

CITY OF VANDALIA

Yellow Book Report

December 31, 2010



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Vandalia, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2010 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

June 21, 2011

This Page is Intentionally Left Blank.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Vandalia (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

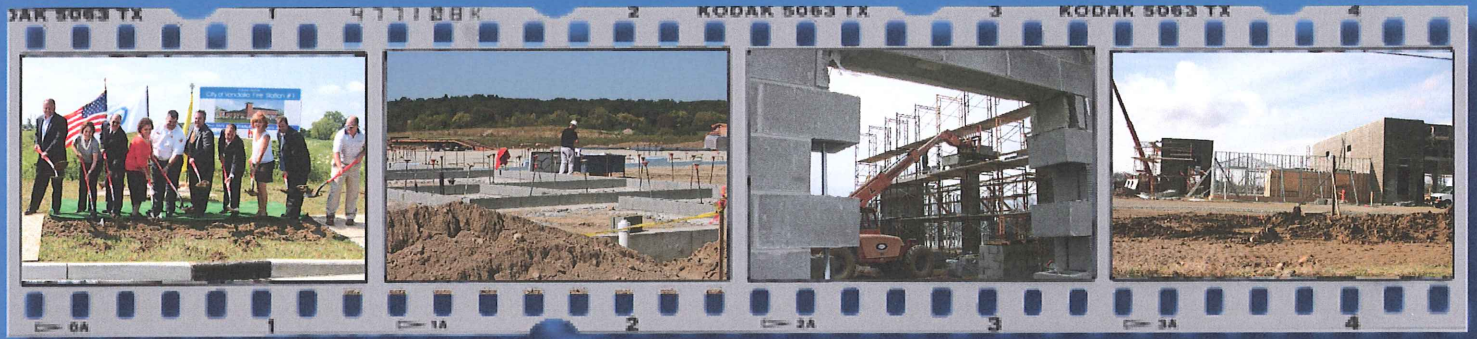
We noted certain matters that we reported to management of the City in a separate letter dated May 31, 2011.

This report is intended solely for the information and use of management, the Auditor of State, City Council and is not intended to be and should not be used by anyone other than these specified parties.

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.
May 31, 2011

City of Vandalia, Ohio



Comprehensive Annual Financial Report
For the year ended
December 31, 2010

CITY OF VANDALIA
Montgomery County, Ohio

Comprehensive Annual Financial Report

Year Ended December 31, 2010

Issued by:
James A. Bell, CPFA, CPFIM
Director of Finance



City of Vandalia, Ohio
 Comprehensive Annual Financial Report
 Year Ended December 31, 2010

Table of Contents

Introductory Section	Page
Letter of Transmittal.....	v
Certificate of Achievement.....	xi
List of Principal Officials.....	xii
Organizational Chart	xiii
Financial Section	
Independent Auditor's Report.....	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets.....	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	21
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
General Fund	22
Statement of Fund Net Assets – Proprietary Funds.....	23
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds.....	24
Statement of Cash Flows – Proprietary Funds	25
Statement of Fiduciary Assets and Liabilities – Fiduciary Fund.....	27
Notes to the Financial Statements	28
Combining Statements:	
Combining Statements – Nonmajor Governmental Funds:	
Fund Descriptions.....	58
Combining Balance Sheet – Nonmajor Governmental Funds.....	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	63
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	68
Combining Balance Sheet – Nonmajor Debt Service Funds.....	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds.....	73
Combining Balance Sheet – Nonmajor Capital Projects Funds	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	76

City of Vandalia, Ohio
 Comprehensive Annual Financial Report
 Year Ended December 31, 2010

Table of Contents
 (Continued)

	Page
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
General Fund	78
Capital Improvement Fund.....	80
Nonmajor Funds:	
Street Fund	81
State Highway Fund	82
Permissive Motor Vehicle Tax Fund.....	83
Law Enforcement Fund	84
Drug Law Enforcement Fund.....	85
OMVI Education and Enforcement Fund.....	86
OMVI Indigent Fund.....	87
Computer Legal Research Fund	88
Indigent Drivers IAM Fund.....	89
Baseball Recreation Fund.....	90
Soccer Recreation Fund.....	91
Stormwater Fund	92
Chuck Gabbard Memorial Fund.....	93
Magistrate Fund.....	94
Employee Retirement Benefits Reserve Fund.....	95
General Obligation Bond Retirement Fund.....	96
Street Special Assessment Bond Retirement Fund.....	97
Road Improvements Brownschool Fund	98
Recreation Center Fund.....	99
Justice Center/Municipal Building Fund.....	100
North Dixie Widening Fund.....	101
Police, Fire and Street Capital Improvements Fund.....	102
TIF Fund.....	103
Capital Improvement Reserve Fund	104
Facilities Improvement & Maintenance Reserve Fund	105
Individual Fund Schedules of Revenues, Expenses and Changes in Fund Equity – Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
Water Fund	106
Sewer Fund.....	107
Golf Fund	108
Hospital Care Fund.....	109
Combining Statement – Fiduciary Funds	
Fund Descriptions.....	111
Combining Statement of Changes in Assets and Liabilities.....	112

City of Vandalia, Ohio
 Comprehensive Annual Financial Report
 Year Ended December 31, 2010

Table of Contents
 (Continued)

Statistical Section	Page
Table of Contents	S-1
Net Assets by Component - Last Ten Years.....	S-2
Change in Net Assets - Last Ten Years.....	S-4
Fund Balances, Governmental Funds - Last Ten Years	S-6
Changes in Fund Balance, Governmental Funds - Last Ten Years.....	S-8
Schedule of Assessed Valuation and Estimated True Value - Last Ten Collection Years.....	S-9
Schedule of Property Tax Levies and Collections - Last Ten Years.....	S-10
Schedule of Property Rates - all Direct and Overlapping Governments - Last Ten Years	S-11
Schedule of Principal Taxpayers – Real Property - 2010 and 2004.....	S-12
Schedule of Principal Taxpayers – Personal Property/Telecom Personal Property - 2010 and 2004	S-13
Schedule of Principal Taxpayers – Public Utility - 2010 and 2004	S-14
Income Tax Rates and Collections - Last Ten Years	S-15
Ratios of Outstanding Debt by Type - Last Ten Years	S-16
Ratios of General Bonded Debt Outstanding - Last Ten Years.....	S-17
Direct and Overlapping Governmental Activities Debt - December 31, 2010.....	S-18
Legal Debt Margin Information - Last Ten Years.....	S-19
Schedule of Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures - Last Ten Years.....	S-20
Schedule of Principal Employers – 2010 and 2005.....	S-21
Demographic and Economic Statistics - Last Ten Years	S-22
Schedule of Full-Time Equivalent City Government Employees by Function/Program - Last Nine Years.....	S-23
Schedule of Operating Indicators by Function/Program - Last Nine Years.....	S-24
Schedule of Capital Assets Statistics by Function/Program - Last Ten Years	S-30



Introductory Section



333 James E. Bohanan Memorial Drive
Vandalia, Ohio 45377

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



May 31, 2011

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

State law requires that every general-purpose local government prepare their financial statements in accordance with generally accepted accounting principles (GAAP) and to have an annual audit. Therefore, I am pleased to present the twenty second Comprehensive Annual Financial Report (CAFR) for the City of Vandalia, which is being published to fulfill that requirement for the year ended December 31, 2010.

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

Plattenburg & Associates, Inc., Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Vandalia's financial statements for the year ended December 31, 2010. The independent auditors' report is located at the front of the financial section of this report.

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

Profile of the City

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

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

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

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

The City is associated with the Tri-Cities North Regional Wastewater Authority (TCA) and the Northern Area Water Authority (NAWA), which are defined as joint ventures. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. These organizations are presented in Note 13.

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

The City is also a member of the Economic Development/Government Equity Program (ED/GE), a jointly governed organization which promotes developing plans and programs designed to assure that County resources are efficiently used, economic growth is properly balanced, and that county economic development is coordinated with that of the State of Ohio and other local governments. This organization is presented in Note 14.

The Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City of Vandalia's financial planning and control. The budget is prepared at the fund level. The finance director may transfer resources within the function and department levels. The department heads may transfer resources within their department as they see fit. Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the amount of the purchase. Each department head is furnished a monthly report showing the month's transactions and summarizing the balances available to be spent from the appropriations for goods and services.

Local Economy

Several companies in Vandalia experienced growth during 2010 and other companies began doing business in Vandalia during 2010.

During 2010, Vandalia received some exciting news that Delphi Thermal would remain located and functional in the existing site at 250 Northwoods Blvd within the City. Delphi Thermal (Delphi) operates as a division of Delphi Automotive Systems, LLC. This division is one of the only three remaining in the U.S. after the car maker was faced with budget constraints that developed through the latter part of the decade. The Vandalia division is responsible for the manufacturing and the assembly of the heating/ventilation and air conditioning systems that are in the engines of various models of vehicles including SUV's and mid-sized cars.

Delphi plans to improve its existing facility by investing in heating/ventilation and air conditioning (HVAC) mold and manufacturing equipment, as well as facility investments for material delivery, movement of gas throughout the site, overhead crane additions, parking lot upkeep and truck drive entry repairs. The company will invest an estimated \$6.135 million for machinery and equipment, \$265,000 in repairs/upgrade of parking lot and truck entry, \$26,000 resin/gas delivery system, and \$150,000 for additional overhead crane capacity. An estimated 130 full-time employees will be retained, with 100 new jobs created within 3 years.

Vandalia has received approval from Montgomery County for an ED/GE grant not to exceed \$100,000. The Vandalia Development Corporation has also agreed to provide funding of \$40,000 which will be reimbursed to Delphi upon completion of the parking lot and truck entry improvements.

In December, 2009, Carter Logistics was approved for a \$200,000 ED/GE Grant through Montgomery County. Carter is a world-class logistics company focused on the automotive industry. The company provides value to its clients by helping reduce transportation costs, lower inventories, and provide continuously dependable service. The new project will include the purchase of land and the construction of a new logistics facility totaling an amount of approximately \$7.5 million.

This project will potentially bring 100 new jobs with an estimated \$4.6 million annual payroll. The company has signed a short-term lease in West Carrollton, and any jobs created at the temporary site will be transferred to the permanent location which will be on a 26 acre lot in Stonequarry Crossings. Along with the ED/GE dollars committed to the project, the State of Ohio has committed Job Creation Tax Credit funds valued at \$399,323, and a Rapid Outreach Grant valued at \$70,000.

Carter is hoping to break ground in the Spring of 2011, and potentially start operating from the site in the fall or winter of 2011-2012.

Projects Unlimited located within the City established a new Cable and Harnessing Division within their aerospace business segment. The company has an opportunity to expand its growing Aerospace business due to increasing client order volume due to its expertise in the Aerospace industry. The improvements will include the expansion of the coating department, the expansion of locker room and restroom facilities, and the expansion of the south end of the building to add square footage for the construction of a new Cable and Harness Division.

The total project will be approximately \$1,275,500. The City received approval of a \$50,000 ED/GE Grant which was utilized toward the 7,900 square foot expansion. Projects Unlimited anticipates creating 20 new full-time employment positions which will account for approximately \$850,000 in estimated annual payroll over the next three years. The company plans to retain approximately 126 basic jobs at an estimated payroll of \$6,500,000. This equates to anticipated income tax revenue of \$147,000 per year to the City. This project was completed in the fourth quarter of 2010.

During the summer of 2010, one of the City's top ten employers, Inteva, decided to relocate its operation to 707 Crossroads Court. The company is an engineering, manufacturing and supply company serving clients around the world with value added innovative solutions. The City received approval for a \$125,000 ED/GE Grant to help support this \$775,357 project.

The project consists of relocation from the former site to a new stand alone space at 707 Crossroads Court along with leasehold improvements and fixed asset improvements that will improve operating efficiencies. The City's diligent efforts saved the company from relocating to various other sites including a location in Michigan. This effort helped to maintain \$180,000 per year in income tax revenue that would have been lost if the company would have relocated away from the City.

Crown Solutions, a subsidiary of Veolia Water Solutions & Technologies announced a 70,000 square foot building expansion project to be located at 913 Industrial Park Drive. The project, which will add approximately 140 jobs over a five year period, is scheduled for completion in early 2011. Crown Solutions is a water treatment company that has operated out of facilities on Brown School Road for the past six years. The new facility will be used primarily as a fabrication space to manufacture water and waste water treatment equipment.

Xcel Sports Medicine is a privately owned and operated sports medicine facility dedicated to the treatment of athletic and orthopedic injuries and problems, as well as the pursuit of wellness and fitness. In November, the company broke ground on a new, state of the art facility at 830 Falls Creek Drive. Construction is underway with an estimated completion date of spring 2011.

Speedpro Imaging, a company dedicated to production of marketing graphics opened its doors in December. Speedpro's services include large format graphics, graphic design and installation of marketing graphics. The company is located at 779 Crossroads Court.

Joseph Airport Toyota/Scion and Beau Townsend Ford are two Vandalia dealerships that are expanding product lines. Beginning in mid-2010, Beau Townsend Ford added the luxury brand Lincoln to its product offerings. The line gives the dealership access to vehicles in the higher end of price points. Joseph Airport Toyota/Scion also acquired a new brand in 2010. The dealership is now offering Hyundai vehicles which adds to a solid product line.

Universal 1 Credit Union opened its doors in March, 2010. The new office is located at the corner of North Dixie and East Alkaline Springs, the former State Farm Insurance office will feature a dramatic sloping entryway and aesthetics in the lobby.

Dr. Kathy Joseph owner of My Favorite Pet constructed a new stand alone facility at 361 East National Road during the fourth quarter of 2010. This longstanding veterinarian practice had outgrown its former location, and after evaluating costs, decided to construct a new facility. Dr. Joseph was thrilled with the City's enthusiastic and supportive participation throughout the project, and is very pleased with the end result. More opportunity to service patient needs and room to grow has been the consensus. Dr. Joseph is very excited about the future of the business in Vandalia.

The unemployment in Vandalia's region (Dayton, OH SMA) in 2010 was above the national and state averages. The Dayton area had an unemployment rate of 10.1% in 2010, compared to 9.4% nationally and 9.6% for the State of Ohio.

The City continues to spend its valuable resources on public safety and public works related expenses, as well as recreation activities and general governmental categories. The City's dedication to public safety is evident in the fact that 20.5% and 9.3% of the governmental expenditures are spent towards police and fire protection, respectively.

The City also places a high emphasis on sponsoring recreation programs for its citizens. The 18.2% of governmental expenditures spent for recreation during 2010 is consistent with past years.

The City income tax rate is 2.00%. Voters approved a temporary increase in 2005 that became effective on January 1, 2006. Subsequently, Vandalia residents voted to make the 2% income tax rate permanent in May, 2010.

Major Initiatives

In addition to the construction that is happening by private sector businesses, the Vandalia Butler City School District is in the middle of a \$40 million construction project that will see the complete renovation of the existing High School building and the construction of a new Middle School building on the west side of the City. The high school project will see the demolition of almost the entire building with the exception of the existing performing arts theater and the student activity center. The remainder of the building, which was built in the 1950s, will be demolished to allow for the construction of a new state-of-the-art school building. As part of the high school construction, the schools upgraded the football field and track to new synthetic surfaces as well as new grandstands for the home and visitor sides of the stadium.

The new Morton Middle School building is under construction on 20 acres of land at the City's Stonequarry Crossings development. The new school will be located at the northwest corner of Stonequarry Road and Peters Pike adjacent to the City's new Fire Station #1. Once construction on the new middle school is finished in late 2011 or early 2012, the district will transition the students from the current Morton site on National Road, and demolish the current school building. In order to accommodate the construction of the new school the City and schools entered into a land swap agreement where the City donates the land for the new middle school in exchange for the ownership of the current school site on National Road once the students have been transitioned and the school buildings demolished. Once the National Road site is obtained by the City, the 8 acre site will be redeveloped for future office and retail development.

2010 marked the completion of construction for the new Vandalia Fire Station at the City's Stonequarry Crossings development. The new station replaced the current Fire Division headquarters on Dixie Drive adjacent to the Dayton International Airport. While the City will maintain a small fire operation from the old building, the new Fire Station #1 on Peters Pike will be the primary headquarters building for the Fire Division. The new station became operational in September 2010.

Long-term financial planning

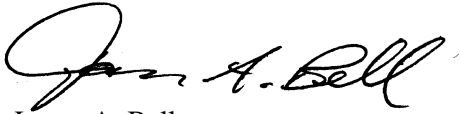
In 2009, the City established the Vandalia Development Corporation to help implement its economic development strategy. This five member board is comprised of two City Council members and three citizens that either live or own a business in Vandalia. This group will work with the City on the retention and expansion of current and new businesses while providing a valuable resource for economic development projects.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Vandalia, Ohio, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2009. This was the twenty first year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Sincere appreciation is extended to the many people who have contributed their time and effort to prepare this report. Assistant Finance Director Kathleen Cornett and the Finance Department staff are to be commended for their input and commitment. I would also like to express appreciation to the City Engineer's office for their continued effort in helping gather the infrastructure information presented in the report. I am additionally grateful to new Assistant City Manager Greg Shackelford for his economic development input for this report. I would also like to express appreciation to W. Michael Lennon, CPA, and Lorrie Miller for their time spent in preparing this report. This report contains an expanded Statistical Section and a significant amount of work from members of all city departments was necessary to complete the tables. I am extremely grateful for those individuals who gathered the data to complete those statistical tables. Finally, credit must also be given to the City Manager, Mayor and to City Council for their support in maintaining the highest standards of professionalism in the management of the City of Vandalia's finances.

A handwritten signature in black ink, appearing to read "James A. Bell". The signature is fluid and cursive, with a large initial "J" and "A".

James A. Bell
Director of Finance

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, 2009

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.



President

Executive Director

City of Vandalia
Montgomery County, Ohio
List of Principal Officials
December 31, 2010

Elected Officials

Mayor
William Loy

Vice Mayor
H. David Brusman Jr.

Council Members
Mike Blakesly
Joyce Orange
Dave Gerhard
Candice Farst
David Lewis

Appointed Officials

City Manager
Robert L. Anderson II

Director of Finance
James A. Bell

City Attorney
Gerald McDonald

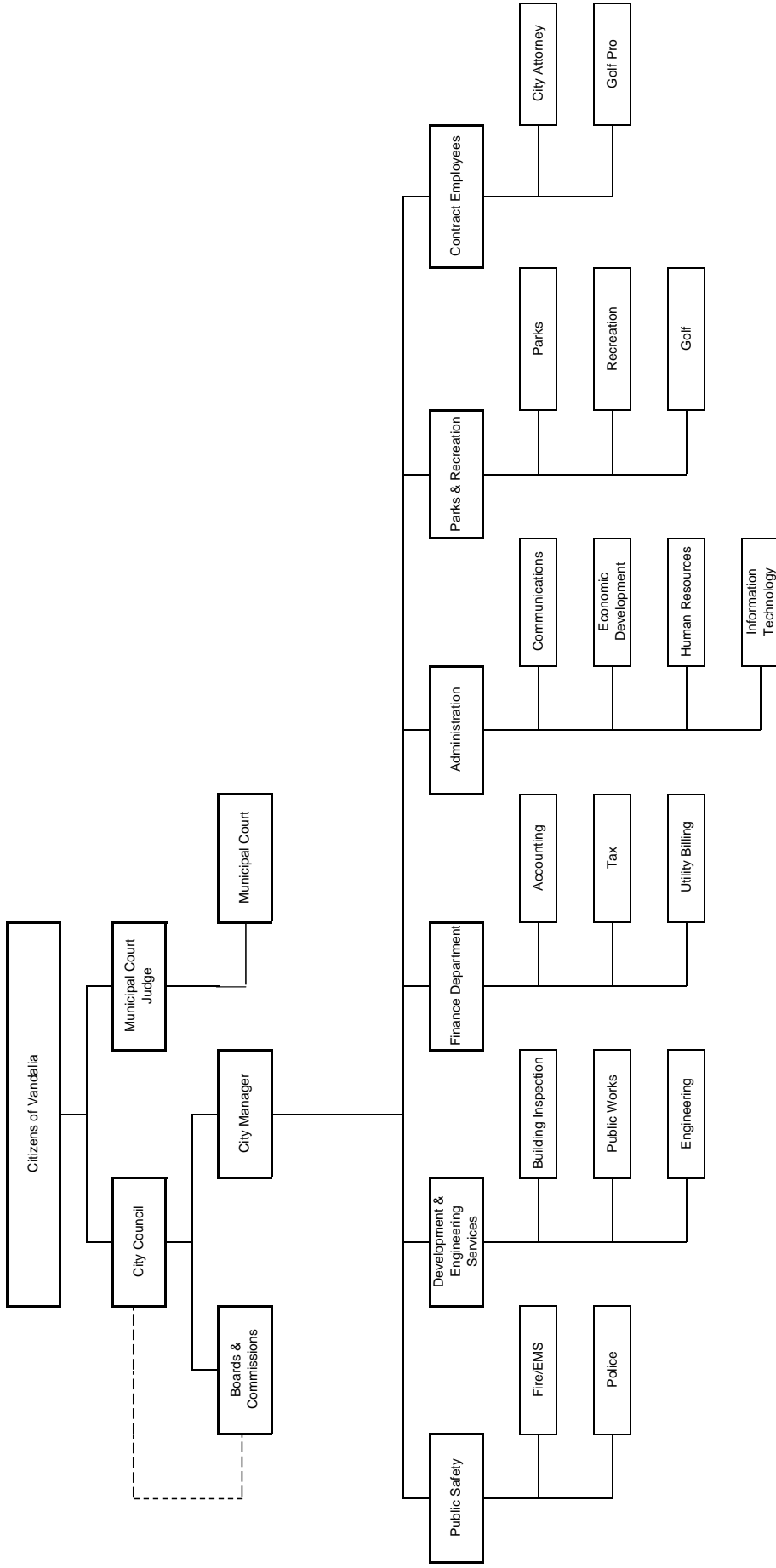
Assistant City Manager
vacant

Chief of Police
Douglas Knight

Fire Chief
Chad Follick

Parks and Recreation Director
Steve Clark

City of Vandalia, Ohio
 Organizational Chart
 December 31, 2010





Financial Section



Vandalia

At the Crossroads of America



This Page is Intentionally Left Blank.

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Vandalia (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
May 31, 2011

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2010
(Unaudited)

The discussion and analysis of the City of Vandalia's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2010. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter, basic financial statements and notes to enhance their understanding of the City's financial performance.

