\$31,707	\$14,299	\$46,294
Cash and Cash Equivalents with Fiscal and Escrow Agents	0	257,771	0	0	257,771
Accounts Receivable	0	15,767	0	0	15,767
<b>Total Assets</b>	<b><u>\$288</u></b>	<b><u>\$273,538</u></b>	<b><u>\$31,707</u></b>	<b><u>\$14,299</u></b>	<b><u>\$319,832</u></b>
<b>Liabilities:</b>					
Due to Other Funds	\$0	\$127,584	\$0	\$0	\$127,584
Due to Other Governments	288	56,451	0	0	56,739
Undistributed Monies	0	89,503	31,707	14,299	135,509
<b>Total Liabilities</b>	<b><u>\$288</u></b>	<b><u>\$273,538</u></b>	<b><u>\$31,707</u></b>	<b><u>\$14,299</u></b>	<b><u>\$319,832</u></b>

CITY OF VANDALIA, OHIO  
 COMBINING STATEMENT OF CHANGES  
 IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>BALANCE</u> 1/1/99	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> 12/31/99
<b>BUILDING STANDARDS</b>				
Assets:				
Cash and Cash Equivalents	\$178	\$2,099	\$1,989	\$288
<b>Total Assets</b>	<b>\$178</b>	<b>\$2,099</b>	<b>\$1,989</b>	<b>\$288</b>
Liabilities:				
Due to Other Governments	\$178	\$2,099	\$1,989	\$288
<b>Total Liabilities</b>	<b>\$178</b>	<b>\$2,099</b>	<b>\$1,989</b>	<b>\$288</b>
<b>MUNICIPAL COURT</b>				
Assets:				
Cash and Cash Equivalents with Fiscal and Escrow Agents	\$258,492	\$2,984,091	\$2,984,812	\$257,771
Accounts Receivable	10,412	15,767	10,412	15,767
<b>Total Assets</b>	<b>\$268,904</b>	<b>\$2,999,858</b>	<b>\$2,995,224</b>	<b>\$273,538</b>
Liabilities:				
Due to Other Funds	\$134,314	\$1,369,901	\$1,376,631	\$127,584
Due to Other Governments	57,729	1,617,315	1,618,593	56,451
Undistributed Monies	76,861	12,642	0	89,503
<b>Total Liabilities</b>	<b>\$268,904</b>	<b>\$2,999,858</b>	<b>\$2,995,224</b>	<b>\$273,538</b>
<b>PERFORMANCE BOND</b>				
Assets:				
Cash and Cash Equivalents	\$3,254	\$51,843	\$23,390	\$31,707
<b>Total Assets</b>	<b>\$3,254</b>	<b>\$51,843</b>	<b>\$23,390</b>	<b>\$31,707</b>
Liabilities:				
Undistributed Monies	\$3,254	\$51,843	\$23,390	\$31,707
<b>Total Liabilities</b>	<b>\$3,254</b>	<b>\$51,843</b>	<b>\$23,390</b>	<b>\$31,707</b>
<b>UNCLAIMED MONEY</b>				
Assets:				
Cash and Cash Equivalents	\$0	\$14,299	\$0	\$14,299
<b>Total Assets</b>	<b>\$0</b>	<b>\$14,299</b>	<b>\$0</b>	<b>\$14,299</b>
Liabilities:				
Undistributed Monies	\$0	\$14,299	\$0	\$14,299
<b>Total Liabilities</b>	<b>\$0</b>	<b>\$14,299</b>	<b>\$0</b>	<b>\$14,299</b>

(Continued)

CITY OF VANDALIA, OHIO  
 COMBINING STATEMENT OF CHANGES  
 IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999  
 (Continued)