Financial Highlights

- The City's total net assets increased \$2,765,804 during 2010. Of this increase, net assets of governmental activities accounted for \$1,205,450, due to a decrease in long-term liabilities and an increase in capital assets, while net assets of business-type activities increased by \$1,560,354.
- General revenues, for governmental activities, accounted for \$14,489,510, or 63% of total governmental activities revenue. Program specific revenues accounted for \$8,579,916 or 37% of total governmental activities revenue.
- Governmental activities net capital assets increased \$5,170,812, due to an increase in all categories of capital assets and various construction projects finished during the year.
- The City had \$21,863,976 in expenses related to governmental activities; \$8,579,916 of these expenses was offset by program specific charges for services, grants, contributions, or interest. General revenues (primarily taxes) of \$14,489,510 were sufficient to offset these program expenses.
- The general fund, the City's largest major governmental fund, had revenues of \$19,421,892 in 2010, or 81.3% of total governmental funds. Expenditures of the general fund were \$16,871,653, or 60.4% of total governmental funds. The general fund balance decreased \$1,890,851, or 13.5% in 2010.
- Business-type operations reflected an operating income of \$1,528 during 2010, and business-type unrestricted net assets are at \$10,846,059.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2010
(Unaudited)

Reporting the City as a Whole

Statement of Net Assets and Statement of Activities

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 18. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Finance Director, with approval of council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for use of grants. The City's major funds are general, capital improvement, water, sewer and golf.

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2010
(Unaudited)

Governmental Funds

Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

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

Fiduciary Funds

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

Government-Wide Financial Analysis

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

Table 1 below provides a summary of the City's net assets for 2010 compared to 2009:

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2010
(Unaudited)

Table 1
Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Activities</u> <u>2010</u>	<u>Activities</u> <u>2009</u>	<u>Activities</u> <u>2010</u>	<u>Activities</u> <u>2009</u>	<u>Activities</u> <u>2010</u>	<u>Activities</u> <u>2009</u>
<u>Assets</u>						
Current and other assets	\$ 29,926,523	\$ 34,751,483	\$ 2,652,052	\$ 2,026,293	\$ 32,578,575	\$ 36,777,776
Capital assets	54,206,887	49,036,075	18,100,914	18,217,454	72,307,801	67,253,529
Investment in joint venture	-	-	8,715,401	7,559,938	8,715,401	7,559,938
Total assets	<u>84,133,410</u>	<u>83,787,558</u>	<u>29,468,367</u>	<u>27,803,685</u>	<u>113,601,777</u>	<u>111,591,243</u>
<u>Liabilities</u>						
Other liabilities	9,420,219	9,402,441	341,171	265,838	9,761,390	9,668,279
Long-term liabilities outstanding	<u>14,280,016</u>	<u>15,157,392</u>	<u>180,223</u>	<u>151,228</u>	<u>14,460,239</u>	<u>15,308,620</u>
Total liabilities	<u>23,700,235</u>	<u>24,559,833</u>	<u>521,394</u>	<u>417,066</u>	<u>24,221,629</u>	<u>24,976,899</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	42,469,073	39,122,829	18,100,914	18,217,454	60,569,987	57,340,283
Restricted	5,776,138	5,991,019	-	-	5,776,138	5,991,019
Unrestricted	<u>12,187,964</u>	<u>14,113,877</u>	<u>10,846,059</u>	<u>9,169,165</u>	<u>23,034,023</u>	<u>23,283,042</u>
Total net assets	<u>\$ 60,433,175</u>	<u>\$ 59,227,725</u>	<u>\$ 28,946,973</u>	<u>\$ 27,386,619</u>	<u>\$ 89,380,148</u>	<u>\$ 86,614,344</u>

As displayed in Table 1, total net assets of the City as a whole, increased \$2,765,804 from 2009 to 2010. This was due to a decrease in long-term liabilities and an increase in capital assets.

Total net assets of the City's governmental activities increased by \$1,205,450, and unrestricted net assets decreased \$1,925,913 from 2009 to 2010. The increase in governmental net assets can be attributed to increases in capital assets as mentioned above.

The net assets of the City's business type activities increased by \$1,560,354. Two of the three enterprise funds reported an operating loss during 2010. Overall, operating expenses decreased \$660,993 from the prior year. The City strives to control operation expenses for business-type activities in order to maintain stability in charges for services rates.

Table 2 shows the changes in net assets for the year ended December 31, 2010, and revenue and expense comparisons to 2009.

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2010
(Unaudited)

Table 2
Changes in Net Assets

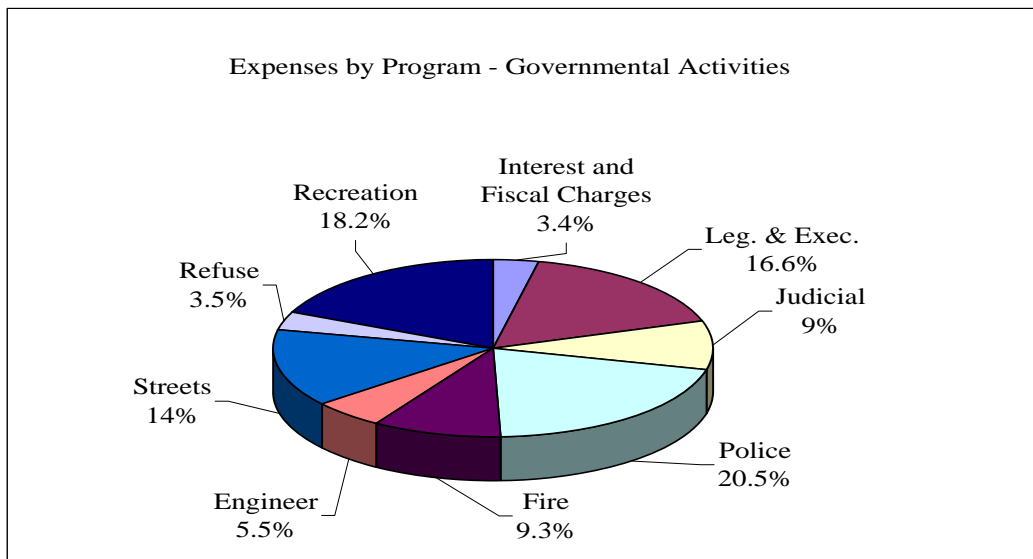
	Governmental Activities		Business-Type Activities		Total	Total
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues						
Program revenues:						
Charges for services	\$ 5,350,691	\$ 5,165,206	\$ 4,414,239	\$ 4,247,409	\$ 9,764,930	\$ 9,412,615
Operating grants, contributions, and interest	727,898	1,324,350	99,751	-	827,649	1,324,350
Capital grants and contributions	2,501,327	2,078,995	9,019	412,108	2,510,346	2,491,103
General revenues:						
Property taxes	1,989,379	1,670,726	-	-	1,989,379	1,670,726
Income taxes	10,889,271	9,222,083	-	-	10,889,271	9,222,083
Grants and entitlements	1,539,008	1,931,238	-	-	1,539,008	1,931,238
Payment in lieu of taxes	108,512	16,857	-	-	108,512	16,857
Investment earnings	254,451	622,173	287	483	254,738	622,656
Other	131,464	114,904	65,062	270,472	196,526	385,376
Total revenues	<u>23,492,001</u>	<u>22,146,532</u>	<u>4,588,358</u>	<u>4,930,472</u>	<u>28,080,359</u>	<u>27,077,004</u>
Program Expenses						
Governmental Activities:						
General government						
Legislative and executive	3,623,099	5,595,764	-	-	3,623,099	5,595,764
Judicial system	1,958,928	2,090,268	-	-	1,958,928	2,090,268
Public safety						
Police	4,487,750	4,537,402	-	-	4,487,750	4,537,402
Fire	2,044,038	2,068,283	-	-	2,044,038	2,068,283
Public works						
Engineer	1,194,884	1,264,780	-	-	1,194,884	1,264,780
Streets	3,064,219	3,750,369	-	-	3,064,219	3,750,369
Refuse	770,926	866,058	-	-	770,926	866,058
Recreation	3,984,048	4,099,980	-	-	3,984,048	4,099,980
Interest and fiscal charges	736,084	758,879	-	-	736,084	758,879
Business-Type Activities:						
Water	-	-	1,912,399	2,530,623	1,912,399	2,530,623
Sewer	-	-	450,852	1,699,742	450,852	1,699,742
Golf	-	-	1,087,328	1,057,710	1,087,328	1,057,710
Total program expenses	<u>21,863,976</u>	<u>25,031,783</u>	<u>3,450,579</u>	<u>5,288,075</u>	<u>25,314,555</u>	<u>30,319,858</u>
Increase in net assets						
before transfers	1,628,025	(2,885,251)	1,137,779	(357,603)	2,765,804	(3,242,854)
Transfers	(422,575)	(192,856)	422,575	192,856	-	-
Change in net assets	1,205,450	(3,078,107)	1,560,354	(164,747)	2,765,804	(3,242,854)
Net assets beginning of year	<u>59,227,725</u>	<u>62,305,832</u>	<u>27,386,619</u>	<u>27,551,366</u>	<u>86,614,344</u>	<u>89,857,198</u>
Net assets end of year	<u>\$ 60,433,175</u>	<u>\$ 59,227,725</u>	<u>\$ 28,946,973</u>	<u>\$ 27,386,619</u>	<u>\$ 89,380,148</u>	<u>\$ 86,614,344</u>

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2010
(Unaudited)

Governmental Activities

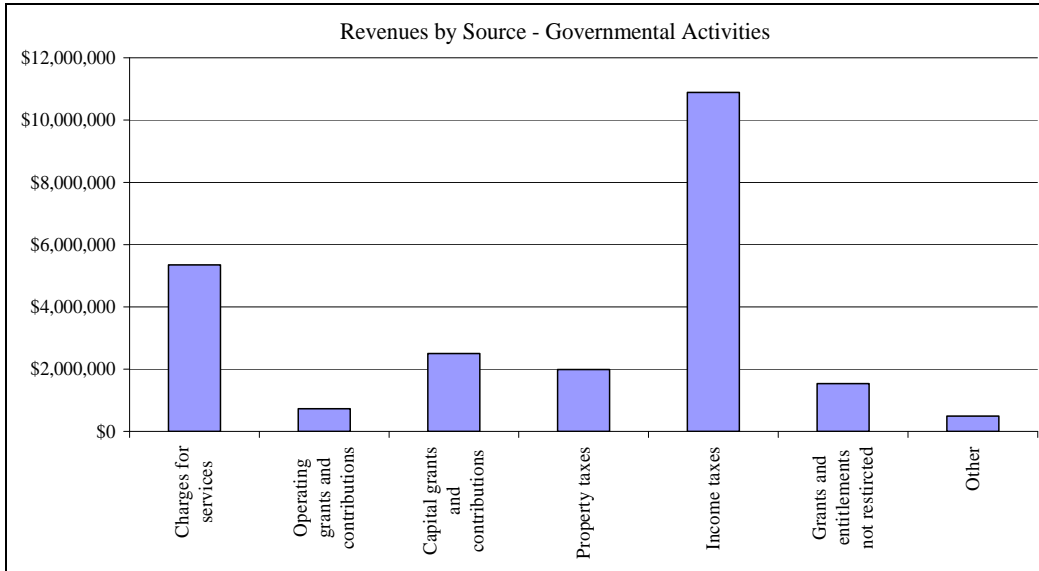
The City 2% income tax effective January 1, 2006 due to a voter approved five year levy in the November 2005 election, is the largest source of revenue for the City of Vandalia. The above table reflects that income tax receipts increased from the prior year.

Charges for services increased \$185,485 during 2010. General government program expenses decreased \$3,167,807 during 2010 primarily from an overall decrease in operational costs. Expenses related to income tax collections for the cities of Englewood, Brookville and Union also continue to be reflected in the general government program expenses. Recreation program expenses decreased \$115,932 during 2010.



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

City of Vandalia, Ohio
 Management's Discussion and Analysis
 For The Year Ended December 31, 2010
 (Unaudited)



When looking at the sources of income used to support governmental activities, it should be noted that charges for services of \$5,350,691 represent 23.2% of revenue. Revenues provided by sources other than city residents in the form of operating and capital grants comprise another \$3,229,225, or 14%, and unrestricted grants and entitlements accounted for \$1,539,008, which is another 6.7%. The remaining revenues are primarily generated locally through property taxes, \$1,989,379 or 8.6% and income taxes, \$10,889,271 at 47.2%. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous councils have always been committed.

Business-Type Activities

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

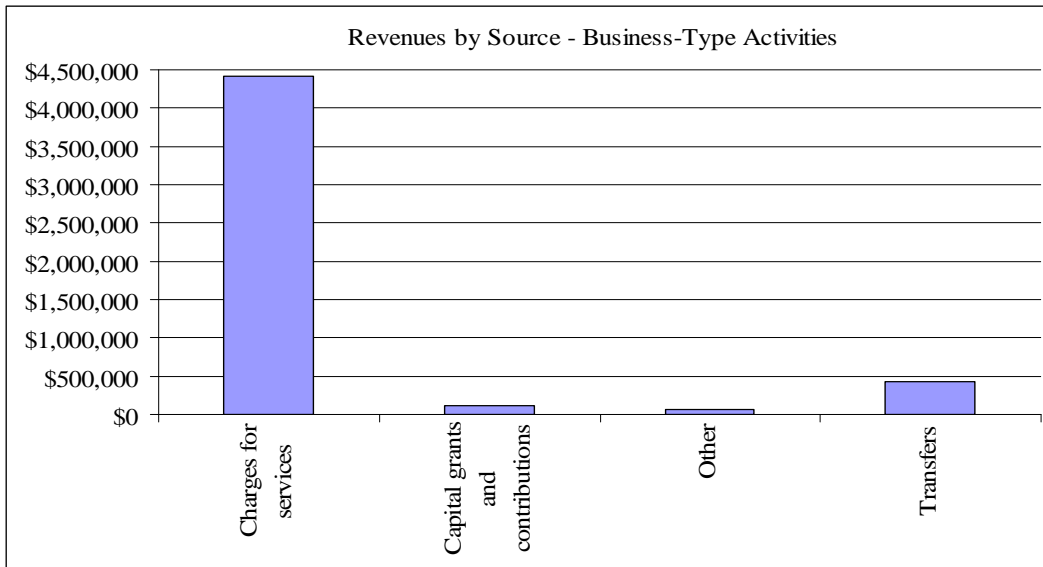
Water – The City of Vandalia closed their water treatment plant in 1970 and contracted with the City of Dayton to furnish water to the residents of Vandalia. Vandalia owns, maintains and repairs all lines and pumping stations as needed. In March, 2002, the City entered into a joint venture with the City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

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

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2010
(Unaudited)

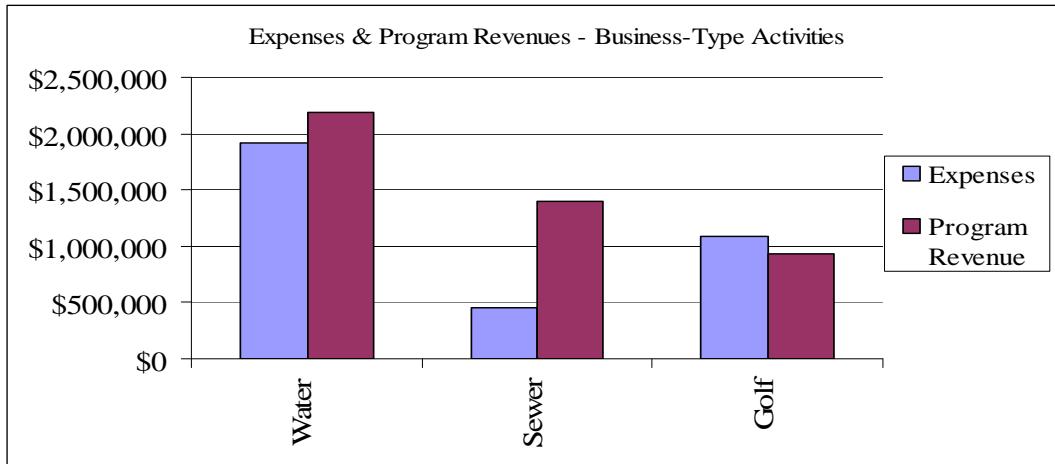
Sewer - The City closed their wastewater treatment facility in 1985. Vandalia then contracted with the Miami Conservancy District for wastewater treatment services. In 1996, the Conservancy District decided they no longer wanted to furnish this service. A joint venture was formed between the Cities of Vandalia, Huber Heights and Tipp City to take over the Conservancy District operation. The joint venture now furnishes waste water treatment services to each city. Each city owns and maintains the infrastructure necessary to furnish service to their citizens. All capital repairs and upkeep of the treatment plant are the responsibility of the joint venture. The joint venture in turn will set costs of service for the cities, based on flow, to maintain the plant. The City of Vandalia will in turn, charge its citizens accordingly. Any capital outlay needed to maintain Vandalia's sewer infrastructure was provided by user fees. Due to the need for current and future capital improvements, maintenance and up keep of enterprise infrastructure, Council decided to implement a 9% sewer rate increase for 2008 and 2009. During the current year the City reports an increase in joint venture due to improvements made to the main pump station that was financed by a grant during the year.

Golf - Vandalia's Cassel Hills Golf Course is an 18-hole golf course with a restaurant and snack bar. In 1997 the course was voted as "best in the valley" by Dayton Daily Newsreaders and in 2003 received a four-star ranking by *Golf Digest*. Vandalia was one of the first smaller cities in the Miami Valley to have a municipal golf course. As a result, public expectation has been that a public course should have lesser fees than a private golf course. In 2010, there were approximately 30,700 rounds of golf played. Vandalia's councils have, for the most part, agreed with the expectation of lower fees and have been willing to subsidize operations of the course with transfers and advances from the general fund when necessary.



City of Vandalia, Ohio
 Management's Discussion and Analysis
 For The Year Ended December 31, 2010
 (Unaudited)

Overall, the City's business-type activities generated \$4.5 million in program revenues during 2010, program expenses were \$3.4 million. Capital contributions of \$22,575 were a result of contributions from other governmental funds. Operating expenses in the business-type activities decreased from the prior year due to the close monitoring of expenses and an increase in the sewer investment in joint venture. Charges for services in the water and sewer department increased in 2010.



Financial Analysis of the Government's Funds

Information about the City's major governmental funds begins on page 18. These funds are reported using the modified accrual basis of accounting. Governmental funds reported revenues of \$23.8 million and expenditures of \$27.9 million. The general fund net change in fund balance from 2009 to 2010 was a decrease of \$1,890,851. Within the general fund, revenues exceeded expenditures by \$2,550,239. The largest change from 2009 to 2010 is an increase in income tax revenue and a decrease in overall expenditures due to the close monitoring of expenditures. Transfers to other funds such as the capital improvement, the police, fire and street capital improvement, employee retirement benefits reserve, road improvements brownschool, north dixie widening, the general obligation debt service fund and the golf fund equaled \$4.4 million. The funds transferred were used for capital assets, improvements, repairs, and debt.

The capital improvement fund balance decreased by \$2,455,915. Fund balance at December 31, 2010, was \$480,097, of which \$1,288,111 was encumbered and \$3,675,263 was reserved for land held for resale. Encumbrances are primarily for street related projects and equipment and vehicle purchases as well as other improvements. The capital improvement fund had a significant increase in capital purchases for 2010. All other governmental decrease in fund balances was \$83,054 during 2010.

With all two of the three enterprise funds reflecting an operating loss for 2010, the City has implemented a series of rate increases in the enterprise funds to help alleviate future fund losses. If unrestricted net assets are not sufficient to sustain the losses, the City will provide transfers and advances from the general fund as necessary to cover negative balances.

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2010
(Unaudited)

Charges for services for water and sewer services have historically been established to ensure that on a cash basis, fees are adequate to cover operations. In the past, Council has not set fees with the intention of funding capital improvements, however, beginning in 2004, capital items are now charged to the enterprise funds. Therefore, during 2004, Council passed ordinances to implement new fee structures for water and sewer rates. Of the enterprise funds, two of the three funds showed an increase in cash during 2010.

The golf activity's operating loss of \$149,099 is attributable to continually increasing costs for contractual services related to repair and maintenance of the facility with only small increases in fees charged. The Golf course is intended to be operated as a business-type activity, however, historically; Council has not set fees adequate to cover all operating expenses. Even though this operation periodically receives governmental support, it is reflected as a business-type activity. Council has recently approved a new fee schedule for the golf course operations, and is hopeful that the golf fund will begin to realize an upswing in the near future.

General fund budgeting highlights

The City's budget is adopted on a fund basis. Before the budget is adopted council reviews the detailed work papers of each function within the general fund, and then adopts the budget on a fund basis.

During 2010, revisions were made to the general fund budget. These revisions are reflected on the statement of revenues, expenditures and changes in fund balances for the general fund on page 22. Within each departmental function, a department head may make small line item adjustments within their budget, as long as the total operation and maintenance amount does not exceed their original budget allowance.

Original and final general fund budgeted revenues were \$19,482,414 for the fiscal year end December 31, 2010. Municipal income taxes original budget was consistent with actual income tax revenue for the prior year. At the end of the year, actual municipal income revenues were more than the final budget by \$159,948. In addition, property and other taxes was in excess of the final budget by \$37,466.

Original general fund expenditures increased \$1,137,747, from \$23,861,648 to the final budgeted amount of \$24,999,395. This increase was due to more transfers between funds needed than originally anticipated. Actual expenditures were \$1,127,051 below final budget expenditures for 2010 due to the close monitoring of expenditures.

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2010
(Unaudited)

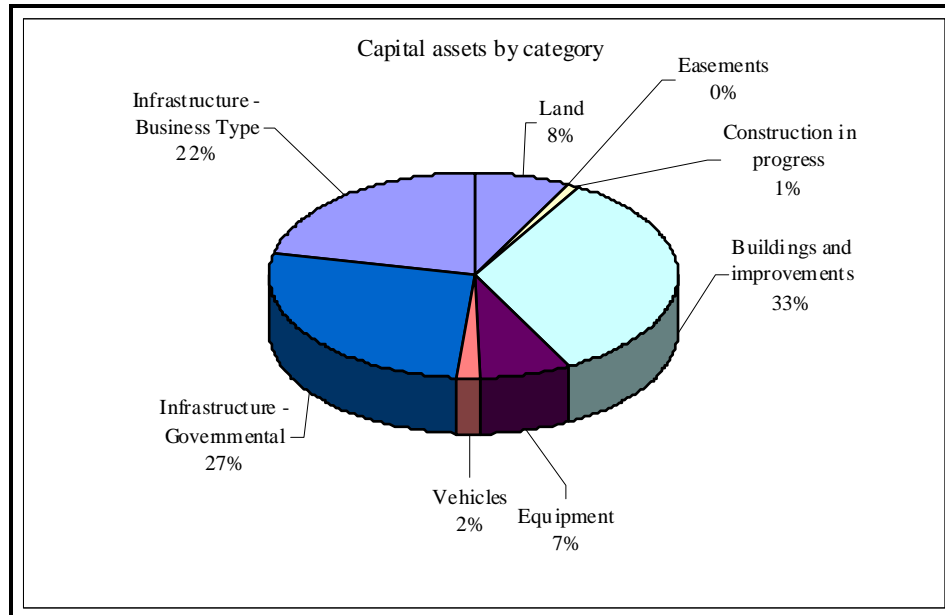
Capital Assets and Debt Administration

Capital Assets

(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 5,400,363	\$ 5,302,073	\$ 167,369	\$ 167,369	\$ 5,567,732	\$ 5,469,442
Easements	60,496	-	-	-	60,496	-
Construction in progress	642,902	2,492,433	-	-	642,902	2,492,433
Buildings and improvements	22,728,156	19,366,311	1,621,126	1,485,715	24,349,282	20,852,026
Equipment	4,563,441	4,088,558	501,829	465,951	5,065,270	4,554,509
Vehicles	1,394,168	1,550,255	154,491	79,797	1,548,659	1,630,052
Infrastructure	<u>19,417,361</u>	<u>16,236,445</u>	<u>15,656,099</u>	<u>16,018,622</u>	<u>35,073,460</u>	<u>32,255,067</u>
Total	<u>\$ 54,206,887</u>	<u>\$ 49,036,075</u>	<u>\$ 18,100,914</u>	<u>\$ 18,217,454</u>	<u>\$ 72,307,801</u>	<u>\$ 67,253,529</u>

Capital assets, net of depreciation, in governmental activities increased from the prior year. Increases were primarily in buildings and improvements, land, equipment and infrastructure. Capital assets, net of depreciation, for the business-type activities decreased by \$116,540, primarily due to current year depreciation expense exceeding current year additions. See Note 6 of the notes to the basic financial statements for more detailed information on capital assets.



City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2010
(Unaudited)

Debt

At December 31, 2010, the City of Vandalia had \$12,265,384 in outstanding debt.

Table 4
Outstanding Debt, at Year End

	Governmental Activities	
	<u>2010</u>	<u>2009</u>
Unvoted general obligation bonds		
Various purpose refunding bonds	\$ 8,086,584	\$ 8,638,960
Various purpose limited tax bonds	<u>4,178,800</u>	<u>4,444,329</u>
	<u>\$ 12,265,384</u>	<u>\$ 13,083,289</u>

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

The City also has short term obligations being reported in the capital improvement capital projects fund in the amount of \$4,580,000. Revenues for payment of interest and principal on the bond anticipation notes will result from proceeds from a new note to be issued in 2011. The general obligation debt service fund will retire the debt.

The City's overall legal debt margin was \$26,366,161 at December 31, 2010. See Note 8 & 10 of the notes to the basic financial statements for more detailed information on debt of the City.

Contacting the City's Financial Management

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

City of Vandalia, Ohio
Statement of Net Assets
December 31, 2010

	Governmental Activities	Business-Type Activities	Total
<u>Assets:</u>			
Equity in pooled cash and investments	\$ 20,778,984	\$ 2,257,646	\$ 23,036,630
Receivables:			
Income tax	2,145,320	-	2,145,320
Property and other taxes	1,553,059	-	1,553,059
Accounts	472,557	288,675	761,232
Special assessments	44,006	-	44,006
Accrued interest	75,886	-	75,886
Due from other governments	919,505	-	919,505
Materials and supplies inventory	93,464	51,205	144,669
Prepaid items	25,066	-	25,066
Restricted assets:			
Equity in pooled cash and cash equivalents	-	43,821	43,821
Deferred charges	154,118	-	154,118
Investment in joint venture	-	8,715,401	8,715,401
Internal balances	(10,705)	10,705	-
Land held for resale	3,675,263	-	3,675,263
Nondepreciable capital assets	6,103,761	167,369	6,271,130
Depreciable capital assets, net	48,103,126	17,933,545	66,036,671
Total assets	<u>84,133,410</u>	<u>29,468,367</u>	<u>113,601,777</u>
<u>Liabilities:</u>			
Accounts payable	296,526	21,628	318,154
Contracts payable	398,776	45,482	444,258
Accrued wages and benefits	342,041	22,506	364,547
Matured compensated absences payable	64,099	-	64,099
Due to other governments	504,847	24,302	529,149
Due to related parties	-	181,169	181,169
Unearned revenue	1,276,860	2,263	1,279,123
Income tax refunds payable	1,724,898	-	1,724,898
Bond anticipation notes payable	4,580,000	-	4,580,000
Accrued interest payable	73,672	-	73,672
Claims payable	158,500	-	158,500
Refundable deposits	-	43,821	43,821
Long-term liabilities:			
Due within one year	1,761,523	108,729	1,870,252
Due in more than one year	12,518,493	71,494	12,589,987
Total liabilities	<u>23,700,235</u>	<u>521,394</u>	<u>24,221,629</u>
<u>Net assets:</u>			
Invested in capital assets, net of related debt	42,469,073	18,100,914	60,569,987
Restricted for:			
Capital projects	3,350,562	-	3,350,562
Debt service	221,672	-	221,672
Other purposes	2,203,904	-	2,203,904
Unrestricted	12,187,964	10,846,059	23,034,023
Total net assets	<u>\$ 60,433,175</u>	<u>\$ 28,946,973</u>	<u>\$ 89,380,148</u>

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Activities
For the Year Ended December 31, 2010

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<u>Governmental Activities:</u>				
General government				
Legislative and executive	\$ 3,623,099	\$ 608,920	\$ 86	\$ -
Judicial system	1,958,928	1,263,047	-	-
Public safety				
Police	4,487,750	92,034	-	-
Fire	2,044,038	571,190	-	-
Public works				
Engineer	1,194,884	474,250	-	-
Streets	3,064,219	11,565	727,812	2,494,114
Refuse	770,926	847,719	-	-
Recreation	3,984,048	1,481,966	-	7,213
Interest and fiscal charges	736,084	-	-	-
Total governmental activities	<u>21,863,976</u>	<u>5,350,691</u>	<u>727,898</u>	<u>2,501,327</u>
<u>Business-Type Activities:</u>				
Water	1,912,399	2,182,747	-	3,967
Sewer	450,852	1,300,559	-	104,803
Golf	1,087,328	930,933	-	-
Total business-type activities	<u>3,450,579</u>	<u>4,414,239</u>	<u>-</u>	<u>108,770</u>
Total primary government	<u>\$ 25,314,555</u>	<u>\$ 9,764,930</u>	<u>\$ 727,898</u>	<u>\$ 2,610,097</u>

General revenues:
Property taxes levied for:
 General purposes
Income tax levied for:
 General purposes
Grants and entitlements not restricted to specific programs
Payment in lieu of taxes
Investment earnings
Other
Transfers
Total general revenues and transfers

Change in net assets

Net assets, beginning of year
Net assets, end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (3,014,093)	\$ -	\$ (3,014,093)
(695,881)	-	(695,881)
(4,395,716)	-	(4,395,716)
(1,472,848)	-	(1,472,848)
(720,634)	-	(720,634)
169,272	-	169,272
76,793	-	76,793
(2,494,869)	-	(2,494,869)
(736,084)	-	(736,084)
<u>(13,284,060)</u>	<u>-</u>	<u>(13,284,060)</u>
-	274,315	274,315
-	954,510	954,510
-	(156,395)	(156,395)
<u>-</u>	<u>1,072,430</u>	<u>1,072,430</u>
\$ (13,284,060)	\$ 1,072,430	\$ (12,211,630)
1,989,379	-	1,989,379
10,889,271	-	10,889,271
1,539,008	-	1,539,008
108,512	-	108,512
254,451	287	254,738
131,464	65,062	196,526
(422,575)	422,575	-
<u>14,489,510</u>	<u>487,924</u>	<u>14,977,434</u>
1,205,450	1,560,354	2,765,804
59,227,725	27,386,619	86,614,344
<u>\$ 60,433,175</u>	<u>\$ 28,946,973</u>	<u>\$ 89,380,148</u>

City of Vandalia, Ohio
Balance Sheet
Governmental Funds
December 31, 2010

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 13,476,075	\$ 1,731,803	\$ 5,317,071	\$ 20,524,949
Receivables:				
Income tax	2,145,320	-	-	2,145,320
Property and other taxes	1,553,059	-	-	1,553,059
Accounts	390,432	31,439	50,500	472,371
Special assessments	5,056	7,307	31,643	44,006
Accrued interest	75,886	-	-	75,886
Restricted assets:				
Equity in pooled cash and cash equivalents	37,293	-	-	37,293
Due from other governments	427,756	-	491,749	919,505
Materials and supplies inventory	5,428	-	88,036	93,464
Land held for resale	-	3,675,263	-	3,675,263
Total assets	\$ 18,116,305	\$ 5,445,812	\$ 5,978,999	\$ 29,541,116
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 197,539	\$ 9,776	\$ 88,887	\$ 296,202
Contracts payable	-	354,233	44,543	398,776
Accrued wages	320,312	-	21,729	342,041
Matured compensated absences payable	60,693	-	3,406	64,099
Due to other governments	477,440	-	27,407	504,847
Deferred revenue	3,193,361	7,307	497,297	3,697,965
Income tax refunds payable	1,724,898	-	-	1,724,898
Accrued interest payable	-	14,399	-	14,399
Bond anticipation notes payable	-	4,580,000	-	4,580,000
Total liabilities	5,974,243	4,965,715	683,269	11,623,227
Fund balances:				
Reserved for encumbrances	917,419	1,288,111	670,769	2,876,299
Reserved for inventory	5,428	-	88,036	93,464
Reserved for unclaimed money	37,293	-	-	37,293
Reserved for land held for resale	-	3,675,263	-	3,675,263
Unreserved:				
Designated:				
Designated for budget stabilization	915,000	-	-	915,000
Unreserved, undesignated,				
Reported in:				
General fund	10,266,922	-	-	10,266,922
Special revenue funds	-	-	1,522,838	1,522,838
Debt service fund	-	-	249,302	249,302
Capital projects fund	-	(4,483,277)	2,764,785	(1,718,492)
Total fund balances	12,142,062	480,097	5,295,730	17,917,889
Total liabilities and fund balances	\$ 18,116,305	\$ 5,445,812	\$ 5,978,999	\$ 29,541,116

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2010

Total governmental fund balances		\$ 17,917,889
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in funds.		54,206,887
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		83,170
The internal balance represents the portion of the internal service fund's assets and liabilities that are allocated to the proprietary funds.		(10,705)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property and other taxes	\$ 177,961	
Income taxes	1,062,977	
Licenses and permits	100	
Fines and forfeitures	5,851	
Intergovernmental	782,574	
Special assessments	44,006	
Charges for services	316,470	
Deferred charges	154,118	
Other	31,166	
Total	2,575,223	2,575,223
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(59,273)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Refunding general obligation bonds	\$ (8,265,000)	
General obligation bonds	(4,140,000)	
Unamortized premium on refunding bonds	(204,314)	
Premium on bonds	(38,800)	
Accounting loss	382,730	
Capital lease payable	(567,651)	
Compensated absences	(1,446,981)	
Total	(14,280,016)	(14,280,016)
Net assets of governmental activities		\$ 60,433,175

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Municipal income tax	\$ 11,031,533	\$ -	\$ -	\$ 11,031,533
Property and other taxes	1,973,483	-	108,512	2,081,995
Charges for services	3,215,933	-	431,287	3,647,220
Licenses and permits	196,525	-	-	196,525
Fines and forfeitures	1,215,301	-	277,492	1,492,793
Intergovernmental	1,450,760	2,564,477	1,019,286	5,034,523
Special assessments	-	9,606	-	9,606
Interest	254,451	-	86	254,537
Other	83,906	37,961	10,618	132,485
Total revenue	<u>19,421,892</u>	<u>2,612,044</u>	<u>1,847,281</u>	<u>23,881,217</u>
Expenditures:				
Current:				
General government				
Legislative and executive	3,244,775	-	192,145	3,436,920
Judicial system	1,870,438	-	66,900	1,937,338
Public safety				
Police	4,128,973	-	126,313	4,255,286
Fire	1,759,886	764	80,606	1,841,256
Public works				
Engineer	908,040	-	165,757	1,073,797
Streets	663,184	359,573	1,202,058	2,224,815
Refuse	770,926	-	-	770,926
Recreation	3,321,067	7,862	157,847	3,486,776
Capital outlay	204,364	6,074,034	1,001,166	7,279,564
Debt service:				
Principal retirement	-	-	935,008	935,008
Interest and fiscal charges	-	79,597	589,754	669,351
Total expenditures	<u>16,871,653</u>	<u>6,521,830</u>	<u>4,517,554</u>	<u>27,911,037</u>
Excess of revenues over (under) expenditures	<u>2,550,239</u>	<u>(3,909,786)</u>	<u>(2,670,273)</u>	<u>(4,029,820)</u>
Other financing sources (uses):				
Transfers - in	-	1,453,871	2,799,221	4,253,092
Transfers - out	<u>(4,441,090)</u>	<u>-</u>	<u>(212,002)</u>	<u>(4,653,092)</u>
Total other financing sources (uses)	<u>(4,441,090)</u>	<u>1,453,871</u>	<u>2,587,219</u>	<u>(400,000)</u>
Net change in fund balance	(1,890,851)	(2,455,915)	(83,054)	(4,429,820)
Fund balances at beginning of year	<u>14,032,913</u>	<u>2,936,012</u>	<u>5,378,784</u>	<u>22,347,709</u>
Fund balances at end of year	<u>\$ 12,142,062</u>	<u>\$ 480,097</u>	<u>\$ 5,295,730</u>	<u>\$ 17,917,889</u>

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2010

Net change in fund balances - Total governmental funds \$ (4,429,820)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

In the current period, these amounts are:

Capital outlay	\$	7,302,139	
Capital assets transferred out		(22,575)	
Depreciation expense		<u>(2,018,045)</u>	
Excess of capital asset additions over depreciation expense			5,261,519

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (90,707)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These activities consist of:

Property and other taxes	\$	15,896	
Income taxes		(142,262)	
Intergovernmental		(266,375)	
Special assessments		(8,843)	
Charges for services		13,336	
Fines and forfeitures		60	
Other		<u>(1,028)</u>	
Net change in deferred revenues during the year			(389,216)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences	\$	(30,537)	
Amortization of deferred charges		(25,140)	
Increase in accrued interest		<u>(14,498)</u>	
Total additional expenditures			(70,175)

The internal service fund used by management to charge the costs of insurance claims to individual funds are not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. 15,936

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 845,000

Payment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 90,008

The amortization of issuance costs and bond premium is reflected as an expense in the statement of activities.

Accounting loss	\$	(69,984)	
Premium		<u>42,889</u>	
Total additional expenses			<u>(27,095)</u>

Change in net assets of governmental activities \$ 1,205,450

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Municipal income tax	\$ 10,700,000	\$ 10,700,000	\$ 10,859,948	\$ 159,948
Property and other taxes	1,839,672	1,839,672	1,877,138	37,466
Charges for services	3,183,765	3,183,765	3,246,574	62,809
Licenses and permits	186,600	186,600	196,525	9,925
Fines and forfeitures	1,273,700	1,273,700	1,232,545	(41,155)
Intergovernmental	1,531,677	1,531,677	1,447,314	(84,363)
Interest	700,000	700,000	482,161	(217,839)
Other	66,000	66,000	78,769	12,769
Total revenues	<u>19,481,414</u>	<u>19,481,414</u>	<u>19,420,974</u>	<u>(60,440)</u>
Expenditures:				
Current:				
General government				
Legislative and executive	6,401,594	6,401,594	6,069,802	331,792
Judicial system	2,130,056	2,130,056	1,950,486	179,570
Public safety				
Police	4,446,781	4,446,781	4,175,300	271,481
Fire	1,893,645	1,893,645	1,785,207	108,438
Public works				
Engineer	922,561	922,561	907,530	15,031
Streets	681,445	681,445	662,640	18,805
Refuse	984,969	984,969	982,998	1,971
Recreation	3,347,011	3,347,011	3,304,802	42,209
Total expenditures	<u>20,808,062</u>	<u>20,808,062</u>	<u>19,838,765</u>	<u>969,297</u>
Excess of revenues under expenditures	<u>(1,326,648)</u>	<u>(1,326,648)</u>	<u>(417,791)</u>	<u>908,857</u>
Other financing sources (uses):				
Sale of capital assets	1,000	1,000	-	(1,000)
Transfers - out	(3,053,586)	(4,191,333)	(4,033,579)	157,754
Total other financing sources (uses)	<u>(3,052,586)</u>	<u>(4,190,333)</u>	<u>(4,033,579)</u>	<u>156,754</u>
Net change in fund balance	(4,379,234)	(5,516,981)	(4,451,370)	1,065,611
Fund balance at beginning of year	12,058,562	12,058,562	12,058,562	-
Prior year encumbrances appropriated	2,981,117	2,981,117	2,981,117	-
Fund balance at end of year	<u>\$ 10,660,445</u>	<u>\$ 9,522,698</u>	<u>\$ 10,588,309</u>	<u>\$ 1,065,611</u>

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2010

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Golf	Total	Internal Service
<u>Assets:</u>					
Current assets:					
Equity in pooled cash and investments	\$ 1,303,074	\$ 444,622	\$ 509,950	\$ 2,257,646	\$ 216,742
Receivables:					
Accounts	179,738	108,937	-	288,675	186
Materials and supplies inventory	35,485	-	15,720	51,205	-
Prepaid items	-	-	-	-	25,066
Restricted assets:					
Equity in pooled cash and cash equivalents	29,360	14,461	-	43,821	-
Total current assets	<u>1,547,657</u>	<u>568,020</u>	<u>525,670</u>	<u>2,641,347</u>	<u>241,994</u>
Non-current assets:					
Investment in joint venture	158,988	8,556,413	-	8,715,401	-
Capital assets:					
Land	58,424	-	108,945	167,369	-
Depreciable capital assets, net	7,457,192	9,319,184	1,157,169	17,933,545	-
Total non-current assets	<u>7,674,604</u>	<u>17,875,597</u>	<u>1,266,114</u>	<u>26,816,315</u>	<u>-</u>
Total assets	<u>\$ 9,222,261</u>	<u>\$ 18,443,617</u>	<u>\$ 1,791,784</u>	<u>\$ 29,457,662</u>	<u>\$ 241,994</u>
<u>Liabilities:</u>					
Current liabilities:					
Accounts payable	\$ 10,930	\$ 7,076	\$ 3,622	\$ 21,628	\$ 324
Contracts payable	45,482	-	-	45,482	-
Accrued wages and benefits	6,792	6,792	8,922	22,506	-
Compensated absences payable	34,367	34,367	39,995	108,729	-
Due to other governments	6,833	6,786	10,683	24,302	-
Due to related parties	102,284	78,885	-	181,169	-
Unearned revenue	-	-	2,263	2,263	-
Claims payable	-	-	-	-	158,500
Refundable deposits	29,360	14,461	-	43,821	-
Total current liabilities	<u>236,048</u>	<u>148,367</u>	<u>65,485</u>	<u>449,900</u>	<u>158,824</u>
Long-term liabilities:					
Compensated absences payable	26,997	26,997	17,500	71,494	-
Total liabilities	<u>263,045</u>	<u>175,364</u>	<u>82,985</u>	<u>521,394</u>	<u>158,824</u>
<u>Net assets:</u>					
Invested in capital assets	7,515,616	9,319,184	1,266,114	18,100,914	-
Unrestricted	1,443,600	8,949,069	442,685	10,835,354	83,170
Total net assets	<u>\$ 8,959,216</u>	<u>\$ 18,268,253</u>	<u>\$ 1,708,799</u>	<u>28,936,268</u>	<u>\$ 83,170</u>

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

10,705

Net assets of business-type activities

\$ 28,946,973

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2010

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service
	Water	Sewer	Golf	Total	
<u>Operating revenues:</u>					
Charges for services	\$ 2,172,647	\$ 1,290,509	\$ 930,933	\$ 4,394,089	\$ 1,601,637
Tap-in fees	10,100	10,050	-	20,150	-
Other	48,248	65,204	8,126	121,578	175,010
Total operating revenue	<u>2,230,995</u>	<u>1,365,763</u>	<u>939,059</u>	<u>4,535,817</u>	<u>1,776,647</u>
<u>Operating expenses:</u>					
Personal services	321,380	319,129	505,985	1,146,494	-
Contractual services	1,281,577	937,346	317,878	2,536,801	319,181
Supplies and materials	81,304	34,150	156,933	272,387	-
Claims	-	-	-	-	1,439,664
Depreciation	227,418	242,589	78,555	548,562	-
Other	1,238	-	28,807	30,045	-
Total operating expenses	<u>1,912,917</u>	<u>1,533,214</u>	<u>1,088,158</u>	<u>4,534,289</u>	<u>1,758,845</u>
Operating income (loss)	<u>318,078</u>	<u>(167,451)</u>	<u>(149,099)</u>	<u>1,528</u>	<u>17,802</u>
<u>Non-operating revenues (expenses):</u>					
Intergovernmental	-	99,751	-	99,751	-
Interest	-	-	287	287	-
Investment in joint venture	(56,516)	1,081,844	-	1,025,328	-
Total non-operating revenues (expenses)	<u>(56,516)</u>	<u>1,181,595</u>	<u>287</u>	<u>1,125,366</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>261,562</u>	<u>1,014,144</u>	<u>(148,812)</u>	<u>1,126,894</u>	<u>17,802</u>
Capital contributions	3,967	5,052	22,575	31,594	-
Transfers in	-	-	400,000	400,000	-
Total capital contributions and transfers	<u>3,967</u>	<u>5,052</u>	<u>422,575</u>	<u>431,594</u>	<u>-</u>
Change in net assets	265,529	1,019,196	273,763	1,558,488	17,802
Net assets at beginning of year	<u>8,693,687</u>	<u>17,249,057</u>	<u>1,435,036</u>		<u>65,368</u>
Net assets at end of year	<u>\$ 8,959,216</u>	<u>\$ 18,268,253</u>	<u>\$ 1,708,799</u>		<u>\$ 83,170</u>

Some amounts reported for the business-type activities in the statement of activities are different because a proportionate share of the net expense of the internal service fund is reported with the business-type activities. 1,866

Change in net assets of business-type activities \$ 1,560,354

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Golf	Total	Activities Internal Service
Cash flows from operating activities:					
Cash received from customers	\$ 2,208,544	\$ 1,361,855	\$ 940,981	\$ 4,511,380	\$ -
Cash received from interfund services provided	-	-	-	-	1,778,414
Cash payments for employee services and benefits	(314,012)	(311,750)	(485,678)	(1,111,440)	-
Cash payments to suppliers for goods and services	(1,291,030)	(963,181)	(505,341)	(2,759,552)	-
Cash payments for claims	-	-	-	-	(1,713,332)
Utility deposits received	6,267	3,086	-	9,353	-
Utility deposits returned	(4,246)	(2,091)	-	(6,337)	-
Net cash provided by (used) for operating activities	605,523	87,919	(50,038)	643,404	65,082
Cash flows from capital and related financing activities:					
Subsidy from state and federal grants	-	99,751	-	99,751	-
Tap in fees	3,967	5,052	-	9,019	-
Acquisition of capital assets	(221,234)	(188,213)	-	(409,447)	-
Net cash used for capital and related financing activities	(217,267)	(83,410)	-	(300,677)	-
Cash flows from investing activities:					
Investment in joint venture	(130,135)	-	-	(130,135)	-
Investment income	-	-	287	287	-
Net cash provided by (used for) investing activities	(130,135)	-	287	(129,848)	-
Net increase (decrease) in cash and cash equivalents	258,121	4,509	(49,751)	212,879	65,082
Cash and cash equivalents at beginning of year	1,074,313	454,574	559,701	2,088,588	151,660
Cash and cash equivalents at end of year	\$ 1,332,434	\$ 459,083	\$ 509,950	\$ 2,301,467	\$ 216,742
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 318,078	\$ (167,451)	\$ (149,099)	\$ 1,528	\$ 17,802
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	227,418	242,589	78,555	548,562	-
Change in assets and liabilities:					
(Increase) decrease in assets:					
Accounts receivable	(22,451)	(3,908)	692	(25,667)	1,767
Materials and supplies inventory	17,790	-	(3,137)	14,653	-
Prepaid items	-	-	-	-	1,983

(Continued)

City of Vandalia, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Golf	Total	Activities Internal Service
Increase (decrease) in liabilities:					
Accounts payable	7,490	3,538	1,302	12,330	33
Contracts payable	45,482	-	-	45,482	-
Refundable deposits	2,021	995	-	3,016	-
Claims payable	-	-	-	-	43,497
Unearned revenue	-	-	1,230	1,230	-
Accrued wages and benefits	566	566	1,059	2,191	-
Compensated absences	5,712	5,713	17,570	28,995	-
Due to related parties	2,327	4,777	-	7,104	-
Due to other governments	1,090	1,100	1,790	3,980	-
Net cash provided by (used for) operating activities	\$ 605,523	\$ 87,919	\$ (50,038)	\$ 643,404	\$ 65,082
Non-cash capital and related financing activities:					
Capital contributions received from governmental funds	\$ -	\$ -	22,575	\$ 22,575	\$ -
Total non-cash capital and related financing activities	\$ -	\$ -	\$ 22,575	\$ 22,575	\$ -

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Fiduciary Assets and Liabilities
December 31, 2010

	<u>Agency</u>
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 1,012,182
Cash and cash equivalents in segregated accounts	116,063
Investments	<u>6,668,771</u>
Total assets	<u>\$ 7,797,016</u>
<u>Liabilities:</u>	
Due to other governments	\$ 42,055
Due to employees	6,157
Undistributed monies	437,164
Due to others	<u>7,311,640</u>
Total liabilities	<u>\$ 7,797,016</u>

See accompanying notes to the basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Vandalia have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification. The City has elected not to apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and to its enterprise funds. The most significant of the City's accounting policies are described below.