	BALANCE 1/1/99	ADDITIONS	DELETIONS	BALANCE 12/31/99
<b>WEBSTER STREET</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$333,000	\$341,557	\$674,557	\$0
<b>Total Assets</b>	<b>\$333,000</b>	<b>\$341,557</b>	<b>\$674,557</b>	<b>\$0</b>
<b>Liabilities:</b>				
Undistributed Monies	\$333,000	\$341,557	\$674,557	\$0
<b>Total Liabilities</b>	<b>\$333,000</b>	<b>\$341,557</b>	<b>\$674,557</b>	<b>\$0</b>
 <b>TOTAL - ALL AGENCY FUNDS</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$336,432	\$409,798	\$699,936	\$46,294
Cash and Cash Equivalents with Fiscal and Escrow Agents	258,492	2,984,091	2,984,812	257,771
Accounts Receivable	10,412	15,767	10,412	15,767
<b>Total Assets</b>	<b>\$605,336</b>	<b>\$3,409,656</b>	<b>\$3,695,160</b>	<b>\$319,832</b>
<b>Liabilities:</b>				
Due to Other Funds	\$134,314	\$1,369,901	\$1,376,631	\$127,584
Due to Other Governments	57,907	1,619,414	1,620,582	56,739
Undistributed Monies	413,115	420,341	697,947	135,509
<b>Total Liabilities</b>	<b>\$605,336</b>	<b>\$3,409,656</b>	<b>\$3,695,160</b>	<b>\$319,832</b>

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets other than those accounted for in the proprietary funds.

CITY OF VANDALIA, OHIO  
SCHEDULE OF GENERAL FIXED ASSETS  
BY SOURCES  
DECEMBER 31, 1999

General Fixed Assets:	
Land	\$1,698,249
Buildings and Improvements	14,110,760
Machinery and Equipment	9,062,046
Construction in Progress	<u>2,872,542</u>
 Total General Fixed Assets	 <u>\$27,743,597</u>

Investment in General Fixed Assets From:

Donations	\$37,959
General Fund Revenue	356,254
Special Revenue Funds Revenue	324,916
Capital Projects Funds Revenue	22,644,804
Acquired before 12/31/87	<u>4,379,664</u>
 Total Investment in General Fixed Assets	 <u>\$27,743,597</u>

CITY OF VANDALIA, OHIO  
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
BY FUNCTION AND ACTIVITY  
FOR THE YEAR ENDED DECEMBER 31, 1999

Function and Activity	General Fixed Assets 1/1/99	Additions	Deductions	Transfers In (Out)	General Fixed Assets 12/31/99
Public Safety					
Police	\$1,534,006	\$6,408,323	(\$140,336)	(\$26,072)	\$7,775,921
Fire	<u>2,505,600</u>	<u>301,912</u>	<u>(50,346)</u>	<u>122,500</u>	<u>2,879,666</u>
Total Public Safety	<u>4,039,606</u>	<u>6,710,235</u>	<u>(190,682)</u>	<u>96,428</u>	<u>10,655,587</u>
Public Works					
Engineering	137,324	95,653	(15,669)	(505)	216,803
Service	<u>2,108,835</u>	<u>219,301</u>	<u>(150,347)</u>	<u>91,887</u>	<u>2,269,676</u>
Total Public Works	<u>2,246,159</u>	<u>314,954</u>	<u>(166,016)</u>	<u>91,382</u>	<u>2,486,479</u>
Recreation					
Parks	6,705,093	525,988	(107,474)	(208,629)	6,914,978
Pool	488,094	13,275	(1,130)	0	500,239
Senior Citizens	<u>299,972</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>299,972</u>
Total Recreation	<u>7,493,159</u>	<u>539,263</u>	<u>(108,604)</u>	<u>(208,629)</u>	<u>7,715,189</u>
General Government					
Council	1,239,913	1,783,536	(47,779)	27,425	3,003,095
Manager	111,168	70,194	(9,360)	(1,835)	170,167
Finance	250,755	138,475	(11,576)	1,835	379,489
Court	<u>298,222</u>	<u>170,707</u>	<u>(1,274)</u>	<u>(6,606)</u>	<u>461,049</u>
Total General Government	<u>1,900,058</u>	<u>2,162,912</u>	<u>(69,989)</u>	<u>20,819</u>	<u>4,013,800</u>
Total General Fixed Assets Allocated to Functions	15,678,982	9,727,364	(535,291)	0	24,871,055
Construction in Progress	<u>2,831,425</u>	<u>2,872,542</u>	<u>(2,831,425)</u>	<u>0</u>	<u>2,872,542</u>
Total General Fixed Assets	<u>\$18,510,407</u>	<u>\$12,599,906</u>	<u>(\$3,366,716)</u>	<u>\$0</u>	<u>\$27,743,597</u>