A. Reporting Entity

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

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

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

The City is associated with the Tri-Cities North Regional Wastewater Authority (Tri-Cities), and the Northern Area Water Authority (NAWA), which are defined as joint ventures. A joint venture is a legal entity or other organization that is a result of a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. These organizations are presented in Note 13.

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

The City is associated with the Economic Development/Government Equity Program (ED/GE), which is defined as a jointly governed organization. A jointly governed organization is an organization that is governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility on the part of the participating governments. This organization is presented in Note 14.

B. Basis of Presentation

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

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid doubling up revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

Fund Financial Statements

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

C. Fund Accounting

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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

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

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for building permit fees collected on behalf of the State, municipal court collections that are distributed to various local governments, the collection of income taxes for other subdivisions, performance bonds pledged by contractors, the activities of the Northern Area Water Authority and Tri-Cities North Regional Wastewater Authority and collection and distribution of employee health care expenses.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

D. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

E. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 4). Revenue from grants, entitlements, shared revenues and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but which were levied to finance year 2011 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

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

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

F. Equity in Pooled Cash and Investments

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

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

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

During the year, the City invested in STAROhio, an investment pool managed by the State Treasurer's Office. STAROhio, which allows governments within the State to pool their funds for investment purposes, is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2010.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during 2010 amounted to \$254,451 which includes \$110,061 assigned from other City funds.

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

G. Inventory

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

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

Inventory consists of expendable supplies held for consumption.

H. Restricted Assets

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

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

I. Interfund Balances

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

J. Prepaids

Payments made to vendors for services that will benefit periods beyond December 31, 2010 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure or expense is reported in the year in which services are consumed.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

K. Capital Assets

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

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

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

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

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

L. Compensated Absences

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

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

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

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

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Fund Balance Reserves and Designation

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, the value of assets held for resale, encumbrances, inventories and unclaimed monies are recorded as a reservation of fund balance. The reserve for unclaimed monies represents cash that, under Ohio law, must remain unclaimed for five years before it becomes available for appropriation. A fund balance designation has been established for budget stabilization. Council intends for this portion of fund balance to be used for the receipt and dispersal of all resources collected in anticipation of future expenses related to revenue shortfalls, economic downturns, and other unforeseen emergencies.

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net assets restricted for other purposes include street construction, maintenance and repair, operations of the baseball and soccer recreations and educational programs. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for golf, waste water treatment, water services and self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as non operating.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

Q. Contributions of Capital

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

R. Bond Premiums/Issuance Costs/Accounting Loss

Bond premiums, issuance costs and the accounting loss are deferred and amortized over the term of the bonds using the bonds outstanding line method since the results are not significantly different from the effective interest method. Bond premiums and the accounting loss are presented as a reduction/addition of the face amount of the bonds payable, whereas issuance costs are recorded as deferred charges.

S. Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

T. Estimates

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

U. Budgetary Process

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

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

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

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

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Advances in and advances out (“repayment of advances”) are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. The change in fair value of investments is not included on the budget operating statement. This amount is included as revenue on the GAAP basis operating statement.
6. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.
7. The City’s portion of the activity of the Municipal Court is not included on the budgetary statement. This activity is included on the GAAP basis operating statement.

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$ (1,890,851)
Revenue accruals	(178,233)
Expenditure accruals	420,176
Unrecorded cash - 2009	(775)
Change in fair value of investments - 2010	153,868
Change in fair value of investments - 2009	(74,928)
Non-budgeted activity	99,150
Encumbrances (Budget Basis) outstanding at year end	<u>(2,979,777)</u>
Budget Basis	<u>\$ (4,451,370)</u>

NOTE 3 - DEPOSITS AND INVESTMENTS

The investment and deposit of City monies are governed by the provisions of the Charter and Codified Ordinances of the City and the Ohio Revised Code. In accordance with these provisions, investments purchased for the portfolio may be 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 City Charter guidelines.

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

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

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

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

1. Obligations of the United States including U.S. treasury securities and government agency securities guaranteed by the United States.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

2. United States government agency securities and the securities issued by instrumentalities of the U.S. including, but not limited to, obligations of the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Farm Credit Bank, the Federal Home Loan Bank, the Government National Mortgage Association (GNMA), and the Small Business Administration (SBA).
3. State Treasury Asset Reserve of Ohio (STAR Ohio).
4. Obligations of the State of Ohio and obligations of political subdivisions of the State of Ohio.
5. Deposits of any Ohio financial institution subject to collateralization of public funds defined by the Ohio Revised Code.
6. Bankers Acceptances and Deposits of the top fifty banks in the United States based upon asset size or Ohio based financial institutions with at least \$2 billion in total assets.
7. Prime Commercial Paper issued with a credit rating of P-1 by Standard & Poors Corporation or A-1 by Moody's rating service.
8. Obligations of corporate entities having debt rating of Aa or better by Standard & Poors Corporation or Moody's rating service.

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

Cash on hand At year-end, the City had \$9,350 in un-deposited cash on hand which is included as part of "equity in pooled cash and investments."

Deposits: At year-end, the carrying amount of the City's deposits was \$8,751,234 and the bank balance was \$9,056,659. Of the bank balance, \$7,549,544 was covered by federal deposit insurance. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", \$1,507,115 of the City's bank balance was exposed to custodial risk as described above.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

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

Investment Type	Fair Value	<u>Investment Maturities (in Years)</u>	
		Less Than 1	1-5
Federal Home Loan Bank Bonds	\$ 2,727,386	\$ -	\$ 2,727,386
Federal Home Loan Bank Notes	497,665	-	497,665
Federal Farm Credit Bonds	996,845	-	996,845
Federal Home Loan Mortgage Corporation Notes	2,976,435	-	2,976,435
Federal National Mortgage Association Notes	10,373,459	-	10,373,459
Repurchase agreements	1,370,540	1,370,540	-
GE Interest Plus	35,509	35,509	-
STAR Ohio	27,825	27,825	-
	<u>\$ 19,005,664</u>	<u>\$ 1,433,874</u>	<u>\$ 17,571,790</u>

Investment Type	Fair	Maturity	
	Value	< 1 year	< 2 years
Investments included within pooled funds:			
Negotiable certificates of deposit	\$ 3,111,219	2,111,219	1,000,000

Of the City's negotiable CDs \$2,369,319 is covered by FDIC insurance.

Custodial Credit Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed. The City's \$1,370,540 investment in a repurchase agreement is to be secured by the specific securities upon which the repurchase agreements are based. The investments in the Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal Home Loan Mortgage Corporation (FHLMC) and Federal National Mortgage Association (FNMA) are held by the counterparty's trust department or agent and not in the City's name. All of the City's negotiable certificates of deposit are registered securities.

Interest Rate Risk – The City's investment policy states that the maximum maturity for any investment is limited to a final stated maturity of seven years, an expected call of seven years, or an expected average life of seven years, where the average life is estimated by nationally recognized firms independent of the dealer selling the security to the City. The City holds various agency securities of which some are callable in fiscal year 2011. In addition, some of the agency securities have coupon rates that step-up over the lives of the security.

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

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

<u>Investment</u>	<u>Percent</u>
Federal Home Loan Bank Bonds	14.35%
Federal Home Loan Bank Notes	2.62%
Federal Farm Credit Bank	5.24%
Federal Home Loan Mortgage Corporation Notes	15.66%
Federal National Mortgage Association Notes	54.58%

NOTE 4 – RECEIVABLES

Receivables at December 31, 2010, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments and accounts (billings for ambulance service and utility service). No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected within one year and in more than one year amount to \$1,473 and \$5,834, respectively, in the capital improvement fund and \$9,012 and \$27,687, respectively, for the general fund and other governmental funds. As of December 31, 2010, the City had less than \$1,000 in delinquent special assessments outstanding.

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2010 for real and public utility property taxes represents collections of the 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) is for 2010 taxes.

2010 real property taxes are levied after October 1, 2010, on the assessed value as of January 1, 2010, the lien date. Assessed values are established by State law at 35% of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2010 public utility property taxes became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

2010 tangible personal property taxes are levied after October 1, 2009, on the value as of December 31, 2009. Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected.

The full tax rate for all City operations for the year ended December 31, 2010, was \$4.14 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

<u>Property Category</u>	<u>Assessed Value</u>
<u>Real Property</u>	
Residential and agricultural	\$ 237,434,610
Commercial and industrial	123,648,680
Public utilities	37,350
<u>Tangible Personal Property</u>	
General	116,150
Public utilities	<u>5,638,060</u>
Total	<u>\$ 366,874,850</u>

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

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 collected. Accrued property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2010, and for which there is an enforceable legal claim. In the general fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2011 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

Income Taxes

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

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

In 2010, all income tax proceeds were allocated to the general fund.

Due from Other Governments

A summary of due from other governments follows:

	<u>Amounts</u>
<u>Governmental Activities</u>	
Local Government and Local Government	
Revenue Assistance	\$ 245,611
Homestead and Rollback	81,447
Gasoline and Excise Tax	217,005
Motor Vehicle License Fees	242,426
Permissive Motor Vehicle License Tax	25,942
Other Reimbursements	<u>107,074</u>
Total	<u>\$ 919,505</u>

NOTE 5 - 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 twenty 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 deductible per occurrence for all types of claims is \$2,500. The self-insured retention is \$500,000 for liability and \$250,000 for property.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

Coverage is purchased on City vehicles for a combined single limit liability of \$10,000,000. The City purchases general liability insurance coverage with a \$10,000,000 per occurrence. Other policies held by the City include law enforcement, public officials, boiler & machinery, property, flood, and earthquake. There were no settled claims from these risks that have exceeded commercial insurance coverage for 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 healthcare benefits for its employees through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan provides medical, dental, vision and prescription drug coverage with a \$100 deductible for single and \$200 deductible for families who use providers within the City's preferred provider organization, DirectCare America. Deductibles are higher, and vary for out of network claims. A third party administrator, Underwriters Safety & Claims, processes and pays the claims. The City is paying self-insurance claims and administrative costs from its hospital care internal service fund. An excess coverage insurance (stop loss) policy covers claims in excess of \$30,000 per employee, per year. During 2010, a total of \$1,758,845 was paid in benefits and administrative costs. The liability for unpaid claims cost of \$158,500, reported in the hospital care internal service fund at December 31, 2010, is based on the requirements of Governmental Accounting Standards Board Statement No. 30 and will be processed and paid in 2011. Statement No. 30 requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liability was determined by reviewing invoices for claims paid in January through March 2011, which were incurred in 2010 or before.

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

	<u>Balance at</u> <u>beginning of year</u>	<u>Current</u> <u>year claims</u>	<u>Claim</u> <u>payments</u>	<u>Balance at</u> <u>end of year</u>
2009 \$	111,902	1,099,031	1,095,930	115,003
2010 \$	115,003	1,439,664	1,396,167	158,500

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010, was as follows:

	<u>Balance</u> <u>12/31/2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2010</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 5,302,073	\$ 98,290	\$ -	\$ 5,400,363
Easements	-	60,496	-	60,496
Construction in progress	<u>2,492,433</u>	<u>383,193</u>	<u>(2,232,724)</u>	<u>642,902</u>
Total capital assets, not being depreciated	<u>7,794,506</u>	<u>541,979</u>	<u>(2,232,724)</u>	<u>6,103,761</u>
Capital assets, being depreciated				
Buildings and improvements	26,915,723	3,975,259	(5,615)	30,885,367
Equipment	7,553,382	887,755	(71,903)	8,369,234
Vehicles	4,403,117	308,479	(273,879)	4,437,717
Infrastructure				
Storm sewers, bridges and culverts	9,020,953	1,078,837	-	10,099,790
Streets, sidewalks and curbs	<u>25,736,356</u>	<u>2,719,979</u>	<u>(411,715)</u>	<u>28,044,620</u>
Total capital assets, being depreciated	<u>73,629,531</u>	<u>8,970,309</u>	<u>(763,112)</u>	<u>81,836,728</u>
Less: accumulated depreciation				
Buildings and improvements	(7,549,412)	(607,799)	-	(8,157,211)
Equipment	(3,464,824)	(385,349)	44,380	(3,805,793)
Vehicles	(2,852,862)	(406,997)	216,310	(3,043,549)
Infrastructure				
Storm sewers, bridges and culverts	(4,304,554)	(86,971)	-	(4,391,525)
Streets, sidewalks and curbs	<u>(14,216,310)</u>	<u>(530,929)</u>	<u>411,715</u>	<u>(14,335,524)</u>
Total accumulated depreciation	<u>(32,387,962)</u>	<u>(2,018,045)</u>	<u>672,405</u>	<u>(33,733,602)</u>
Total capital assets, being depreciated, net	<u>41,241,569</u>	<u>6,952,264</u>	<u>(90,707)</u>	<u>48,103,126</u>
Governmental activities capital assets, net	<u>\$ 49,036,075</u>	<u>\$ 7,494,243</u>	<u>\$ (2,323,431)</u>	<u>\$ 54,206,887</u>

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

Depreciation expense was charged to governmental functions as follows:

General government	
Legislative and executive	\$ 153,553
Judicial system	82,394
Public safety	
Police	180,352
Fire	234,821
Public works	
Engineer	66,019
Streets	829,751
Recreation	<u>471,155</u>
Total depreciation expense	<u>\$ 2,018,045</u>

	<u>Balance</u> <u>12/31/2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2010</u>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 167,369	\$ -	\$ -	\$ 167,369
Capital assets, being depreciated				
Buildings and improvements	2,847,396	193,828	-	3,041,224
Equipment	860,511	89,300	-	949,811
Vehicles	532,641	113,062	-	645,703
Infrastructure				
Water lines	10,394,492	35,832	-	10,430,324
Sewer lines	15,205,690	-	-	15,205,690
Golf cart paths and sprinkler systems	<u>364,253</u>	<u>-</u>	<u>-</u>	<u>364,253</u>
Total capital assets, being depreciated	<u>30,204,983</u>	<u>432,022</u>	<u>-</u>	<u>30,637,005</u>
Less: accumulated depreciation				
Buildings and improvements	(1,361,681)	(58,417)	-	(1,420,098)
Equipment	(394,560)	(53,422)	-	(447,982)
Vehicles	(452,844)	(38,368)	-	(491,212)
Infrastructure				
Water lines	(3,928,211)	(159,703)	-	(4,087,914)
Sewer lines	(5,876,609)	(232,479)	-	(6,109,088)
Golf cart paths and sprinkler systems	<u>(140,993)</u>	<u>(6,173)</u>	<u>-</u>	<u>(147,166)</u>
Total accumulated depreciation	<u>(12,154,898)</u>	<u>(548,562)</u>	<u>-</u>	<u>(12,703,460)</u>
Total capital assets, being depreciated, net	<u>18,050,085</u>	<u>(116,540)</u>	<u>-</u>	<u>17,933,545</u>
Business-type activities capital assets, net	<u>\$ 18,217,454</u>	<u>\$ (116,540)</u>	<u>\$ -</u>	<u>\$ 18,100,914</u>

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

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

Water	\$ 227,418
Sewer	242,589
Golf	<u>78,555</u>
Total depreciation expense	<u>\$ 548,562</u>

NOTE 7 - COMPENSATED ABSENCES

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

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

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

NOTE 8 - LONG-TERM DEBT

A schedule of changes in bonds and other long-term obligations of the City during 2010 follows:

	Amount Outstanding <u>12/31/2009</u>	<u>Increases</u>	<u>Decreases</u>	Amount Outstanding <u>12/31/2010</u>	Amount Due in <u>One Year</u>
Governmental activities					
<u>Unvoted general obligation bonds</u>					
2004 Various purpose refunding bonds, 2.0% - 5.25%	\$ 8,850,000	\$ -	\$ (585,000)	\$ 8,265,000	\$ 605,000
Premium on refunding bonds	241,674	-	(37,360)	204,314	-
Accounting loss	(452,714)	-	69,984	(382,730)	-
2009 Various purpose limited tax bonds, 2.0% - 4.1%	4,400,000	-	(260,000)	4,140,000	265,000
Premium on bonds	44,329	-	(5,529)	38,800	-
Total unvoted general obligation bonds	<u>13,083,289</u>	<u>-</u>	<u>(817,905)</u>	<u>12,265,384</u>	<u>870,000</u>
Other long-term obligations:					
Capital lease	657,659	-	(90,008)	567,651	93,819
Compensated absences	<u>1,416,444</u>	<u>915,921</u>	<u>(885,384)</u>	<u>1,446,981</u>	<u>797,704</u>
Total governmental activities long-term liabilities	<u>\$ 15,157,392</u>	<u>\$ 915,921</u>	<u>\$ (1,793,297)</u>	<u>\$ 14,280,016</u>	<u>\$ 1,761,523</u>
Business-type activities					
Compensated absences	<u>\$ 151,228</u>	<u>\$ 142,879</u>	<u>\$ (113,884)</u>	<u>\$ 180,223</u>	<u>\$ 108,729</u>

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

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

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

As of December 31, 2010, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$26,366,161 and the unvoted legal debt margin was \$8,022,419.

Capital lease obligations will be paid from the debt service fund.

Principal and interest requirements to retire the City's *long-term obligations outstanding at December 31, 2010, are as follows:

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

Year ending December 31,	General obligation bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 870,000	\$ 539,649	\$ 1,409,649
2012	900,000	514,384	1,414,384
2013	920,000	486,946	1,406,946
2014	955,000	456,690	1,411,690
2015	975,000	413,215	1,388,215
2016-2020	5,705,000	1,335,362	7,040,362
2021-2023	2,080,000	142,820	2,222,820
Total	<u>\$ 12,405,000</u>	<u>\$ 3,889,066</u>	<u>\$ 16,294,066</u>

NOTE 9 – CAPITALIZED LEASE

The City entered into a capital lease during 2006 for the acquisition of energy savings equipment. Capital lease payments are reflected as debt service payments in the basic financial statements for the governmental funds. These expenditures are reflected as function expenditures on a budgetary basis.

Governmental activities capital assets consisting of equipment have been capitalized in the amount of \$340,993. The capitalized amount equals a portion of the present value of the future minimum lease payments and the down payment respectively, at the time of acquisition. The remaining portion of the capital lease was used for noncapitalizable improvements.

Following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2010:

<u>Year</u>	<u>Lease Payments</u>
2011	\$ 116,631
2012	116,631
2013	116,631
2014	116,631
2015	116,631
2016	<u>58,313</u>
Total minimum lease payments	641,468
Less: amount representing interest	<u>(73,817)</u>
Total	<u>\$ 567,651</u>

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

NOTE 10 – SHORT TERM OBLIGATIONS

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

	<u>Balance</u> <u>12/31/2009</u>	<u>Increase</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2010</u>
Capital Projects Fund:				
Capital Improvement, 1.75%	\$ 4,580,000	\$ -	\$(4,580,000)	\$ -
Capital Improvement, 0.85%	<u>-</u>	<u>4,580,000</u>	<u>-</u>	<u>4,580,000</u>
Total	<u>\$ 4,580,000</u>	<u>\$ 4,580,000</u>	<u>\$(4,580,000)</u>	<u>\$ 4,580,000</u>

In August of 2010, the City paid off \$4,580,000 in bond anticipation notes and issued \$4,580,000 in bond anticipation notes. The bond anticipation notes were issued to encourage economic development and jobs in a redevelopment area and to purchase land. Revenues for payment of interest and principal on the bond will result from proceeds from a new note to be issued in 2011. The general obligation debt service fund will retire the debt.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. 1.) The Traditional Pension Plan (TP) - a cost-sharing, multiple-employer defined benefit pension plan. 2.) The Member-Directed Plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Members accumulate retirement assets equal to the value of the member and (vested) employer contributions, plus any investment earnings thereon. 3.) The Combined Plan (CP) - a cost-sharing, multiple-employer defined benefit pension plan. Employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the MD.

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

Member and employer contributions rates were consistent across all three plans (TP, MD and CP). For the year ended December 31, 2010, City employees were required to contribute 10% of their annual covered salary. The City's contribution rate for 2010 was 14%. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional plan for the years ended December 31, 2010, 2009 and 2008 were \$683,187, \$533,269 and \$479,480 respectively; 96.8% has been contributed for 2010 and 100% for 2009 and 2008. \$21,870 representing the unpaid contribution for fiscal year 2010 is recorded as an intergovernmental payable.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10% of their annual covered salary to fund pension obligations while the City is required to contribute 19.5% for police officers and 24% for firefighters, of which 12.75% for police officers and 17.25% for firefighters was used to fund pension plans. Contributions are authorized by State statute. The City's contributions to the Fund for the years ended December 31, 2010, 2009 and 2008 were \$362,336, \$370,783 and \$460,013 respectively, equal to the required contributions for each year. The full amount has been contributed for 2009 and 2008. 72.04% has been contributed for 2010 with the remainder being reported as a liability. \$101,315 representing the unpaid contribution for fiscal year 2010 is recorded as an intergovernmental payable.