CITY OF VANDALIA, OHIO  
SCHEDULE OF GENERAL FIXED ASSETS  
BY FUNCTION AND ACTIVITY  
DECEMBER 31, 1999

Function and Activity	Land	Buildings and Improvements	Machinery and Equipment	Total
Public Safety				
Police	\$387,930	\$5,752,393	\$1,635,598	\$7,775,921
Fire	<u>63,960</u>	<u>684,659</u>	<u>2,131,047</u>	<u>2,879,666</u>
Total Public Safety	<u>451,890</u>	<u>6,437,052</u>	<u>3,766,645</u>	<u>10,655,587</u>
Public Works				
Engineering	0	0	216,803	216,803
Service	<u>12,324</u>	<u>485,290</u>	<u>1,772,062</u>	<u>2,269,676</u>
Total Public Works	<u>12,324</u>	<u>485,290</u>	<u>1,988,865</u>	<u>2,486,479</u>
Recreation				
Parks	881,441	4,326,999	1,706,538	6,914,978
Pool	101,344	264,713	134,182	500,239
Senior Citizens	<u>75,305</u>	<u>214,129</u>	<u>10,538</u>	<u>299,972</u>
Total Recreation	<u>1,058,090</u>	<u>4,805,841</u>	<u>1,851,258</u>	<u>7,715,189</u>
General Government				
Council	175,945	2,382,577	444,573	3,003,095
Manager	0	0	170,167	170,167
Finance	0	0	379,489	379,489
Court	<u>0</u>	<u>0</u>	<u>461,049</u>	<u>461,049</u>
Total General Government	<u>175,945</u>	<u>2,382,577</u>	<u>1,455,278</u>	<u>4,013,800</u>
Total General Fixed Assets Allocated to Functions	<u>\$1,698,249</u>	<u>\$14,110,760</u>	<u>\$9,062,046</u>	24,871,055
Construction in Progress				<u>2,872,542</u>
Total General Fixed Assets				<u>\$27,743,597</u>

# Statistical Section

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**STATISTICAL SECTION**

**THE FOLLOWING UNAUDITED STATISTICAL TABLES  
REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND  
FISCAL CAPACITY OF THE CITY**

CITY OF VANDALIA, OHIO  
GENERAL FUND EXPENDITURES BY FUNCTION  
LAST TEN YEARS

<u>YEAR</u>	<u>PUBLIC SAFETY</u>	<u>PUBLIC WORKS</u>	<u>RECREATION</u>	<u>GENERAL GOVERNMENT</u>	<u>CAPITAL OUTLAY</u>	<u>TOTAL</u>
1990	\$2,349,092	\$859,616	\$831,301	\$2,109,700	-	\$6,149,709
1991	2,639,475	999,826	1,049,712	2,581,977	-	7,270,990
1992	2,771,319	1,227,467	1,039,806	2,551,674	-	7,590,266
1993	2,898,597	1,424,307	1,110,023	2,719,018	\$6,471	8,158,416
1994	3,102,356	1,486,401	1,147,626	2,647,379	171,767	8,555,529
1995	3,218,633	1,687,900	1,223,999	2,931,510	5,242	9,067,284
1996	3,472,605	1,685,766	1,340,878	3,071,704	11,817	9,582,770
1997	3,386,547	1,724,898	1,392,744	3,161,057	9,141	9,674,387
1998	3,812,313	2,126,924	1,477,440	3,395,888	13,851	10,826,416
1999	4,258,529	1,882,126	1,557,247	3,756,153	-	11,454,055

SOURCE: Finance Office, City of Vandalia

CITY OF VANDALIA, OHIO  
GENERAL FUND REVENUES BY SOURCE  
LAST TEN YEARS

<u>YEAR</u>	<u>MUNICIPAL INCOME TAX</u>	<u>PROPERTY AND OTHER TAXES</u>	<u>CHARGES FOR SERVICES</u>	<u>LICENSES AND PERMITS</u>	<u>FINES AND FORFEITURES</u>	<u>INTER- GOVERNMENTAL</u>	<u>INTEREST</u>	<u>OTHER</u>	<u>TOTAL</u>
1990	\$3,790,756	\$855,274	\$457,874	\$88,553	\$835,458	\$442,786	\$304,633	\$35,211	\$6,808,545
1991	4,363,387	952,967	431,653	64,320	869,993	568,859	287,503	57,909	7,596,591
1992	5,080,418	1,006,538	524,101	112,287	934,890	495,652	198,872	88,854	8,441,612
1993	5,642,665	1,004,962	507,278	128,975	994,145	630,008	175,063	81,336	9,164,432
1994	8,865,688	1,141,326	591,705	187,845	883,885	697,330	227,067	76,719	12,671,565
1995	9,402,587	1,196,989	795,588	109,080	1,010,187	662,191	581,670	136,520	13,894,812
1996	10,517,757	1,196,276	832,450	120,034	964,813	711,804	748,543	76,588	15,168,265
1997	9,962,903	1,358,819	759,462	131,036	959,961	768,641	1,074,332	48,604	15,063,758
1998	10,723,977	1,370,172	950,815	133,414	1,050,464	720,961	1,209,470	277,239	16,436,332
1999	12,376,161	1,305,833	943,946	170,657	1,050,655	1,014,524	318,175	405,400	17,585,351

SOURCE: Finance Office, City of Vandalia

CITY OF VANDALIA, OHIO  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS

COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	ACCUMULATED OUTSTANDING DELINQUENT TAXES	PERCENTAGE OF ACCUMULATED DELINQUENT TAXES TO TOTAL TAX LEVY
1990	\$865,271	\$813,460	\$11,115	\$824,575	95%	\$22,197	2.57%
1991	964,619	930,693	25,359	956,052	99	70,252	7.28
1992	975,942	870,606	40,710	911,316	93	73,784	7.56
1993	996,216	893,446	26,948	922,394	93	68,946	6.92
1994	1,071,436	1,000,204	33,766	1,033,970	97	52,884	4.94
1995	1,117,715	1,038,197	32,524	1,070,721	96	42,226	3.78
1996	1,167,689	1,071,780	32,705	1,104,485	95	59,196	5.07
1997	1,313,074	1,172,885	58,456	1,231,341	94	57,923	4.41
1998	1,334,585	1,185,274	65,367	1,250,641	94	49,077	3.68
1999	1,357,402	1,226,054	44,594	1,270,648	94	56,603	4.17

SOURCE: County Auditor; Montgomery County, Ohio

CITY OF VANDALIA, OHIO  
 ASSESSED VALUE AND ESTIMATED  
 TRUE VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS

TAX YEAR	ASSESSED REAL	ASSESSED PUBLIC UTILITY REAL	ASSESSED PUBLIC UTILITY TANGIBLE	ASSESSED TANGIBLE PERSONAL	TOTAL	ESTIMATED TRUE VALUE	PERCENTAGE OF ASSESSED VALUE TO ESTIMATED TRUE VALUE
1990	\$174,210,390	\$29,250	\$10,888,550	\$47,871,605	\$232,999,795	\$679,686,109	34%
1991	178,257,590	29,160	11,834,450	45,613,552	235,734,752	651,549,598	36
1992	180,120,980	30,400	11,979,840	48,500,671	240,631,891	720,700,753	33
1993	197,026,960	33,440	12,101,270	49,639,372	258,801,042	775,338,645	33
1994	202,678,610	25,640	12,276,680	54,998,562	269,979,492	813,100,020	33
1995	207,536,750	26,150	12,877,540	61,610,021	282,050,461	854,110,509	33
1996	234,178,950	28,590	13,022,160	69,937,991	317,167,691	963,714,273	33
1997	236,717,850	32,020	13,106,070	72,507,652	322,363,592	981,352,069	33
1998	244,489,040	35,230	11,615,690	69,545,468	325,685,428	990,022,291	33
1999	268,174,540	31,880	10,736,100	72,418,708	351,361,228	1,068,179,003	33