NOTE 12 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage, commonly referred to OPEB (other postemployment benefits). OPERS administers three separate pension plans, the Traditional Pension Plan (TP), the Member-Directed Plan (MD) and the Combined Plan (CP), all of which are described in Note 11.

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

In order to qualify for post-retirement health care coverage, age and service retirees under the traditional pension and combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

The Ohio Revised Code provides statutory authority requiring employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, the City contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of the post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010 and 4.23% from March 1 through December 31, 2010. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Actual employer contributions which were used to fund postemployment benefits for the years ended December 31, 2010, 2009 and 2008 were \$379,548, \$533,269 and \$479,480 respectively; 96.8% has been contributed for 2009 and 100% for 2008 and 2007. \$12,150 representing the unpaid contribution for fiscal year 2010 is recorded as an intergovernmental payable. The actual contribution and the actuarially required contribution amounts are the same.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1, of each year from 2006 to 2008. Rates for law and public safety employees increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Ohio Police and Firemen's Disability and Pension Fund

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

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

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's total contributions to OP&F for police and fire healthcare for the years ending December 31, 2010, 2009, and 2008 were \$179,881, \$184,278 and \$179,497, respectively, 72.04 percent has been contributed, for 2010 with the remainder being reported as a liability. \$50,278 representing the unpaid contribution for fiscal year 2010 is recorded as an intergovernmental payable.

NOTE 13 - JOINT VENTURES

Tri-Cities North Regional Wastewater Authority

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

The Tri-Cities North Regional Wastewater Authority (Tri-Cities) is a joint venture among the cities of Vandalia, Huber Heights and Tipp City. Tri-Cities is governed by a management board consisting of the city managers of the three cities. The board has complete authority over all aspects of the operation. Tri-Cities supplies all participating residents of the member cities with sewer services. Each city owns the sewage lines located in its city and bills its residents for usage. Continued existence of Tri-Cities is dependent on the City's continued participation and the City does have an equity interest. The percentage of equity interest for each City is based on annual usage and is adjusted each year accordingly. The City's equity interest is \$8,556,413 which represents 27.43% of the total equity in Tri-Cities. Tri-Cities is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City of Vandalia paid \$894,567 for services provided in 2010. Tri-Cities had five OWDA Loans outstanding at December 31, 2010, in the amounts of \$1,082,204, \$3,327,616, \$1,280,808, \$641,419, and \$706,912 for a total of \$7,038,959. Complete financial statements can be obtained from the Tri-Cities North Regional Wastewater Authority, c/o City of Vandalia, 333 J.E. Bohanan Drive, Vandalia, Ohio 45377.

Northern Area Water Authority

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

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

The Northern Area Water Authority (NAWA) is a joint venture among the cities of Vandalia and Tipp City. NAWA is governed by a management board consisting of the city managers of the two cities. The board has complete authority over all aspects of the operation. NAWA supply the participating residents of the member cities with water services. Each city will own the water lines located in its city and bill its residents for usage. Continued existence of NAWA is dependent on the City's continued participation and the City will have an equity interest in NAWA. During 2010, the City's equity interest is \$158,988 which represents 50% of the total equity of NAWA as of December 31, 2010.

On August 29, 2002, NAWA was approved for an OWDA loan totaling \$2.5 million. During 2005, this loan was paid off and rolled into the water treatment plant construction loan. As of December 31, 2010, NAWA has borrowed a total of \$22,433,122 against the water treatment plant construction loan. The City of Vandalia paid \$1,341,577 for services provided in 2010. Complete financial statements can be obtained from the Northern Area Water Authority, c/o City of Vandalia, 333 J.E. Bohanan Drive, Vandalia, Ohio 45377.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

NOTE 14 - JOINTLY GOVERNED ORGANIZATION

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

The ED/GE Advisory Committee, made up of alternating member entities' representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute to or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those communities experiencing less economic growth. The City has agreed to be a member for ten years, ending December 31, 2019. Members in default of paying contributions will be liable for the contribution, any interest accrued, and penalties. The member will not be entitled to any allocations from ED/GE. The City has \$30,424 in contributions to ED/GE during 2010. Financial information may be obtained by writing to Linda Gum, Administrative Assistant, 451 West Third Street, Dayton, Ohio, 45402.

NOTE 15 - CONTRACTUAL COMMITMENTS

As of December 31, 2010, the City had contractual commitments as follows:

<u>Company</u>	<u>Project</u>	<u>Amount</u>	<u>Expended</u>	<u>12/31/2010</u>
Miller Pipeline Corp	Utility contractor	\$ 114,581	\$ 53,922	\$ 60,659
Brumbaugh Construction	Firestation project	3,084,500	2,832,497	252,003
	Totals	<u>\$ 3,199,081</u>	<u>\$ 2,886,419</u>	<u>\$ 312,662</u>

NOTE 16 - CONTINGENT LIABILITIES

Litigation

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

Federal and State Grants

The City participates in several federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2010, the audits of these programs have not been completed. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2010

NOTE 17 - INTERFUND TRANSFERS

Interfund transfers and Due to/from other funds for the year ended December 31, 2010, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>	Nonmajor Governmental	<u>Total</u>
	<u>General</u>	<u>Funds</u>	
Capital improvement fund	\$ 1,359,549	\$ 94,322	\$ 1,453,871
Nonmajor governmental funds	2,681,541	117,680	2,799,221
Golf fund	<u>400,000</u>	<u>-</u>	<u>400,000</u>
Total	<u>\$ 4,441,090</u>	<u>\$ 212,002</u>	<u>\$ 4,653,092</u>

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

NOTE 18 – OPERATING LEASE

On October 29, 2008, the City entered into an operating lease to lease computers and software. The lease agreement began on October 28, 2008 and is in effect until January 1, 2012 with an option to purchase the equipment anytime during the life of the lease. Total payments for the use of this equipment was \$52,200, payable in monthly installments on the first day of each month during 2010.

The following is a schedule of the future minimum lease payments as of December 31, 2010:

<u>Year</u>	Lease <u>Payments</u>
2011	\$ 52,200
2012	<u>4,350</u>
Total minimum lease payments	56,550
Less: amount representing interest	<u>(2,645)</u>
Total	<u>\$ 53,905</u>

Combining Statements

Combining Statements – Nonmajor Governmental Funds

NONMAJOR SPECIAL REVENUE FUNDS

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

Street

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

State Highway

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

Permissive Motor Vehicle Tax

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

Law Enforcement

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

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.

OMVI Education and Enforcement

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

OMVI Indigent

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

Computer Legal Research

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

Indigent Drivers Interlock and Alcohol Monitoring (IAM)

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

Baseball Recreation

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

Combining Statements – Nonmajor Governmental Funds (Continued)

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Soccer Recreation

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

Stormwater

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

Chuck Gabbard Memorial

To account for donations to be used by the police department.

Magistrate

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

Employee Retirement Benefits Reserve

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

NONMAJOR DEBT SERVICE FUNDS

The debt service funds are used to account for the accumulation of resources and the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the government is obligated in some manner for the payment.

General Obligation Bond Retirement

To account for transfers from the general fund property tax revenue to pay for general obligation bond debt.

Street Special Assessment Bond Retirement

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

NONMAJOR CAPITAL PROJECTS FUNDS

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

Road Improvements Brownschool

To account for the expenditures of Issue II grant funds.

Recreation Center

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

Justice Center/Municipal Building

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

North Dixie Widening

To account for the expenditures of Issue II grant funds for widening North Dixie Road.

Police, Fire and Street Capital Improvements

To account for the .25% increase in income taxes used for capital purchases for the police, fire and street departments and a portion of the police department's personnel costs.

Tax Increment Financing (TIF)

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

Capital Improvement Reserve

To account for the receipt and dispersal of all resources collected in anticipation of future capital expenses.

Facilities Improvement & Maintenance Reserve

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



City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets:				
Equity in pooled cash and investments	\$ 1,816,896	\$ 249,302	\$ 3,250,873	\$ 5,317,071
Receivables:				
Accounts	50,500	-	-	50,500
Special assessments	-	31,643	-	31,643
Due from other governments	491,749	-	-	491,749
Materials and supplies inventory	88,036	-	-	88,036
Total assets	<u>\$ 2,447,181</u>	<u>\$ 280,945</u>	<u>\$ 3,250,873</u>	<u>\$ 5,978,999</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 74,123	\$ -	\$ 14,764	\$ 88,887
Contracts payable	17,774	-	26,769	44,543
Accrued wages	19,987	-	1,742	21,729
Matured compensated absences payable	3,406	-	-	3,406
Due to other governments	22,035	-	5,372	27,407
Deferred revenue	465,654	31,643	-	497,297
Total liabilities	<u>602,979</u>	<u>31,643</u>	<u>48,647</u>	<u>683,269</u>
Fund balances:				
Reserved for encumbrances	233,328	-	437,441	670,769
Reserved for inventory	88,036	-	-	88,036
Unreserved, undesignated, Reported in:				
Special revenue funds	1,522,838	-	-	1,522,838
Debt service fund	-	249,302	-	249,302
Capital projects fund	-	-	2,764,785	2,764,785
Total fund balances	<u>1,844,202</u>	<u>249,302</u>	<u>3,202,226</u>	<u>5,295,730</u>
Total liabilities and fund balances	<u>\$ 2,447,181</u>	<u>\$ 280,945</u>	<u>\$ 3,250,873</u>	<u>\$ 5,978,999</u>

City of Vandalia, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other taxes	\$ -	\$ -	\$ 108,512	\$ 108,512
Charges for services	431,287	-	-	431,287
Fines and forfeitures	277,492	-	-	277,492
Intergovernmental	1,019,286	-	-	1,019,286
Interest	86	-	-	86
Other	10,460	-	158	10,618
Total revenue	<u>1,738,611</u>	<u>-</u>	<u>108,670</u>	<u>1,847,281</u>
Expenditures:				
Current:				
General government				
Legislative and executive	166,313	-	25,832	192,145
Judicial system	66,900	-	-	66,900
Public safety				
Police	3,540	-	122,773	126,313
Fire	-	-	80,606	80,606
Public works				
Engineer	165,757	-	-	165,757
Streets	1,081,874	-	120,184	1,202,058
Recreation	157,847	-	-	157,847
Capital outlay	116,963	-	884,203	1,001,166
Debt service:				
Principal retirement	-	675,008	260,000	935,008
Interest and fiscal charges	-	441,601	148,153	589,754
Total expenditures	<u>1,759,194</u>	<u>1,116,609</u>	<u>1,641,751</u>	<u>4,517,554</u>
Excess of revenues under expenditures	<u>(20,583)</u>	<u>(1,116,609)</u>	<u>(1,533,081)</u>	<u>(2,670,273)</u>
Other financing sources (uses):				
Transfers - in	100,000	1,334,217	1,365,004	2,799,221
Transfers - out	-	(211,460)	(542)	(212,002)
Total other financing sources (uses)	<u>100,000</u>	<u>1,122,757</u>	<u>1,364,462</u>	<u>2,587,219</u>
Net change in fund balance	79,417	6,148	(168,619)	(83,054)
Fund balances at beginning of year	<u>1,764,785</u>	<u>243,154</u>	<u>3,370,845</u>	<u>5,378,784</u>
Fund balances at end of year	<u>\$ 1,844,202</u>	<u>\$ 249,302</u>	<u>\$ 3,202,226</u>	<u>\$ 5,295,730</u>

City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	Street Fund	State Highway Fund	Permissive Motor Vehicle Tax Fund	Law Enforcement Fund	Drug Law Enforcement Fund
Assets:					
Equity in pooled cash and investments	\$ 398,283	\$ 174,764	\$ 98,407	\$ 23,533	\$ 1,455
Receivables:					
Accounts	22,255	-	-	-	-
Due from other governments	425,339	34,092	25,942	-	-
Materials and supplies inventory	88,036	-	-	-	-
Total assets	\$ 933,913	\$ 208,856	\$ 124,349	\$ 23,533	\$ 1,455
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 39,494	\$ 17,223	\$ 1,441	\$ -	\$ -
Contracts payable	-	-	-	-	-
Accrued wages	13,469	-	-	-	-
Matured compensated absences payable	2,649	-	-	-	-
Due to other governments	12,696	-	-	-	-
Deferred revenue	380,412	28,644	22,605	-	-
Total liabilities	448,720	45,867	24,046	-	-
Fund balances:					
Reserved for encumbrances	44,492	31,409	54,169	-	-
Reserved for inventory	88,036	-	-	-	-
Unreserved, undesignated, Reported in:					
Special revenue funds	352,665	131,580	46,134	23,533	1,455
Total fund balances	485,193	162,989	100,303	23,533	1,455
Total liabilities and fund balances	\$ 933,913	\$ 208,856	\$ 124,349	\$ 23,533	\$ 1,455

OMVI Education and Enforcement Fund	OMVI Indigent Fund	Computer Legal Research Fund	Indigent Drivers IAM Fund	Baseball Recreation Fund	Soccer Recreation Fund
\$ 1,724	\$ 279,621	\$ 131,226	\$ 33,840	\$ 44,091	\$ 64,584
-	-	-	-	92	11
-	4,743	-	1,633	-	-
-	-	-	-	-	-
<u>\$ 1,724</u>	<u>\$ 284,364</u>	<u>\$ 131,226</u>	<u>\$ 35,473</u>	<u>\$ 44,183</u>	<u>\$ 64,595</u>
\$ -	\$ -	\$ 4,375	\$ -	\$ -	\$ 3,220
-	-	-	-	-	-
-	-	2,135	-	308	-
-	-	-	-	-	-
-	-	2,229	-	1,917	1,082
-	4,743	-	1,108	-	-
<u>-</u>	<u>4,743</u>	<u>8,739</u>	<u>1,108</u>	<u>2,225</u>	<u>4,302</u>
44	-	2,203	-	-	4,091
-	-	-	-	-	-
<u>1,680</u>	<u>279,621</u>	<u>120,284</u>	<u>34,365</u>	<u>41,958</u>	<u>56,202</u>
<u>1,724</u>	<u>279,621</u>	<u>122,487</u>	<u>34,365</u>	<u>41,958</u>	<u>60,293</u>
<u>\$ 1,724</u>	<u>\$ 284,364</u>	<u>\$ 131,226</u>	<u>\$ 35,473</u>	<u>\$ 44,183</u>	<u>\$ 64,595</u>

(Continued)

City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	Stormwater Fund	Chuck Gabbard Memorial Fund	Magistrate Fund	Employee Retirement Benefits Reserve Fund	Total Nonmajor Special Revenue Funds
Assets:					
Equity in pooled cash and investments	\$ 173,611	\$ 2,258	\$ 9,015	\$ 380,484	\$ 1,816,896
Receivables:					
Accounts	28,142	-	-	-	50,500
Due from other governments	-	-	-	-	491,749
Materials and supplies inventory	-	-	-	-	88,036
Total assets	\$ 201,753	\$ 2,258	\$ 9,015	\$ 380,484	\$ 2,447,181
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 8,370	\$ -	\$ -	\$ -	\$ 74,123
Contracts payable	17,774	-	-	-	17,774
Accrued wages	2,712	-	1,363	-	19,987
Matured compensated absences payable	757	-	-	-	3,406
Due to other governments	2,723	-	1,388	-	22,035
Deferred revenue	28,142	-	-	-	465,654
Total liabilities	60,478	-	2,751	-	602,979
Fund balances:					
Reserved for encumbrances	96,920	-	-	-	233,328
Reserved for inventory	-	-	-	-	88,036
Unreserved, undesignated, Reported in:					
Special revenue funds	44,355	2,258	6,264	380,484	1,522,838
Total fund balances	141,275	2,258	6,264	380,484	1,844,202
Total liabilities and fund balances	\$ 201,753	\$ 2,258	\$ 9,015	\$ 380,484	\$ 2,447,181



City of Vandalia, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Street Fund	State Highway Fund	Permissive Motor Vehicle Tax Fund	Law Enforcement Fund	Drug Law Enforcement Fund
Revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	244	-
Intergovernmental	900,646	73,026	45,614	-	-
Interest	-	-	-	86	-
Other	5,203	-	-	-	-
Total revenue	<u>905,849</u>	<u>73,026</u>	<u>45,614</u>	<u>330</u>	<u>-</u>
Expenditures:					
Current:					
General government					
Legislative and executive	-	-	-	2,554	-
Judicial system	-	-	-	-	-
Public safety					
Police	-	-	-	-	-
Public works					
Engineer	-	-	-	-	-
Streets	928,102	105,291	48,481	-	-
Recreation	-	-	-	-	-
Capital outlay	8,143	-	12,950	10,000	-
Total expenditures	<u>936,245</u>	<u>105,291</u>	<u>61,431</u>	<u>12,554</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(30,396)</u>	<u>(32,265)</u>	<u>(15,817)</u>	<u>(12,224)</u>	<u>-</u>
Other financing sources:					
Transfers - in	-	-	-	-	-
Net change in fund balance	(30,396)	(32,265)	(15,817)	(12,224)	-
Fund balances at beginning of year	515,589	195,254	116,120	35,757	1,455
Fund balances at end of year	<u>\$ 485,193</u>	<u>\$ 162,989</u>	<u>\$ 100,303</u>	<u>\$ 23,533</u>	<u>\$ 1,455</u>

OMVI Education and Enforcement Fund	OMVI Indigent Fund	Computer Legal Research Fund	Indigent Drivers IAM Fund	Baseball Recreation Fund	Soccer Recreation Fund
\$ -	\$ -	\$ -	\$ -	\$ 101,634	\$ 52,006
938	30,835	155,321	20,161	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	5,154	103
<u>938</u>	<u>30,835</u>	<u>155,321</u>	<u>20,161</u>	<u>106,788</u>	<u>52,109</u>
-	-	144,243	-	-	-
-	-	-	-	-	-
608	2,932	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	105,528	52,319
-	-	3,612	-	-	-
<u>608</u>	<u>2,932</u>	<u>147,855</u>	<u>-</u>	<u>105,528</u>	<u>52,319</u>
<u>330</u>	<u>27,903</u>	<u>7,466</u>	<u>20,161</u>	<u>1,260</u>	<u>(210)</u>
-	-	-	-	-	-
330	27,903	7,466	20,161	1,260	(210)
1,394	251,718	115,021	14,204	40,698	60,503
<u>\$ 1,724</u>	<u>\$ 279,621</u>	<u>\$ 122,487</u>	<u>\$ 34,365</u>	<u>\$ 41,958</u>	<u>\$ 60,293</u>

(Continued)

City of Vandalia, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Stormwater Fund	Chuck Gabbard Memorial Fund	Magistrate Fund	Employee Retirement Benefits Reserve Fund	Total Nonmajor Special Revenue Funds
Revenues:					
Charges for services	\$ 277,647	\$ -	\$ -	\$ -	\$ 431,287
Fines and forfeitures	-	-	69,993	-	277,492
Intergovernmental	-	-	-	-	1,019,286
Interest	-	-	-	-	86
Other	-	-	-	-	10,460
Total revenue	<u>277,647</u>	<u>-</u>	<u>69,993</u>	<u>-</u>	<u>1,738,611</u>
Expenditures:					
Current:					
General government					
Legislative and executive	-	-	-	19,516	166,313
Judicial system	-	-	66,900	-	66,900
Public safety					
Police	-	-	-	-	3,540
Public works					
Engineer	165,757	-	-	-	165,757
Streets	-	-	-	-	1,081,874
Recreation	-	-	-	-	157,847
Capital outlay	82,258	-	-	-	116,963
Total expenditures	<u>248,015</u>	<u>-</u>	<u>66,900</u>	<u>19,516</u>	<u>1,759,194</u>
Excess of revenues over (under) expenditures	<u>29,632</u>	<u>-</u>	<u>3,093</u>	<u>(19,516)</u>	<u>(20,583)</u>
Other financing sources:					
Transfers - in	-	-	-	100,000	100,000
Net change in fund balance	29,632	-	3,093	80,484	79,417
Fund balances at beginning of year	111,643	2,258	3,171	300,000	1,764,785
Fund balances at end of year	<u>\$ 141,275</u>	<u>\$ 2,258</u>	<u>\$ 6,264</u>	<u>\$ 380,484</u>	<u>\$ 1,844,202</u>



City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2010

	<u>General Obligation Bond Retirement Fund</u>	<u>Street Special Assessment Bond Retirement Fund</u>	<u>Total Nonmajor Debt Service Funds</u>
<u>Assets:</u>			
Equity in pooled cash and investments	\$ 249,302	\$ -	\$ 249,302
Receivables:			
Special assessments	-	31,643	31,643
Total assets	<u>\$ 249,302</u>	<u>\$ 31,643</u>	<u>\$ 280,945</u>
Liabilities and fund balances			
Liabilities:			
Deferred revenue	<u>\$ -</u>	<u>\$ 31,643</u>	<u>\$ 31,643</u>
Fund balances:			
Unreserved, undesignated, Reported in:			
Debt service fund	<u>249,302</u>	<u>-</u>	<u>249,302</u>
Total liabilities and fund balances	<u>\$ 249,302</u>	<u>\$ 31,643</u>	<u>\$ 280,945</u>

City of Vandalia, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2010

	General Obligation Bond Retirement Fund	Street Special Assessment Bond Retirement Fund	Total Nonmajor Debt Service Funds
Revenues:			
Total revenue	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Debt service:			
Principal retirement	675,008	-	675,008
Interest and fiscal charges	441,601	-	441,601
Total expenditures	1,116,609	-	1,116,609
Excess of revenues under expenditures	(1,116,609)	-	(1,116,609)
Other financing sources (uses):			
Transfers - in	1,334,217	-	1,334,217
Transfers - out	-	(211,460)	(211,460)
Total other financing sources (uses)	1,334,217	(211,460)	1,122,757
Net change in fund balance	217,608	(211,460)	6,148
Fund balances at beginning of year	31,694	211,460	243,154
Fund balances at end of year	\$ 249,302	\$ -	\$ 249,302

City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2010

	Road Improvements Brownschool Fund	Recreation Center Fund	Justice Center/ Municipal Building Fund	North Dixie Widening Fund	Police, Fire and Street Capital Improvements Fund
Assets:					
Equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 197,114
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 14,764
Contracts payable	-	-	-	-	7,455
Accrued wages	-	-	-	-	1,742
Due to other governments	-	-	-	-	5,372
Total liabilities	-	-	-	-	29,333
Fund balances:					
Reserved for encumbrances	-	-	-	-	66,329
Unreserved, undesignated, Reported in:					
Capital projects fund	-	-	-	-	101,452
Total fund balances	-	-	-	-	167,781
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ -	\$ 197,114

TIF Capital Projects Fund	Capital Improvement Reserve Fund	Facilities Improvement & Maintenance Reserve Fund	Total Nonmajor Capital Projects Funds
\$ 112,348	\$ 1,941,411	\$ 1,000,000	\$ 3,250,873
-	-	-	14,764
-	19,314	-	26,769
-	-	-	1,742
-	-	-	5,372
-	19,314	-	48,647
-	371,112	-	437,441
112,348	1,550,985	1,000,000	2,764,785
112,348	1,922,097	1,000,000	3,202,226
\$ 112,348	\$ 1,941,411	\$ 1,000,000	\$ 3,250,873