SOURCE: County Auditor; Montgomery County, Ohio

CITY OF VANDALIA, OHIO  
 PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS  
 (PER \$1,000 OF ASSESSED VALUE)  
 LAST TEN YEARS

COLLECTION YEAR	TOTAL CITY	VANDALIA-BUTLER CITY SCHOOLS			MONTGOMERY COUNTY	MIAMI VALLEY CAREER TECHNOLOGY CENTER		LIBRARY	TOTAL
1990	\$4.14	\$44.53	\$10.45	\$1.98	-		\$61.10		
1991	4.14	44.53	13.65	1.98	-		64.30		
1992	4.14	42.91	13.65	1.98	-		62.68		
1993	4.14	42.91	13.65	1.98	-		62.68		
1994	4.14	42.91	16.14	2.58	-		65.77		
1995	4.14	47.86	16.64	2.58	\$0.72		71.94		
1996	4.14	47.86	16.64	2.58	0.72		71.94		
1997	4.14	45.86	16.64	2.58	0.72		69.94		
1998	4.14	45.86	16.64	2.58	0.26		69.48		
1999	4.14	45.86	16.64	2.58	0.26		69.48		

SOURCE: County Auditor; Montgomery County, Ohio



CITY OF VANDALIA, OHIO  
 SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS  
 LAST TEN YEARS

<u>COLLECTION YEAR</u>	<u>BILLED (1)</u>	<u>AMOUNT COLLECTED (2)</u>	<u>PERCENT COLLECTED</u>
1990	\$37,511	\$37,262	99%
1991	24,938	25,359	102
1992	122,192	122,098	99
1993	115,760	115,743	99
1994	111,207	110,684	99
1995	140,667	139,428	99
1996	124,098	121,462	98
1997	110,053	109,780	99
1998	106,475	106,202	99
1999	97,077	96,905	99

SOURCE: (1) County Auditor; Montgomery County, Ohio

(2) City's Tax Settlement Sheets

NOTE: This table reflects only those special assessments collected through the County Auditor's Office.

CITY OF VANDALIA, OHIO  
 RATIO OF NET GENERAL OBLIGATION BONDED DEBT  
 TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA  
 LAST FOUR YEARS (1)

TAX YEAR	POPULATION (2)	ASSESSED VALUE	GROSS BONDED DEBT (3)	DEBT SERVICE MONIES		NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUATION		NET BONDED DEBT PER CAPITA
				AVAILABLE (4)	BONDED DEBT		BONDED DEBT	VALUATION	
1996	13,790	\$317,167,691	\$13,675,000	\$31,226	\$13,643,774	4.30%		\$989.40	
1997	13,790	322,363,592	13,480,000	31,361	13,448,639	4.17		975.25	
1998	13,790	325,685,428	13,185,000	31,361	13,153,639	4.04		953.85	
1999	13,790	351,961,228	12,875,000	31,403	12,843,597	3.66		931.37	

(1) The City had no general obligation bonds payable from property taxes prior to 1996.

SOURCE: (2) 1990 Census

(3) Excludes general obligation bonded debt payable from municipal income taxes and special assessment bonded debt.

(4) Excludes debt service money available to pay general obligation bonded debt payable from municipal income taxes and special assessment bonded debt.

CITY OF VANDALIA, OHIO  
 COMPUTATION OF OVERALL LEGAL DEBT MARGIN  
 DECEMBER 31, 1999

Assessed Value (1)		<u>\$351,361,228</u>
Overall Debt Limit (10 1/2% of the Assessed Value)		\$36,892,929
Total Voted and Unvoted Debt Outstanding at December 31, 1999	<u>\$13,145,000</u>	
Less: Exempt Debt		
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments	252,766	
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Lawfully Available Municipal Income Tax to be Applied to Debt Service	<u>17,234</u>	
Debt Within 10 1/2 Percent Limitation	12,875,000	
Less: Bond Retirement Fund Balance	<u>31,403</u>	
Net Debt Subject to 10 1/2% limitation		<u>12,843,597</u>
Legal debt margin within 10 1/2% limitation		<u>\$24,049,332</u>

(1) This assessed value represents tax year 1999 assessed valuation.