City of Vandalia, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2010

	Road Improvements Brownschool Fund	Recreation Center Fund	Justice Center/ Municipal Building Fund	North Dixie Widening Fund	Police, Fire and Street Capital Improvements Fund
Revenues:					
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	158
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158</u>
Expenditures:					
Current:					
General government					
Legislative and executive	-	-	-	-	-
Public safety					
Police	-	-	2	-	122,771
Fire	-	-	-	-	80,606
Public works					
Streets	-	-	-	-	100,870
Capital outlay	-	-	-	-	825,614
Debt service:					
Principal retirement	-	-	-	-	260,000
Interest and fiscal charges	-	-	-	-	148,153
Total expenditures	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>1,538,014</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>(1,537,856)</u>
Other financing sources:					
Transfers - in	6,761	-	-	750	1,357,493
Transfers - out	-	(1)	(541)	-	-
Total other financing sources (uses)	<u>6,761</u>	<u>(1)</u>	<u>(541)</u>	<u>750</u>	<u>1,357,493</u>
Net change in fund balance	6,761	(1)	(543)	750	(180,363)
Fund balances (deficits) at beginning of year	<u>(6,761)</u>	<u>1</u>	<u>543</u>	<u>(750)</u>	<u>348,144</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,781</u>

TIF Capital Projects Fund	Capital Improvement Reserve Fund	Facilities Improvement & Maintenance Reserve Fund	Total Nonmajor Capital Projects Funds
\$ 108,512	\$ -	\$ -	\$ 108,512
-	-	-	158
<u>108,512</u>	<u>-</u>	<u>-</u>	<u>108,670</u>
25,832	-	-	25,832
-	-	-	122,773
-	-	-	80,606
-	19,314	-	120,184
-	58,589	-	884,203
-	-	-	260,000
-	-	-	148,153
<u>25,832</u>	<u>77,903</u>	<u>-</u>	<u>1,641,751</u>
<u>82,680</u>	<u>(77,903)</u>	<u>-</u>	<u>(1,533,081)</u>
-	-	-	1,365,004
-	-	-	(542)
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,364,462</u>
82,680	(77,903)	-	(168,619)
<u>29,668</u>	<u>2,000,000</u>	<u>1,000,000</u>	<u>3,370,845</u>
<u>\$ 112,348</u>	<u>\$ 1,922,097</u>	<u>\$ 1,000,000</u>	<u>\$ 3,202,226</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal income tax	\$ 10,700,000	\$ 10,700,000	\$ 10,859,948	\$ 159,948
Property and other taxes	1,839,672	1,839,672	1,877,138	37,466
Charges for services	3,183,765	3,183,765	3,246,574	62,809
Licenses and permits	186,600	186,600	196,525	9,925
Fines and forfeitures	1,273,700	1,273,700	1,232,545	(41,155)
Intergovernmental	1,531,677	1,531,677	1,447,314	(84,363)
Interest	700,000	700,000	482,161	(217,839)
Other	66,000	66,000	78,769	12,769
Total revenues	19,481,414	19,481,414	19,420,974	(60,440)
Expenditures:				
Current:				
General government				
Legislative and executive				
Personal services	1,921,295	1,921,295	1,883,249	38,046
Operations and maintenance	4,459,299	4,459,299	4,174,658	284,641
Capital outlay	21,000	21,000	11,895	9,105
Total legislative and executive	6,401,594	6,401,594	6,069,802	331,792
Judicial system				
Personal services	1,706,873	1,706,873	1,597,393	109,480
Operations and maintenance	423,183	423,183	353,093	70,090
Total judicial system	2,130,056	2,130,056	1,950,486	179,570
Total general government	8,531,650	8,531,650	8,020,288	511,362
Public safety				
Police				
Personal services	3,995,440	3,995,440	3,749,097	246,343
Operations and maintenance	447,923	447,923	421,785	26,138
Capital outlay	3,418	3,418	4,418	(1,000)
Total police	4,446,781	4,446,781	4,175,300	271,481
Fire				
Personal services	1,598,614	1,598,614	1,494,200	104,414
Operations and maintenance	295,031	295,031	291,007	4,024
Total fire	1,893,645	1,893,645	1,785,207	108,438
Total public safety	6,340,426	6,340,426	5,960,507	379,919
Public works				
Engineer				
Personal services	825,541	825,541	811,107	14,434
Operations and maintenance	97,020	97,020	96,423	597
Total engineer	922,561	922,561	907,530	15,031

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2010
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Streets				
Service department				
Personal services	113,548	113,548	110,592	2,956
Operations and maintenance	4,850	4,850	4,638	212
Street lighting				
Operations and maintenance	199,932	199,932	197,597	2,335
Street maintenance				
Personal services	357,365	357,365	343,948	13,417
Operations and maintenance	5,750	5,750	5,865	(115)
Total streets	<u>681,445</u>	<u>681,445</u>	<u>662,640</u>	<u>18,805</u>
Refuse				
Operations and maintenance	984,969	984,969	982,998	1,971
Total public works	<u>1,666,414</u>	<u>1,666,414</u>	<u>1,645,638</u>	<u>20,776</u>
Recreation				
Parks				
Personal services	2,369,932	2,369,932	2,350,028	19,904
Operations and maintenance	977,079	977,079	954,774	22,305
Total recreation	<u>3,347,011</u>	<u>3,347,011</u>	<u>3,304,802</u>	<u>42,209</u>
Total expenditures	<u>20,808,062</u>	<u>20,808,062</u>	<u>19,838,765</u>	<u>969,297</u>
Excess of revenues under expenditures	<u>(1,326,648)</u>	<u>(1,326,648)</u>	<u>(417,791)</u>	<u>908,857</u>
Other financing sources (uses):				
Sale of capital assets	1,000	1,000	-	(1,000)
Transfers - out	(3,053,586)	(4,191,333)	(4,033,579)	157,754
Total other financing sources (uses)	<u>(3,052,586)</u>	<u>(4,190,333)</u>	<u>(4,033,579)</u>	<u>156,754</u>
Net change in fund balance	(4,379,234)	(5,516,981)	(4,451,370)	1,065,611
Fund balance at beginning of year	12,058,562	12,058,562	12,058,562	-
Prior year encumbrances appropriated	2,981,117	2,981,117	2,981,117	-
Fund balance at end of year	<u>\$ 10,660,445</u>	<u>\$ 9,522,698</u>	<u>\$ 10,588,309</u>	<u>\$ 1,065,611</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$ 520,000	\$ 2,801,813	\$ 2,571,690	\$ (230,123)
Special assessments	15,800	15,800	9,606	(6,194)
Other	23,050	23,050	6,567	(16,483)
Total revenues	<u>558,850</u>	<u>2,840,663</u>	<u>2,587,863</u>	<u>(252,800)</u>
<u>Expenditures:</u>				
Capital outlay	<u>4,729,065</u>	<u>8,446,365</u>	<u>8,210,672</u>	<u>235,693</u>
Excess of revenues under expenditures	<u>(4,170,215)</u>	<u>(5,605,702)</u>	<u>(5,622,809)</u>	<u>(17,107)</u>
Other financing sources:				
Sale of capital assets	40,000	40,000	47,523	7,523
Transfers - in	499,549	1,359,549	1,359,549	-
Total other financing sources	<u>539,549</u>	<u>1,399,549</u>	<u>1,407,072</u>	<u>7,523</u>
Net change in fund balance	(3,630,666)	(4,206,153)	(4,215,737)	(9,584)
Fund balance at beginning of year	65,904	65,904	65,904	-
Prior year encumbrances appropriated	<u>4,229,516</u>	<u>4,229,516</u>	<u>4,229,516</u>	<u>-</u>
Fund balance at end of year	<u>\$ 664,754</u>	<u>\$ 89,267</u>	<u>\$ 79,683</u>	<u>\$ (9,584)</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 865,000	\$ 865,000	\$ 897,175	\$ 32,175
Other	3,000	3,000	5,203	2,203
Total revenues	868,000	868,000	902,378	34,378
<u>Expenditures:</u>				
Current:				
Public works				
Streets				
Street maintenance				
Personal services	561,293	566,806	556,781	10,025
Operations and maintenance	207,253	207,253	209,791	(2,538)
Capital outlay	160,000	160,000	160,000	-
Total expenditures	928,546	934,059	926,572	7,487
Net change in fund balance	(60,546)	(66,059)	(24,194)	41,865
Fund balance at beginning of year	297,669	297,669	297,669	-
Prior year encumbrances appropriated	42,754	42,754	42,754	-
Fund balance at end of year	\$ 279,877	\$ 274,364	\$ 316,229	\$ 41,865

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$ 70,500	\$ 70,500	\$ 72,744	\$ 2,244
<u>Expenditures:</u>				
Current:				
Public works				
Streets				
Street maintenance				
Operations and maintenance	140,842	140,842	136,659	4,183
Net change in fund balance	(70,342)	(70,342)	(63,915)	6,427
Fund balance at beginning of year	187,308	187,308	187,308	-
Prior year encumbrances appropriated	2,842	2,842	2,842	-
Fund balance at end of year	<u>\$ 119,808</u>	<u>\$ 119,808</u>	<u>\$ 126,235</u>	<u>\$ 6,427</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Motor Vehicle Tax Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$ 42,000	\$ 42,000	\$ 45,536	\$ 3,536
<u>Expenditures:</u>				
Current:				
Streets				
Street maintenance				
Operations and maintenance	52,295	52,295	52,295	-
Capital outlay	64,963	64,963	64,963	-
Total expenditures	<u>117,258</u>	<u>117,258</u>	<u>117,258</u>	<u>-</u>
Net change in fund balance	(75,258)	(75,258)	(71,722)	3,536
Fund balance at beginning of year	69,260	69,260	69,260	-
Prior year encumbrances appropriated	<u>45,258</u>	<u>45,258</u>	<u>45,258</u>	<u>-</u>
Fund balance at end of year	<u>\$ 39,260</u>	<u>\$ 39,260</u>	<u>\$ 42,796</u>	<u>\$ 3,536</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Fines and forfeitures	\$ 500	\$ 500	\$ 244	\$ (256)
Interest	-	-	86	86
Total revenues	500	500	330	(170)
<u>Expenditures:</u>				
Current:				
General government				
Legislative and executive				
Operations and maintenance	21,148	21,148	1,878	19,270
Capital outlay	11,352	11,352	10,676	676
Total expenditures	32,500	32,500	12,554	19,946
Net change in fund balance	(32,000)	(32,000)	(12,224)	19,776
Fund balance at beginning of year	35,757	35,757	35,757	-
Fund balance at end of year	\$ 3,757	\$ 3,757	\$ 23,533	\$ 19,776

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Law Enforcement Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Fines and forfeitures	\$ 200	\$ 200	\$ -	\$ (200)
<u>Expenditures:</u>				
Current:				
General government				
Legislative and executive				
Operations and maintenance	1,000	1,000	-	1,000
Net change in fund balance	(800)	(800)	-	800
Fund balance at beginning of year	1,455	1,455	1,455	-
Fund balance at end of year	<u>\$ 655</u>	<u>\$ 655</u>	<u>\$ 1,455</u>	<u>\$ 800</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
OMVI Education and Enforcement Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Fines and forfeitures	\$ 1,000	\$ 1,000	\$ 910	\$ (90)
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Operations and maintenance	1,000	1,000	652	348
Net change in fund balance	-	-	258	258
Fund balance at beginning of year	1,359	1,359	1,359	-
Fund balance at end of year	<u>\$ 1,359</u>	<u>\$ 1,359</u>	<u>\$ 1,617</u>	<u>\$ 258</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
OMVI Indigent Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Fines and forfeitures	\$ 8,000	\$ 8,000	\$ 30,993	\$ 22,993
Intergovernmental	12,000	12,000	-	(12,000)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>30,993</u>	<u>10,993</u>
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Operations and maintenance	60,343	60,343	2,932	57,411
Net change in fund balance	(40,343)	(40,343)	28,061	68,404
Fund balance at beginning of year	249,907	249,907	249,907	-
Prior year encumbrances appropriated	343	343	343	-
Fund balance at end of year	<u>\$ 209,907</u>	<u>\$ 209,907</u>	<u>\$ 278,311</u>	<u>\$ 68,404</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Computer Legal Research Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Fines and forfeitures	\$ 155,000	\$ 155,000	\$ 157,557	\$ 2,557
<u>Expenditures:</u>				
Current:				
General government				
Legislative and executive				
Personal services	97,846	98,521	95,050	3,471
Operations and maintenance	65,682	65,682	42,235	23,447
Capital outlay	17,372	42,372	14,922	27,450
Total expenditures	<u>180,900</u>	<u>206,575</u>	<u>152,207</u>	<u>54,368</u>
Net change in fund balance	(25,900)	(51,575)	5,350	56,925
Fund balance at beginning of year	96,883	96,883	96,883	-
Prior year encumbrances appropriated	<u>12,554</u>	<u>12,554</u>	<u>12,554</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 83,537</u></u>	<u><u>\$ 57,862</u></u>	<u><u>\$ 114,787</u></u>	<u><u>\$ 56,925</u></u>

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Indigent Drivers IAM Fund
 For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Fines and forfeitures	\$ 12,000	\$ 12,000	\$ 19,561	\$ 7,561
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Operations and maintenance	5,000	5,000	-	5,000
Net change in fund balance	7,000	7,000	19,561	12,561
Fund balance at beginning of year	13,561	13,561	13,561	-
Fund balance at end of year	<u>\$ 20,561</u>	<u>\$ 20,561</u>	<u>\$ 33,122</u>	<u>\$ 12,561</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Baseball Recreation Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Charges for services	\$ 115,600	\$ 115,600	\$ 101,634	\$ (13,966)
Other	4,800	4,800	5,062	262
Total revenues	<u>120,400</u>	<u>120,400</u>	<u>106,696</u>	<u>(13,704)</u>
<u>Expenditures:</u>				
Current:				
Recreation				
Parks				
Personal services	48,558	48,558	38,319	10,239
Operations and maintenance	<u>72,172</u>	<u>72,172</u>	<u>66,821</u>	<u>5,351</u>
Total expenditures	<u>120,730</u>	<u>120,730</u>	<u>105,140</u>	<u>15,590</u>
Net change in fund balance	(330)	(330)	1,556	1,886
Fund balance at beginning of year	42,113	42,113	42,113	-
Prior year encumbrances appropriated	<u>422</u>	<u>422</u>	<u>422</u>	<u>-</u>
Fund balance at end of year	<u>\$ 42,205</u>	<u>\$ 42,205</u>	<u>\$ 44,091</u>	<u>\$ 1,886</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Soccer Recreation Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Charges for services	\$ 52,000	\$ 52,000	\$ 52,006	\$ 6
Other	900	900	92	(808)
Total revenues	<u>52,900</u>	<u>52,900</u>	<u>52,098</u>	<u>(802)</u>
<u>Expenditures:</u>				
Current:				
Recreation				
Parks				
Personal services	23,943	23,943	20,806	3,137
Operations and maintenance	30,142	30,142	25,579	4,563
Capital outlay	10,000	10,000	10,000	-
Total expenditures	<u>64,085</u>	<u>64,085</u>	<u>56,385</u>	<u>7,700</u>
Net change in fund balance	(11,185)	(11,185)	(4,287)	6,898
Fund balance at beginning of year	58,638	58,638	58,638	-
Prior year encumbrances appropriated	2,922	2,922	2,922	-
Fund balance at end of year	<u>\$ 50,375</u>	<u>\$ 50,375</u>	<u>\$ 57,273</u>	<u>\$ 6,898</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Stormwater Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Charges for services	\$ 274,500	\$ 274,500	\$ 277,647	\$ 3,147
<u>Expenditures:</u>				
Current:				
Public works				
Engineer				
Personal services	129,550	131,088	125,845	5,243
Operations and maintenance	154,026	154,026	153,685	341
Capital outlay	68,867	68,867	68,867	-
Total expenditures	<u>352,443</u>	<u>353,981</u>	<u>348,397</u>	<u>5,584</u>
Net change in fund balance	(77,943)	(79,481)	(70,750)	8,731
Fund balance at beginning of year	40,704	40,704	40,704	-
Prior year encumbrances appropriated	<u>80,593</u>	<u>80,593</u>	<u>80,593</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 43,354</u></u>	<u><u>\$ 41,816</u></u>	<u><u>\$ 50,547</u></u>	<u><u>\$ 8,731</u></u>

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Chuck Gabbard Memorial Fund
 For the Year Ended December 31, 2010

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

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Magistrate Fund
 For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Fines and forfeitures	\$ 60,000	\$ 70,800	\$ 70,427	\$ (373)
<u>Expenditures:</u>				
Current:				
General government				
Judicial system				
Personal services	55,257	68,500	66,257	2,243
Net change in fund balance	4,743	2,300	4,170	1,870
Fund balance at beginning of year	242	242	242	-
Fund balance at end of year	<u>\$ 4,985</u>	<u>\$ 2,542</u>	<u>\$ 4,412</u>	<u>\$ 1,870</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Employee Retirement Benefits Reserve Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Current:				
General government				
Legislative and executive				
Personal services	-	19,520	19,516	4
Excess of revenues under expenditures	-	(19,520)	(19,516)	4
Other financing sources:				
Transfers - in	-	100,000	100,000	-
Net change in fund balance	-	80,480	80,484	4
Fund balance at beginning of year	300,000	300,000	300,000	-
Fund balance at end of year	<u>\$ 300,000</u>	<u>\$ 380,480</u>	<u>\$ 380,484</u>	<u>\$ 4</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Debt service:				
Principal retirement	5,255,008	5,255,008	5,255,008	-
Interest and fiscal charges	541,529	541,529	535,923	5,606
Total expenditures	<u>5,796,537</u>	<u>5,796,537</u>	<u>5,790,931</u>	<u>5,606</u>
Excess of revenues under expenditures	<u>(5,796,537)</u>	<u>(5,796,537)</u>	<u>(5,790,931)</u>	<u>5,606</u>
Other financing sources:				
Bond anticipation notes issued	4,580,000	4,580,000	4,580,000	-
Transfers - in	1,216,537	1,428,539	1,428,539	-
Total other financing sources	<u>5,796,537</u>	<u>6,008,539</u>	<u>6,008,539</u>	<u>-</u>
Net change in fund balance	-	212,002	217,608	5,606
Fund balance at beginning of year	31,694	31,694	31,694	-
Prior year encumbrances appropriated	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund balance at end of year	<u>\$ 31,695</u>	<u>\$ 243,697</u>	<u>\$ 249,303</u>	<u>\$ 5,606</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	-	-	-
Other financing uses:				
Transfers - out	-	(211,460)	(211,460)	-
Net change in fund balance	-	(211,460)	(211,460)	-
Fund balance at beginning of year	211,460	211,460	211,460	-
Fund balance at end of year	<u>\$ 211,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Road Improvements Brownschool Fund
 For the Year Ended December 31, 2010

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

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Center Fund
For the Year Ended December 31, 2010

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

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Justice Center/Municipal Building Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Operations and maintenance	-	2	2	-
Excess of revenues under expenditures	-	(2)	(2)	-
Other financing uses:				
Transfers - out	-	(541)	(541)	-
Net change in fund balance	-	(543)	(543)	-
Fund balance at beginning of year	543	543	543	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 North Dixie Widening Fund
 For the Year Ended December 31, 2010

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

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police, Fire and Street Capital Improvements Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Other	\$ -	\$ -	\$ 158	\$ 158
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Personal services	89,578	90,066	82,754	7,312
Capital outlay	267,042	267,042	266,538	504
Total police	356,620	357,108	349,292	7,816
Fire				
Capital outlay	224,786	224,786	223,700	1,086
Total public safety	581,406	581,894	572,992	8,902
Public works				
Streets				
Capital outlay	659,067	659,067	659,066	1
Debt service:				
Principal retirement	260,000	260,000	260,000	-
Interest and fiscal charges	148,153	148,153	148,153	-
Total expenditures	1,648,626	1,649,114	1,640,211	8,903
Excess of revenues under expenditures	(1,648,626)	(1,649,114)	(1,640,053)	9,061
Other financing sources:				
Transfers - in	1,337,500	1,412,500	1,357,493	(55,007)
Net change in fund balance	(311,126)	(236,614)	(282,560)	(45,946)
Fund balance at beginning of year	65,621	65,621	65,621	-
Prior year encumbrances appropriated	325,505	325,505	325,505	-
Fund balance at end of year	<u>\$ 80,000</u>	<u>\$ 154,512</u>	<u>\$ 108,566</u>	<u>\$ (45,946)</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
TIF Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Property and other taxes	\$ 76,800	\$ 108,122	\$ 108,512	\$ 390
<u>Expenditures:</u>				
Current:				
Capital outlay	15,800	26,432	25,832	600
Net change in fund balance	61,000	81,690	82,680	990
Fund balance at beginning of year	29,668	29,668	29,668	-
Fund balance at end of year	<u>\$ 90,668</u>	<u>\$ 111,358</u>	<u>\$ 112,348</u>	<u>\$ 990</u>

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Capital Improvement Reserve Fund
 For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Capital outlay	-	450,000	449,015	985
Net change in fund balance	-	(450,000)	(449,015)	985
Fund balance at beginning of year	2,000,000	2,000,000	2,000,000	-
Fund balance at end of year	<u>\$ 2,000,000</u>	<u>\$ 1,550,000</u>	<u>\$ 1,550,985</u>	<u>\$ 985</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Facilities Improvement & Maintenance Reserve Fund
For the Year Ended December 31, 2010