CITY OF VANDALIA, OHIO  
 COMPUTATION OF UNVOTED LEGAL DEBT MARGIN  
 DECEMBER 31, 1999

Assessed Value (1)		<u>\$351,361,228</u>
Overall Debt Limit (5 1/2% of the Assessed Value)		\$19,324,868
Total Voted and Unvoted Debt Outstanding at December 31, 1999	<u>\$13,145,000</u>	
Less: Exempt Debt		
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments	252,766	
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Lawfully Available Municipal Income Tax to be Applied to Debt Service	<u>17,234</u>	
Debt Within 5 1/2 Percent Limitation	12,875,000	
Less: Bond Retirement Fund Balance	<u>31,403</u>	
Net Debt Subject to 5 1/2% limitation		<u>12,843,597</u>
Legal debt margin within 5 1/2% limitation		<u>\$6,481,271</u>

(1) This assessed value represents tax year 1999 assessed valuation.

CITY OF VANDALIA, OHIO  
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT  
 DECEMBER 31, 1999

<u>JURISDICTION</u>	<u>NET DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO CITY OF VANDALIA</u>	<u>AMOUNT APPLICABLE TO CITY OF VANDALIA</u>
City of Vandalia	\$12,843,597	100.00%	\$12,843,597
Montgomery County	36,517,374	5.16	1,884,296
Vandalia-Butler City School District	2,000,000	58.00	<u>1,160,000</u>
Total			<u>\$15,887,893</u>

SOURCE: Montgomery County Auditor

NOTE: The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed value within the City by the subdivision's total assessed value.

The Net Debt Outstanding includes only general obligation debt payable from property taxes.

CITY OF VANDALIA, OHIO  
 RATIO OF ANNUAL DEBT PRINCIPAL AND INTEREST EXPENDITURES  
 FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL  
 GENERAL FUND EXPENDITURES  
 LAST FOUR YEARS (1)

YEAR	DEBT PRINCIPAL AND INTEREST (2)	GENERAL FUND EXPENDITURES	RATIO
1996	\$0	\$9,582,770	0.00%
1997	1,034,769	9,674,387	0.11
1998	1,032,115	10,826,416	0.10
1999	1,034,873	11,454,055	0.09

(1) The City had no general obligation bonds payable from property taxes prior to 1996.

(2) Includes only general obligation debt payable from property taxes.

CITY OF VANDALIA, OHIO  
REVENUE BOND COVERAGE  
LAST TEN YEARS

YEAR	OPERATING REVENUES	OPERATING EXPENSES (1)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
GOLF							
1990	\$758,879	\$762,013	(\$3,134)	\$45,000	\$21,263	\$66,263	(0.0)
1991	857,019	825,539	31,480	45,000	16,900	63,900	0.5
1992	776,858	830,817	(53,959)	45,000	16,538	61,538	(0.9)
1993	677,715	868,573	(190,858)	45,000	14,175	59,175	(3.2)
1994	933,242	1,024,795	(91,553)	45,000	11,813	56,813	(1.6)
1995	908,542	1,001,339	(92,797)	45,000	9,450	54,450	(1.7)
1996	852,694	878,740	(26,046)	45,000	7,088	52,088	(0.5)
1997	1,016,904	962,068	54,836	45,000	4,725	49,725	1.1
1998	1,028,941	995,698	33,243	45,000	2,363	47,363	0.7
1999	(a)	(a)	(a)	(a)	(a)	(a)	(a)
WATER							
1990	1,055,160	1,111,241	(56,081)	73,000	2,829	75,829	(0.7)

SOURCE: Finance Office, City of Vandalia

(1) Operating expenses do not include depreciation

Note - The sewer enterprise fund has no revenue debt after 1982

The water enterprise fund has no revenue debt after 1990

(a) The golf enterprise fund has no revenue debt after 1998

CITY OF VANDALIA, OHIO  
 DEMOGRAPHIC STATISTICS  
 LAST TEN YEARS

<u>YEAR</u>	<u>POPULATION (1)</u>	<u>SCHOOL ENROLLMENT (2)</u>	<u>UNEMPLOYMENT RATE MONTGOMERY COUNTY (3)</u>
1990	13,790	3,700	5.2%
1991	13,790	3,557	5.7
1992	13,790	3,546	6.3
1993	13,790	3,612	5.4
1994	13,790	3,535	4.9
1995	13,790	3,435	4.0
1996	13,790	3,515	4.4
1997	13,790	3,640	4.0
1998	13,790	3,564	4.1
1999	13,790	3,560	3.8

SOURCE: (1) 1990 Census

(2) Vandalia-Butler Board of Education

(3) Ohio Bureau of Employment Services



CITY OF VANDALIA, OHIO  
PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS  
LAST TEN YEARS

YEAR	PROPERTY VALUES (1)	RESIDENTIAL CONSTRUCTION (2)		COMMERCIAL CONSTRUCTION (2)		COUNTY BANK DEPOSITS (3)
		NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE	
1990	\$497,743,971	45	\$4,884,383	66	\$10,901,642	\$5,701,107,000
1991	509,307,400	38	4,383,350	176	9,312,500	6,728,755,000
1992	514,631,371	43	4,347,531	62	8,773,993	4,068,798,000
1993	562,934,171	65	9,119,000	75	8,430,845	3,834,335,000
1994	579,081,743	58	8,370,400	88	9,156,475	4,034,766,000
1995	592,962,142	65	11,085,550	79	7,255,654	3,995,114,000
1996	669,082,714	61	10,918,125	81	10,382,823	3,899,145,000
1997	676,336,714	46	8,401,100	106	13,581,121	3,530,314,000
1998	698,540,114	61	10,057,827	56	11,496,840	3,264,705,000
1999	766,212,971	54	8,382,445	103	22,997,366	2,994,378,000

SOURCE: (1) Estimated True Real Property Values Excluding Public Utility Real Property  
(2) City of Vandalia Building Department  
(3) Federal Reserve Bank of Cleveland, no main office in the City of Vandalia

CITY OF VANDALIA, OHIO  
 PRINCIPAL TAXPAYERS  
 DECEMBER 31, 1999

<u>TAXPAYER</u>	<u>1999 REAL PROPERTY ASSESSED VALUE (1)</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUE (1)</u>
1. Dayton Power & Light Co.	\$7,825,700	2.21%
2. Delphi Automotive System	4,425,870	1.25
3. B-W Limited Partnership	2,546,740	0.72
4. Ohio Bell Telephone Co.	2,539,220	0.72
5. The Iams Company	2,304,420	0.65
6. Mid-States Development Co.	1,493,390	0.42
7. 70/75 Corporate Center	1,467,380	0.42
8. Whirlpool Realty	1,312,430	0.37
9. Thieman, Ted H.	1,164,490	0.33
10. Roberds Inc.	1,151,440	0.33
	<u>\$26,231,080</u>	<u>7.42%</u>

(1) Assessed value represents tax year 1999 assessed valuation.

SOURCE: County Auditor; Montgomery County, Ohio

CITY OF VANDALIA, OHIO  
 MISCELLANEOUS STATISTICS  
 DECEMBER 31, 1999

Year of Incorporation	1958
Form of Government	Charter - Council/Manager
Area	11.75 miles
Miles of Streets	72 Miles
Number of Street Lights	35
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	31
Number of Patrol Units	24
Education (K-12) (Public only)	
Number of Schools	6
Number of Teachers	238
Number of Students	3560
Municipal Water Department	
Miles of Water Mains	65 Miles
Number of Fire Hydrants	633
Sewers:	
Miles of Sanitary Sewers	56 Miles
Miles of Storm Sewers	42 Miles
Building Permits Issued During 1999	157
Recreation and Culture:	
Number of Parks	9
Number of Libraries	1
Number of Senior Citizens Centers	1
Golf Courses	1
Clubhouse/Restaurants	1
Swimming Pools	1
Tennis Courts	10
Employees	137

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**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

88 East Broad Street  
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Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**CITY OF VANDALIA**  
**MONTGOMERY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED**  
**JUNE 8, 2000**