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

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Charges for services	\$ 2,278,411	\$ 2,298,411	\$ 2,152,927	\$ (145,484)
Tap-in fees	12,000	12,000	10,100	(1,900)
Utility deposits received	-	-	6,267	6,267
Other	35,000	49,000	49,484	484
Total revenues	<u>2,325,411</u>	<u>2,359,411</u>	<u>2,218,778</u>	<u>(140,633)</u>
<u>Expenses:</u>				
Current:				
Personal services	325,326	328,964	314,012	14,952
Contractual services	1,576,387	1,576,387	1,413,477	162,910
Materials and supplies	50,056	50,056	49,185	871
Capital outlay	483,904	419,418	419,419	(1)
Utility deposits returned	-	-	4,247	(4,247)
Other	200	200	1,238	(1,038)
Total expenses	<u>2,435,873</u>	<u>2,375,025</u>	<u>2,201,578</u>	<u>173,447</u>
Change in fund equity	(110,462)	(15,614)	17,200	32,814
Fund equity at beginning of year	966,144	966,144	966,144	-
Prior year encumbrances appropriated	<u>108,169</u>	<u>108,169</u>	<u>108,169</u>	<u>-</u>
Fund equity at end of year	<u>\$ 963,851</u>	<u>\$ 1,058,699</u>	<u>\$ 1,091,513</u>	<u>\$ 32,814</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 1,320,128	\$ 1,320,128	\$ 1,291,609	\$ (28,519)
Tap-in fees	13,000	13,000	10,050	(2,950)
Utility deposits received	-	-	3,086	3,086
Other	-	65,249	65,248	(1)
Total revenues	<u>1,333,128</u>	<u>1,398,377</u>	<u>1,369,993</u>	<u>(28,384)</u>
<u>Expenses:</u>				
Current:				
Personal services	319,441	323,079	311,750	11,329
Contractual services	973,970	973,970	948,519	25,451
Materials and supplies	39,054	39,054	40,896	(1,842)
Capital outlay	189,643	189,643	188,284	1,359
Utility deposits returned	100	100	2,091	(1,991)
Total expenses	<u>1,522,208</u>	<u>1,525,846</u>	<u>1,491,540</u>	<u>34,306</u>
Operating loss	<u>(189,080)</u>	<u>(127,469)</u>	<u>(121,547)</u>	<u>5,922</u>
Non-operating revenues				
Federal and state subsidies	-	99,751	99,751	-
Change in fund equity	(189,080)	(27,718)	(21,796)	5,922
Fund equity at beginning of year	250,171	250,171	250,171	-
Prior year encumbrances appropriated	<u>204,403</u>	<u>204,403</u>	<u>204,403</u>	<u>-</u>
Fund equity at end of year	<u>\$ 265,494</u>	<u>\$ 426,856</u>	<u>\$ 432,778</u>	<u>\$ 5,922</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Golf Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Charges for services	\$ 935,950	\$ 935,950	\$ 932,133	\$ (3,817)
Other	5,700	5,700	8,848	3,148
Total revenues	<u>941,650</u>	<u>941,650</u>	<u>940,981</u>	<u>(669)</u>
<u>Expenses:</u>				
Current:				
Personal services	490,370	496,195	485,678	10,517
Contractual services	331,309	341,309	324,011	17,298
Materials and supplies	177,510	177,510	169,966	7,544
Other	<u>34,172</u>	<u>34,172</u>	<u>29,428</u>	<u>4,744</u>
Total expenses	<u>1,033,361</u>	<u>1,049,186</u>	<u>1,009,083</u>	<u>40,103</u>
Operating loss	<u>(91,711)</u>	<u>(107,536)</u>	<u>(68,102)</u>	<u>39,434</u>
Non-operating revenues				
Interest	<u>250</u>	<u>250</u>	<u>287</u>	<u>37</u>
Change in fund equity	(91,461)	(107,286)	(67,815)	39,471
Fund equity at beginning of year	535,610	535,610	535,610	-
Prior year encumbrances appropriated	<u>24,090</u>	<u>24,090</u>	<u>24,090</u>	<u>-</u>
Fund equity at end of year	<u>\$ 468,239</u>	<u>\$ 452,414</u>	<u>\$ 491,885</u>	<u>\$ 39,471</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Hospital Care Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for services	\$ 1,592,923	\$ 1,592,923	\$ 1,602,838	\$ 9,915
Other	50,000	175,000	175,576	576
Total revenues	1,642,923	1,767,923	1,778,414	10,491
<u>Expenses:</u>				
Current:				
Contractual services	324,051	339,151	317,429	21,722
Claims	1,319,423	1,429,323	1,429,323	-
Total expenses	1,643,474	1,768,474	1,746,752	21,722
Change in fund equity	(551)	(551)	31,662	32,213
Fund equity at beginning of year	151,109	151,109	151,109	-
Prior year encumbrances appropriated	551	551	551	-
Fund equity at end of year	\$ 151,109	\$ 151,109	\$ 183,322	\$ 32,213



Combining Statements – Fiduciary Funds

AGENCY FUNDS

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

Building Standards

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

Northern Area Water Authority

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

Municipal Court

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

Multi-District Tax Fund

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

Performance Bond

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

Tri-Cities North Regional Wastewater Authority

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

Employee Flex Account

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

City of Vandalia, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2010

	Balance January 1, 2010	Additions	Deletions	Balance December 31, 2010
Building Standards				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 289	\$ 5,087	\$ 5,101	\$ 275
Total assets	<u>\$ 289</u>	<u>\$ 5,087</u>	<u>\$ 5,101</u>	<u>\$ 275</u>
<u>Liabilities:</u>				
Due to other governments	\$ 289	\$ 5,087	\$ 5,101	\$ 275
Total liabilities	<u>\$ 289</u>	<u>\$ 5,087</u>	<u>\$ 5,101</u>	<u>\$ 275</u>

	Balance January 1, 2010	Additions	Deletions	Balance December 31, 2010
Northern Area Water Authority				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 562,981	\$ 642,869	\$ 562,981	\$ 642,869
Total assets	<u>\$ 562,981</u>	<u>\$ 642,869</u>	<u>\$ 562,981</u>	<u>\$ 642,869</u>
<u>Liabilities:</u>				
Due to others	\$ 562,981	\$ 642,869	\$ 562,981	\$ 642,869
Total liabilities	<u>\$ 562,981</u>	<u>\$ 642,869</u>	<u>\$ 562,981</u>	<u>\$ 642,869</u>

	Balance January 1, 2010	Additions	Deletions	Balance December 31, 2010
Municipal Court				
<u>Assets:</u>				
Cash and cash equivalents in segregated accounts	\$ 138,320	\$ 1,516,186	\$ 1,538,443	\$ 116,063
Total assets	<u>\$ 138,320</u>	<u>\$ 1,516,186</u>	<u>\$ 1,538,443</u>	<u>\$ 116,063</u>
<u>Liabilities:</u>				
Due to other governments	\$ 47,819	\$ 586,555	\$ 592,594	\$ 41,780
Undistributed monies	90,501	929,631	945,849	74,283
Total liabilities	<u>\$ 138,320</u>	<u>\$ 1,516,186</u>	<u>\$ 1,538,443</u>	<u>\$ 116,063</u>

	Balance January 1, 2010	Additions	Deletions	Balance December 31, 2010
Multi-District Tax fund				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 567,642	\$ 8,676,803	\$ 8,898,969	\$ 345,476
Total assets	<u>\$ 567,642</u>	<u>\$ 8,676,803</u>	<u>\$ 8,898,969</u>	<u>\$ 345,476</u>
<u>Liabilities:</u>				
Undistributed monies	\$ 567,642	\$ 8,676,803	\$ 8,898,969	\$ 345,476
Total liabilities	<u>\$ 567,642</u>	<u>\$ 8,676,803</u>	<u>\$ 8,898,969</u>	<u>\$ 345,476</u>

City of Vandalia, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2010

	Balance January 1, 2010	Additions	Deletions	Balance December 31, 2010
Performance Bond				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 22,225	\$ 2,870	\$ 7,690	\$ 17,405
Total assets	<u>\$ 22,225</u>	<u>\$ 2,870</u>	<u>\$ 7,690</u>	<u>\$ 17,405</u>
<u>Liabilities:</u>				
Undistributed monies	\$ 22,225	\$ 2,870	\$ 7,690	\$ 17,405
Total liabilities	<u>\$ 22,225</u>	<u>\$ 2,870</u>	<u>\$ 7,690</u>	<u>\$ 17,405</u>
	Balance January 1, 2010	Additions	Deletions	Balance December 31, 2010
Tri-Cities North Regional Wastewater Authority				
<u>Assets:</u>				
Investments	\$ 6,119,497	\$ 7,225,300	\$ 6,676,026	\$ 6,668,771
Total assets	<u>\$ 6,119,497</u>	<u>\$ 7,225,300</u>	<u>\$ 6,676,026</u>	<u>\$ 6,668,771</u>
<u>Liabilities:</u>				
Due to others	\$ 6,119,497	\$ 7,225,300	\$ 6,676,026	\$ 6,668,771
Total liabilities	<u>\$ 6,119,497</u>	<u>\$ 7,225,300</u>	<u>\$ 6,676,026</u>	<u>\$ 6,668,771</u>
	Balance January 1, 2010	Additions	Deletions	Balance December 31, 2010
Employee Flex Account				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 3,656	\$ 74,020	\$ 71,519	\$ 6,157
Total assets	<u>\$ 3,656</u>	<u>\$ 74,020</u>	<u>\$ 71,519</u>	<u>\$ 6,157</u>
<u>Liabilities:</u>				
Due to employees	\$ 3,656	\$ 74,020	\$ 71,519	\$ 6,157
Total liabilities	<u>\$ 3,656</u>	<u>\$ 74,020</u>	<u>\$ 71,519</u>	<u>\$ 6,157</u>
	Balance January 1, 2010	Additions	Deletions	Balance December 31, 2010
Totals				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 1,156,793	\$ 9,401,649	\$ 9,546,260	\$ 1,012,182
Cash and cash equivalents in segregated accounts	138,320	1,516,186	1,538,443	116,063
Investments	6,119,497	7,225,300	6,676,026	6,668,771
Total assets	<u>\$ 7,414,610</u>	<u>\$ 18,143,135</u>	<u>\$ 17,760,729</u>	<u>\$ 7,797,016</u>
<u>Liabilities:</u>				
Due to other governments	\$ 48,108	\$ 591,642	\$ 597,695	\$ 42,055
Due to employees	3,656	74,020	71,519	6,157
Undistributed monies	680,368	9,609,304	9,852,508	437,164
Due to others	6,682,478	7,868,169	7,239,007	7,311,640
Total liabilities	<u>\$ 7,414,610</u>	<u>\$ 18,143,135</u>	<u>\$ 17,760,729</u>	<u>\$ 7,797,016</u>



Statistical Section



Statistical Section

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	S2 - S8
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue source(s), the property tax (and the income tax).	S9 - S15
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S16 - S20
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	S21 - S23
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S24 - S30

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2000; schedules presenting government-wide information include information beginning in that fiscal year.

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<u>Governmental Activities</u>					
Invested in capital assets, net of related debt	\$ 28,147,689	\$ 32,026,709	\$ 31,647,933	\$ 32,543,285	\$ 33,073,481
Restricted	5,843,044	6,203,695	4,570,563	4,543,818	4,668,371
Unrestricted	13,084,543	13,069,246	12,961,542	14,439,093	15,932,867
Total governmental activities net assets	<u>\$ 47,075,276</u>	<u>\$ 51,299,650</u>	<u>\$ 49,180,038</u>	<u>\$ 51,526,196</u>	<u>\$ 53,674,719</u>
<u>Business-Type Activities</u>					
Invested in capital assets, net of related debt	\$ 15,753,975	\$ 15,831,497	\$ 17,235,721	\$ 16,904,597	\$ 17,560,983
Unrestricted	8,141,509	8,202,422	8,231,386	8,146,092	7,861,688
Total business-type activities net assets	<u>\$ 23,895,484</u>	<u>\$ 24,033,919</u>	<u>\$ 25,467,107</u>	<u>\$ 25,050,689</u>	<u>\$ 25,422,671</u>
<u>Primary Government</u>					
Invested in capital assets, net of related debt	\$ 43,901,664	\$ 47,858,206	\$ 48,883,654	\$ 49,447,882	\$ 50,634,464
Restricted	5,843,044	6,203,695	4,570,563	4,543,818	4,668,371
Unrestricted	21,226,052	21,271,668	21,192,928	22,585,185	23,794,555
Total primary government net assets	<u>\$ 70,970,760</u>	<u>\$ 75,333,569</u>	<u>\$ 74,647,145</u>	<u>\$ 76,576,885</u>	<u>\$ 79,097,390</u>

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$	32,617,097	\$ 35,381,805	\$ 36,535,266	\$ 39,122,829	\$ 42,469,073
	5,164,000	4,872,447	4,489,010	5,991,019	5,776,138
	<u>21,393,154</u>	<u>21,683,362</u>	<u>21,281,556</u>	<u>14,113,877</u>	<u>12,187,964</u>
\$	<u>59,174,251</u>	<u>61,937,614</u>	<u>62,305,832</u>	<u>59,227,725</u>	<u>60,433,175</u>
\$	17,541,180	\$ 17,331,384	\$ 18,165,790	\$ 18,217,454	\$ 18,100,914
	7,999,421	10,272,138	9,385,576	9,169,165	10,846,059
	<u>25,540,601</u>	<u>27,603,522</u>	<u>27,551,366</u>	<u>27,386,619</u>	<u>28,946,973</u>
\$	50,158,277	\$ 52,713,189	\$ 54,701,056	\$ 57,340,283	\$ 60,569,987
	5,164,000	4,872,447	4,489,010	5,991,019	5,776,138
	<u>29,392,575</u>	<u>31,955,500</u>	<u>30,667,132</u>	<u>23,283,042</u>	<u>23,034,023</u>
\$	<u>84,714,852</u>	<u>89,541,136</u>	<u>89,857,198</u>	<u>86,614,344</u>	<u>89,380,148</u>

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

Expenses	2001	2002	2003	2004	2005
Governmental Activities:					
General government	\$ 5,198,302	\$ 4,413,764	\$ 4,929,186	\$ 4,944,560	\$ 5,366,477
Public safety	5,503,635	5,798,869	5,703,204	5,698,591	6,058,752
Public works	4,106,870	3,781,644	4,223,002	3,877,206	4,432,060
Recreation	3,857,728	3,423,447	3,351,472	3,278,059	3,294,702
Interest and fiscal charges	710,608	692,184	680,882	505,688	540,735
Total governmental activities expenses	19,377,143	18,109,908	18,887,746	18,304,104	19,692,726
Business-Type Activities:					
Water	1,912,460	1,673,614	1,573,771	1,663,004	1,801,203
Sewer	1,406,115	1,375,130	863,893	1,594,333	1,464,646
Golf	1,198,058	1,229,441	1,157,810	1,144,596	1,145,444
Total business-type activities	4,516,633	4,278,185	3,595,474	4,401,933	4,411,293
Total primary government expenses	\$ 23,893,776	\$ 22,388,093	\$ 22,483,220	\$ 22,706,037	\$ 24,104,019
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$ 1,857,747	\$ 1,704,471	\$ 2,069,469	\$ 1,879,701	\$ 2,111,964
Public safety	24,419	36,878	226,100	517,433	502,942
Public works	223,600	327,226	239,882	885,430	1,331,202
Recreation	835,767	1,140,282	1,204,578	1,262,996	1,298,854
Operating grants, contributions and interest	616,273	611,107	759,212	801,455	1,626,415
Capital grants and contributions	979,153	353,732	395,429	819,364	1,745,069
Total governmental activities program revenues	4,536,959	4,173,696	4,894,670	6,166,379	8,616,446
Business-Type Activities:					
Charges for services:					
Water	1,358,944	1,422,710	1,574,328	1,458,940	1,568,232
Sewer	1,106,379	1,129,818	1,038,386	1,101,616	1,065,364
Golf	984,835	953,877	941,156	944,892	974,608
Capital grants and contributions	617,208	344,929	4,022	9,481	813,061
Total business-type activities program revenues	4,067,366	3,851,334	3,557,892	3,514,929	4,421,265
Total primary government program revenues	\$ 8,604,325	\$ 8,025,030	\$ 8,452,562	\$ 9,681,308	\$ 13,037,711
Net (expense)/revenue					
Governmental activities	\$ 14,840,184	\$ 13,936,212	\$ 13,993,076	\$ 12,137,725	\$ 11,076,280
Business-type activities	449,267	426,851	37,582	887,004	(9,972)
Total primary government net expense	\$ 15,289,451	\$ 14,363,063	\$ 14,030,658	\$ 13,024,729	\$ 11,066,308
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Property taxes levied for:					
General purposes	\$ 1,570,281	\$ 1,660,698	\$ 1,783,553	\$ 1,703,923	\$ 1,652,459
Income tax levied for:					
General purposes	7,730,756	8,383,939	8,393,096	10,420,056	10,419,773
Capital projects	2,576,918	2,794,646	1,518,509	-	-
Grants and entitlements not restricted to specific programs	997,696	911,245	837,051	984,588	925,581
Payment in lieu of taxes	-	-	-	-	-
Investment earnings	1,450,330	830,994	336,949	509,985	354,301
Other	17,250	85,390	124,683	67,812	32,800
Total governmental activities	14,343,231	14,666,912	12,993,841	13,686,364	13,384,914
Business-Type Activities:					
Investment in joint venture	157,716	434,258	93,368	374,117	171,124
Investment earnings	5,244	5,819	2,660	1,688	2,187
Other	39,404	50,198	45,567	48,549	28,588
Total business-type activities	202,364	490,275	141,595	424,354	201,899
Total primary government	\$ 14,545,595	\$ 15,157,187	\$ 13,135,436	\$ 14,110,718	\$ 13,586,813
Change in net assets					
Governmental activities	\$ (876,796)	\$ 657,304	\$ (2,328,410)	\$ 1,504,411	\$ 2,148,523
Business-type activities	132,940	136,820	1,433,188	(418,422)	371,982
Total primary government	\$ (743,856)	\$ 794,124	\$ (895,222)	\$ 1,085,989	\$ 2,520,505

	2006	2007	2008	2009	2010
\$	5,460,150	\$ 5,906,984	\$ 6,403,491	\$ 7,686,032	\$ 5,582,027
	6,178,967	6,052,798	6,608,469	6,605,685	6,531,788
	4,240,372	4,224,539	4,430,596	5,881,207	5,030,029
	3,427,824	3,676,239	4,016,239	4,099,980	3,984,048
	580,291	650,699	625,917	758,879	736,084
	<u>19,887,604</u>	<u>20,511,259</u>	<u>22,084,712</u>	<u>25,031,783</u>	<u>21,863,976</u>
	2,227,291	2,242,417	2,677,281	2,530,623	1,912,399
	1,478,904	1,523,399	1,574,798	1,699,742	450,852
	1,165,894	1,185,618	1,137,838	1,057,710	1,087,328
	<u>4,872,089</u>	<u>4,951,434</u>	<u>5,389,917</u>	<u>5,288,075</u>	<u>3,450,579</u>
\$	<u>24,759,693</u>	<u>25,462,693</u>	<u>27,474,629</u>	<u>30,319,858</u>	<u>25,314,555</u>
\$	1,748,666	\$ 1,873,488	\$ 1,914,426	\$ 1,821,605	\$ 1,871,967
	708,379	673,765	654,686	629,222	663,224
	1,186,775	1,310,194	1,132,996	1,245,630	1,333,534
	1,347,174	1,397,631	1,461,420	1,468,749	1,481,966
	1,165,543	1,152,379	919,062	1,324,350	727,898
	952,359	1,374,031	750,497	2,078,995	2,501,327
	<u>7,108,896</u>	<u>7,781,488</u>	<u>6,833,087</u>	<u>8,568,551</u>	<u>8,579,916</u>
	2,249,435	2,770,088	1,979,915	2,056,963	2,182,747
	1,336,767	2,333,065	1,072,501	1,254,928	1,300,559
	984,106	990,779	951,835	935,518	930,933
	327,837	74,445	103,784	412,108	108,770
	<u>4,898,145</u>	<u>6,168,377</u>	<u>4,108,035</u>	<u>4,659,517</u>	<u>4,523,009</u>
\$	<u>12,007,041</u>	<u>13,949,865</u>	<u>10,941,122</u>	<u>13,228,068</u>	<u>13,102,925</u>
\$	12,778,708	\$ 12,729,771	\$ 15,251,625	\$ 16,463,232	\$ 13,284,060
	(26,056)	(1,216,943)	1,281,882	628,558	(1,072,430)
\$	<u>12,752,652</u>	<u>11,512,828</u>	<u>16,533,507</u>	<u>17,091,790</u>	<u>12,211,630</u>
\$	2,008,091	\$ 1,976,022	\$ 2,077,147	\$ 1,670,726	\$ 1,989,379
	13,205,994	13,072,621	11,391,659	9,222,083	10,889,271
	-	-	-	-	-
	1,820,314	1,357,421	1,977,904	1,931,238	1,539,008
	-	-	-	16,857	108,512
	1,146,670	1,485,318	1,211,323	622,173	254,451
	159,399	112,821	154,641	114,904	131,464
	<u>18,340,468</u>	<u>18,004,203</u>	<u>16,812,674</u>	<u>13,577,981</u>	<u>14,912,085</u>
	-	-	-	-	-
	4,717	3,471	1,140	483	287
	24,929	33,196	35,755	270,472	65,062
	29,646	36,667	36,895	270,955	65,349
\$	<u>18,370,114</u>	<u>18,040,870</u>	<u>16,849,569</u>	<u>13,848,936</u>	<u>14,977,434</u>
\$	5,499,532	\$ 4,337,065	\$ 368,218	\$ (3,078,107)	\$ 1,205,450
	117,930	2,190,977	(52,156)	(164,747)	1,560,354
\$	<u>5,617,462</u>	<u>6,528,042</u>	<u>316,062</u>	<u>(3,242,854)</u>	<u>2,765,804</u>

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund					
Reserved	\$ 2,017,083	\$ 1,691,270	\$ 2,147,547	\$ 2,202,106	\$ 1,867,705
Unreserved, designated	-	-	-	-	-
Unreserved	10,235,607	9,888,293	9,236,874	10,791,865	13,008,780
Total general fund	<u>\$ 12,252,690</u>	<u>\$ 11,579,563</u>	<u>\$ 11,384,421</u>	<u>\$ 12,993,971</u>	<u>\$ 14,876,485</u>
All Other Governmental Funds					
Reserved	\$ 3,595,346	\$ 3,039,436	\$ 2,202,060	\$ 902,290	\$ 738,185
Unreserved, reported in:					
Special revenue funds	1,058,436	1,012,272	991,055	1,251,527	1,578,658
Capital projects funds	529,497	1,481,985	703,548	1,568,078	1,390,763
Debt service funds	125,954	140,772	155,114	186,958	411,590
Total all other governmental funds	<u>\$ 5,309,233</u>	<u>\$ 5,674,465</u>	<u>\$ 4,051,777</u>	<u>\$ 3,908,853</u>	<u>\$ 4,119,196</u>

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 1,850,259	\$ 1,790,777	\$ 1,952,111	\$ 1,304,239	\$ 960,140
-	-	-	915,000	915,000
<u>16,996,717</u>	<u>18,711,875</u>	<u>19,029,818</u>	<u>11,813,674</u>	<u>10,266,922</u>
<u>\$ 18,846,976</u>	<u>\$ 20,502,652</u>	<u>\$ 20,981,929</u>	<u>\$ 14,032,913</u>	<u>\$ 12,142,062</u>
\$ 4,477,554	\$ 6,105,502	\$ 6,517,093	\$ 8,079,431	\$ 5,722,179
1,966,858	1,508,082	1,306,895	1,445,453	1,522,838
(2,060,044)	(3,834,063)	(4,158,504)	(1,453,242)	(1,718,492)
169,257	219,077	221,577	243,154	249,302
<u>\$ 4,553,625</u>	<u>\$ 3,998,598</u>	<u>\$ 3,887,061</u>	<u>\$ 8,314,796</u>	<u>\$ 5,775,827</u>

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>REVENUES</u>										
Municipal income taxes	\$ 10,790,799	\$ 10,498,954	\$ 10,317,499	\$ 10,523,250	\$ 10,735,700	\$ 12,579,757	\$ 13,278,532	\$ 11,905,601	\$ 9,377,445	\$ 11,031,533
Property and other taxes	1,569,367	1,591,471	1,706,415	1,743,925	1,708,422	1,972,798	1,922,643	2,118,855	1,691,048	2,081,995
Charges for services	1,348,586	1,683,675	2,267,691	3,192,514	3,077,102	3,210,035	3,451,386	3,625,059	3,544,147	3,647,220
Fines, licenses and permits	1,359,842	1,299,836	1,242,665	1,256,743	1,558,334	1,520,154	1,710,057	1,675,186	1,580,539	1,689,318
Intergovernmental revenues	2,561,638	1,877,336	2,002,376	2,465,614	3,282,145	2,842,184	3,519,044	3,703,037	3,891,817	5,034,523
Special assessments	105,860	100,811	102,173	110,424	77,444	74,442	15,459	27,739	17,950	9,606
Investment income	1,359,176	897,874	286,065	527,580	420,327	1,170,927	1,485,317	1,211,322	622,173	254,537
Other	187,257	230,488	193,587	120,113	82,088	113,944	119,864	146,798	39,536	132,485
Total revenues	19,282,525	18,180,445	18,118,471	19,940,163	20,941,562	23,484,241	25,502,302	24,413,597	20,764,655	23,881,217
<u>EXPENDITURES</u>										
General government	4,243,972	4,121,211	4,392,538	4,729,410	5,070,770	5,229,572	5,679,146	6,076,275	7,381,632	5,374,258
Public safety	4,935,661	5,162,545	5,080,363	5,173,529	5,446,724	5,673,085	5,643,811	6,105,935	6,105,910	6,096,542
Public works	2,540,289	2,659,067	2,756,101	2,786,256	3,025,121	3,292,098	3,343,736	3,453,508	4,877,949	4,069,538
Recreation	2,906,617	2,845,522	2,796,496	2,695,435	2,792,382	2,864,729	3,158,080	3,418,795	3,558,865	3,486,776
Capital outlay	4,180,822	2,640,846	3,754,872	2,073,833	1,334,942	1,883,575	4,861,768	3,787,251	4,477,252	7,279,564
Debt service:										
Principal retirement	385,000	461,971	476,971	626,971	555,000	568,521	619,479	632,844	1,011,352	935,008
Interest and fiscal charges	712,558	693,835	682,627	515,910	509,321	503,396	605,128	606,004	635,638	669,351
Bond issuance costs	-	-	-	179,118	-	10,000	-	-	97,735	-
Total expenditures	19,904,919	18,584,997	19,939,968	18,780,462	18,734,260	20,024,976	23,911,148	24,080,612	28,146,333	27,911,037
Excess of revenues over (under) expenditures	(622,394)	(404,552)	(1,821,497)	1,159,701	2,207,302	3,459,265	1,591,154	332,985	(7,381,678)	(4,029,820)
<u>OTHER FINANCING SOURCES (USES)</u>										
Proceeds of loans	-	185,913	-	-	-	-	-	-	-	-
Proceeds of bonds	-	-	-	-	-	-	-	-	4,755,000	-
Inception of capital lease	-	-	-	-	-	944,855	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-	-	50,304	-
Premium on refunding bonds issued	-	-	-	464,791	-	-	-	-	-	-
Issuance of refunding bonds	-	-	-	10,840,000	-	-	-	-	-	-
Sale of capital assets	-	-	3,617	-	15,120	800	9,495	34,755	55,093	-
Payment to refunded bond escrow agent	-	-	-	(11,125,672)	-	-	-	-	-	-
Transfers in	3,728,143	3,727,308	2,556,431	2,020,451	1,787,573	2,695,016	4,931,342	4,439,244	6,841,691	4,253,092
Transfer out	(4,107,986)	(3,800,704)	(2,559,171)	(2,020,451)	(1,787,573)	(2,695,016)	(5,431,342)	(4,439,244)	(6,841,691)	(4,653,092)
Total other financing sources (uses)	(379,843)	112,517	877	179,119	15,120	945,655	(490,505)	34,755	4,860,397	(400,000)
Net change in fund balance	\$ (1,002,237)	\$ (292,035)	\$ (1,820,620)	\$ 1,338,820	\$ 2,222,422	\$ 4,404,920	\$ 1,100,649	\$ 367,740	\$ (2,521,281)	\$ (4,429,820)
Debt service as a percentage of noncapital expenditures	7.0%	7.2%	7.2%	7.9%	6.1%	6.0%	6.4%	6.1%	7.4%	7.8%

8-5

(1) Modified accrual basis of accounting.

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

Collection Year	Real Property (1)			Public Utility (2)		Tangible Personal Property (3)		Total		Weighted Average Tax Rate
	Assessed Value	Commercial/Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2010	\$ 361,083,290	\$ 37,350	\$ 1,031,773,257	\$ 5,638,060	\$ 14,479,563	\$ 116,150	\$ 2,323,000	\$ 366,874,850	\$ 1,048,575,820	35.77%
2009	362,557,370	32,220	1,035,970,257	5,715,530	14,678,520	696,660	6,966,600	369,001,780	1,057,615,377	35.57%
2008	363,742,150	28,420	1,039,344,486	5,625,360	14,446,947	25,112,712	40,180,339	394,508,642	1,093,971,772	36.71%
2007	358,120,300	26,400	1,023,276,286	6,670,560	17,131,211	43,327,379	346,619,032	408,144,639	1,387,026,529	30.03%
2006	347,780,250	42,820	993,780,200	6,942,390	17,829,320	59,956,143	319,766,096	414,721,603	1,331,375,616	31.81%
2005	322,144,700	46,520	920,546,343	7,338,730	8,339,466	77,595,931	323,316,379	407,125,881	1,252,202,188	32.51%
2004	316,589,440	46,120	904,673,029	7,696,010	8,745,466	71,493,745	285,974,980	395,825,315	1,199,393,474	33.00%
2003	310,368,570	45,290	886,896,743	9,896,969	11,246,556	80,095,291	320,381,164	400,406,120	1,218,524,463	32.86%
2002	278,549,920	22,580	795,921,429	9,482,673	10,775,765	78,703,666	314,814,664	366,758,839	1,121,511,857	32.70%
2001	271,345,240	24,020	775,340,743	9,838,940	11,180,614	77,220,506	308,882,024	358,428,706	1,095,403,380	32.72%

6-5

Source: Montgomery County Auditor

- (1) Real estate value is assessed at 35% of appraised market value.
- (2) Public utility personal property is assessed at 88% of true value for 2000 - 2005, for 2006-2009 half at 88% the other half at 25% of true value.
- (3) Tangible personal property is assessed at 25% for 2001 - 2004, 24% for 2005, 18.75% for 2006, 12.5% for 2007, 6.25% for 2008 and 0% for 2009.

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

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Deliquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Levy Collected (2)</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Outstanding Delinquent Taxes to Current Tax Levy</u>	<u>Total Direct Tax Rate</u>
2010	\$ 1,518,862	\$ 1,459,807	\$ 48,781	\$ 1,508,588	99.32%	\$ 88,379	5.82%	\$ 83.13
2009	1,527,667	1,461,956	44,273	1,506,229	98.60%	107,679	7.05%	82.60
2008	1,633,266	1,584,325	47,460	1,631,785	99.91%	83,409	5.11%	81.32
2007	1,689,719	1,590,666	70,311	1,660,977	98.30%	98,978	5.86%	79.51
2006	1,716,947	1,641,715	54,295	1,696,010	98.78%	77,144	4.49%	73.97
2005	1,685,501	1,656,709	91,698	1,748,407	103.73%	51,822	3.07%	73.97
2004	1,683,046	1,645,698	46,849	1,692,547	100.56%	108,110	6.42%	75.07
2003	1,657,681	1,595,477	58,972	1,654,449	99.81%	152,595	9.21%	68.58
2002	1,518,377	1,487,482	53,079	1,540,561	101.46%	93,628	6.17%	68.88
2001	1,492,775	1,446,584	55,263	1,501,847	100.61%	83,471	5.59%	69.08

Source: Montgomery County Auditor

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

(2) Total tax collections includes penalty charges and interest on delinquent collections. These amounts cannot be separated because that is the manner in which the information is maintained by the County Auditor.

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

Collection Year	City Direct Rates				Overlapping Rates					Total Levy
	General Fund	Charter	Police Pension	Total City	County Levy	Vandalia-Butler City Schools	Miami Valley Career Technology Center	Library		
2010	\$ 1.54	\$ 2.30	\$ 0.30	\$ 4.14	\$ 20.94	\$ 53.72	\$ 2.58	\$ 1.75	\$ 83.13	
2009	1.54	2.30	0.30	4.14	20.94	53.69	2.58	1.25	82.60	
2008	1.54	2.30	0.30	4.14	20.24	53.11	2.58	1.25	81.32	
2007	1.54	2.30	0.30	4.14	18.24	53.30	2.58	1.25	79.51	
2006	1.54	2.30	0.30	4.14	18.24	47.76	2.58	1.25	73.97	
2005	1.54	2.30	0.30	4.14	18.24	47.76	2.58	1.25	73.97	
2004	1.54	2.30	0.30	4.14	18.24	48.86	2.58	1.25	75.07	
2003	1.54	2.30	0.30	4.14	17.24	44.36	2.58	0.26	68.58	
2002	1.54	2.30	0.30	4.14	17.24	44.66	2.58	0.26	68.88	
2001	1.54	2.30	0.30	4.14	17.24	44.86	2.58	0.26	69.08	

Source: Montgomery County Auditor

CITY OF VANDALIA, OHIO
Schedules of Principal Taxpayers - Real Property
2010 and 2004

	2004			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Taxpayer						
Dayton Power & Light Co.	\$ 4,547,570	2	1.44%	\$ 5,519,380	1	1.53%
Sand Lake Plaza LLC	-		0.00%	2,310,910	2	0.64%
Shoppes at Northwoods	1,867,310	6	0.59%	2,129,490	3	0.59%
Timberlake Limited Partners	1,451,520	8	0.46%	1,941,950	4	0.54%
Floriday LLC	-		0.00%	1,894,490	5	0.52%
3920 Space Drive Building	-		0.00%	1,718,380	6	0.48%
Garrett-Ryan LLC	-		0.00%	1,511,720	7	0.42%
Vandalia CG LLC	-		0.00%	1,387,300	8	0.38%
Delphi Properties Management	-		0.00%	1,381,290	9	0.38%
The Khoshbin Tower LP	-		0.00%	1,300,250	10	0.36%
Delphi Automotive System	4,697,770	1	1.48%	-		0.00%
The Iams Company	2,431,470	4	0.77%	-		0.00%
B-W Limited Partnership	2,526,590	3	0.80%	-		0.00%
Mid-States Development Co.	1,465,140	7	0.46%	-		0.00%
Ohio Bell Telephone Co.	1,934,730	5	0.61%	-		0.00%
Thieman, Ted H.	1,195,620	10	0.38%	-		0.00%
Mazer, Marshall	1,418,020	9	0.45%	-		0.00%
Total of above	<u>\$ 23,535,740</u>		<u>7.43%</u>	<u>\$ 21,095,160</u>		<u>5.84%</u>
Total City	<u>\$ 316,635,560</u>			<u>\$ 361,120,640</u>		

Source: Montgomery County Auditor. Will be reported for current year and nine years before when enough information is available.

CITY OF VANDALIA, OHIO
Schedules of Principal Taxpayers - Personal Property
2010 and 2004

	2004 Personal Property			2010 Telecom Personal Property (1)		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Taxpayer						
Ohio Bell Telephone Company	-		0.00%	\$ 192,350	1	165.60%
New Par	-		0.00%	30,250	2	26.04%
Sprintcom Inc.	-		0.00%	6,980	3	6.01%
TWC Digital Phone LLC	-		0.00%	5,130	4	4.42%
Cincinnati SMSA Limited	-		0.00%	4,580	5	3.94%
Cricket Communications Inc.	-		0.00%	4,570	6	3.93%
Ohio Telephone & Telegraph Co.	-		0.00%	3,110	7	2.68%
AT&T Communications of Ohio	-		0.00%	2,360	8	2.03%
AT&T Global Network Services	-		0.00%	1,250	9	1.08%
Sprint Nextel Corporation	-		0.00%	250	10	0.22%
Delphi Automotive System	\$ 10,441,070	1	14.60%	-		0.00%
Eurand America Inc.	5,284,570	2	7.39%	-		0.00%
Smith Industries Aerospace	5,109,140	3	7.15%	-		0.00%
Proctor & Gamble Co.	3,378,930	4	4.73%	-		0.00%
Beau Townsend Ford Inc.	2,915,230	5	4.08%	-		0.00%
Encon, Inc.	2,649,700	6	3.71%	-		0.00%
Frank Z Imports Inc.	2,364,880	7	3.31%	-		0.00%
Eftec North America LLC	2,222,440	8	3.11%	-		0.00%
Saia-Burgess Inc.	2,203,430	9	3.08%	-		0.00%
Smedley Chevrolet Sales Inc.	2,026,960	10	2.84%	-		0.00%
Total of above	<u>\$ 38,596,350</u>		<u>53.99%</u>	<u>\$ 250,830</u>		<u>215.95%</u>
Total City	<u>\$ 71,493,745</u>			<u>\$ 116,150</u>	(2)	

Source: Montgomery County Auditor. Will be reported for current year and nine years before when enough information is available.

(1) Now being reported as Telecom Personal Property as personal property taxpayers are no longer required to file a return.

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

CITY OF VANDALIA, OHIO
 Schedules of Principal Taxpayers - Public Utility
 2010 and 2004

	2004			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value (1)	Rank	Percentage of Total City Taxable Assessed Value
<u>Taxpayer</u>						
Dayton Power	\$ 4,547,570	1	59.09%	\$ 5,519,380	1	97.90%
Ohio Bell Telephone Co.	<u>1,934,730</u>	2	<u>25.14%</u>	-	2	<u>0.00%</u>
Total of above	<u>\$ 6,482,300</u>		<u>84.23%</u>	<u>\$ 5,519,380</u>		<u>97.90%</u>
Total City	<u>\$ 7,696,010</u>			<u>\$ 5,638,060</u>		

Source: Montgomery County Auditor. Will be reported for current year and nine years before when enough information is available.

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

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2010	2.00%	\$ 11,174,601	\$ 8,741,078	78.22%	\$ 1,185,925	10.61%	\$ 1,247,598	11.16%
2009	2.00	11,422,710	9,110,018	79.75	1,047,443	9.17	1,265,248	11.08
2008	2.00	12,939,570	10,114,059	78.16	1,462,797	11.30	1,362,714	10.53
2007	2.00	13,941,609	10,467,971	75.08	2,118,969	15.20	1,354,469	9.72
2006	2.00	12,460,878	9,361,866	75.13	1,911,160	15.34	1,187,852	9.53
2005	1.75	11,120,405	8,803,549	79.17	1,132,354	10.18	1,184,502	10.65
2004	1.75	10,640,156	8,690,411	81.68	840,464	7.90	1,109,282	10.43
2003	1.75	11,095,428	8,774,067	79.08	1,228,389	11.07	1,092,973	9.85
2002	1.75	11,183,713	8,869,803	79.31	1,246,984	11.15	1,066,926	9.54
2001	1.75	11,290,965	8,975,817	79.50	1,248,267	11.06	1,066,881	9.45

Source: City income tax records.

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

Fiscal Year	Governmental Activities (1)					Total Primary Government	Percentage of Personal Income	Total Debt Per Capita
	General Obligation Bonds	Special Assessment Debt	Loan Payable	Bond Anticipation Notes	Capital Leases			
2010	\$ 12,405,000	\$ -	\$ -	\$ 4,580,000	\$ 567,651	\$ 17,552,651	4.97%	\$ 1,202
2009	13,250,000	-	-	4,580,000	657,659	18,487,659	5.23%	1,266
2008	9,420,000	-	-	4,080,000	744,011	14,244,011	4.03%	975
2007	9,970,000	-	-	3,345,300	826,855	14,142,155	4.00%	968
2006	10,510,000	-	-	2,628,100	906,334	14,044,434	3.97%	962
2005	11,040,000	-	-	-	-	11,040,000	3.12%	756
2004	11,552,872	42,128	-	-	-	11,595,000	3.28%	794
2003	11,490,746	84,254	61,971	-	-	11,636,971	3.29%	797
2002	11,863,618	126,382	123,942	-	-	12,113,942	3.43%	830
2001	12,221,490	168,510	-	-	-	12,390,000	3.51%	848

(1) Details regarding the City's outstanding debt can be found in Note 8 in the current financial statements.

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

Fiscal Year	Governmental Activities (1)		
	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
2010	\$ 12,405,000	3.38%	\$ 849
2009	13,250,000	3.59%	907
2008	9,420,000	2.39%	645
2007	9,970,000	2.44%	683
2006	10,510,000	2.53%	720
2005	11,040,000	2.71%	756
2004	11,552,872	2.92%	791
2003	11,490,746	2.87%	787
2002	11,863,618	3.23%	812
2001	12,221,490	3.41%	837

(1) Details regarding the City's outstanding debt can be found in Note 8 in the current financial statements.

CITY OF VANDALIA, OHIO
 Direct and Overlapping Governmental Activities Debt
 December 31, 2010

Governmental Unit	<u>Debt Outstanding (2)</u>	<u>Percentage applicable to City (1)</u>	<u>Amount applicable to City</u>
Vandalia-Butler City School District	\$ 51,621,060	57.49%	\$ 29,676,947
Montgomery County	38,913,573	3.60%	<u>1,400,889</u>
Subtotal, overlapping debt			31,077,836
City of Vandalia governmental activities direct debt			<u>16,985,000</u>
Total direct and overlapping debt			<u><u>\$ 48,062,836</u></u>

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

(2) All debt reported as of December 31, 2010, except for Vandalia-Butler School District which is reported as of June 30, 2010.

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

Legal Debt Margin Calculation for Year Ending December 31, 2010	<u>Unvoted</u>	<u>Overall</u>
Total assessed valuation	\$ 366,874,850	\$ 366,874,850
Debt limitation - 5.5% of assessed valuation	<u>20,178,117</u>	
Debt limitation - 10.5% of assessed valuation		<u>38,521,859</u>
Debt applicable to limitation:		
Gross indebtedness	16,985,000	16,985,000
Exempt debt:		
Bond anticipation notes	(4,580,000)	(4,580,000)
Amount available in debt service fund	<u>(249,302)</u>	<u>(249,302)</u>
Total debt applicable to limitation	<u>12,155,698</u>	<u>12,155,698</u>
Legal debt margin	<u>\$ 8,022,419</u>	<u>\$ 26,366,161</u>

S-19

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit	\$ 37,635,014	\$ 38,509,678	\$ 42,042,643	\$ 41,561,658	\$ 42,748,218	\$ 43,545,768	\$ 42,855,187	\$ 41,423,407	\$ 38,745,187	\$ 38,521,859
Total net debt applicable to limit	12,210,000	11,855,000	11,190,000	11,550,000	10,786,430	10,340,426	9,750,923	9,184,580	13,006,846	12,155,698
Legal debt margin	\$ 25,425,014	\$ 26,654,678	\$ 30,852,643	\$ 30,011,658	\$ 31,961,788	\$ 33,205,342	\$ 33,104,264	\$ 32,238,827	\$ 25,738,341	\$ 26,366,161
Total net debt applicable to limit as a percentage of debt limit	32.44%	30.78%	26.62%	27.79%	25.23%	23.75%	22.75%	22.17%	33.57%	31.56%

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>GENERAL BONDED DEBT</u>										
Debt service	\$ 1,040,613	1,036,123	1,034,438	1,029,498	1,016,103	1,013,602	999,887	996,927	1,409,691	1,408,129
General governmental expenditures	\$19,904,919	18,584,997	19,939,968	18,780,462	18,734,260	20,024,976	23,911,148	24,080,612	28,146,333	27,911,037
Ratio of debt service to general governmental expenditures	5.23%	5.58	5.19	5.48	5.42	5.06	4.18	4.14	5.01	5.05

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

CITY OF VANDALIA, OHIO
 Schedule of Principal Employers
 2005 and 2010

<u>Employer (1)</u>	<u>Industry</u>	<u>2010</u>			<u>2005</u>		
		<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Vandalia - Butler Schools	Schools	638	1	1.20%	396	3	1.22%
City of Vandalia	Local Government	533	2	1.00%	325	6	1.00%
GE Aviation (formerly Smiths Aerospace)	Aerospace Engineering & Manufacturing	420	3	0.79%	466	2	1.43%
Delphi Automotive System	Automotive Manufacturing & Engineering	359	4	0.67%	1,557	1	4.79%
Leis Medical	Medical Device Design & Manufacturing	286	5	0.54%	346	5	1.06%
SAIA Burgess, Inc. (formerly Johnson Controls)	Electronics Manufacturing	249	6	0.47%	365	4	1.12%
Eurand	Pharmaceutical and biopharmaceutical products	187	7	0.35%	-	-	0.00%
Beua Townsend Ford, Inc.	Automotive Sales & Service	183	8	0.34%	-	-	0.00%
Dayton Freight Lines, Inc.	Transportation	145	9	0.27%	-	-	0.00%
Inteva Products LLC	Transportation Equipment Manufacturing	133	10	0.25%	-	-	0.00%
Evenflo	Headquarters - Juvenile Products Manufacturer	-	-	0.00%	209	10	0.64%
P&G Pet Care (formerly Iams)	Headquarters - Cat & Dog Food	-	-	0.00%	282	7	0.87%
Cintas Corporation	Work Uniforms & Custom Corporate Apparel	-	-	0.00%	229	8	0.70%
Mazer Corporation	Headquarters - Services to Educational Publishers	-	-	0.00%	215	9	0.66%
		<u>3,133</u>		<u>5.88%</u>	<u>4,390</u>		<u>13.51%</u>

Source: City Income Tax Department W2 Audit Listing. Will be reported for current year and nine years before when enough information is available.

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>	<u>School Enrollment (2)</u>	<u>City of Vandalia Unemployment Rate (3)</u>	<u>Average Sales Price of Residential Property (4)</u>	<u>Total Assessed Property Value (4)</u>
2010	14,603	\$ 353,377,997	\$ 24,199	\$ 44,463	38.1	2,215	3,351	10.1%	\$ 124,840	\$366,874,850
2009	14,603	353,377,997	24,199	44,463	38.1	2,215	3,422	11.4%	122,681	369,001,780
2008	14,603	353,377,997	24,199	44,463	38.1	2,215	3,411	7.2%	137,168	394,508,642
2007	14,603	353,377,997	24,199	44,463	38.1	2,215	3,440	6.1%	153,002	408,144,639
2006	14,603	353,377,997	24,199	44,463	38.1	2,215	3,434	5.9%	154,180	414,721,603
2005	14,603	353,377,997	24,199	44,463	38.1	2,215	3,382	6.3%	162,350	407,125,881
2004	14,603	353,377,997	24,199	44,463	38.1	2,215	3,518	6.5%	148,250	395,825,315
2003	14,603	353,377,997	24,199	44,463	38.1	2,215	3,471	6.4%	138,290	400,406,120
2002	14,603	353,377,997	24,199	44,463	38.1	2,215	3,466	6.0%	136,680	366,758,839
2001	14,603	353,377,997	24,199	44,463	38.1	2,215	3,531	4.6%	127,980	358,428,706

(1) Source: U. S. Census

(a) Years 2001 through 2010 - 2000 Federal Census

(2) Source: Ohio Department of Education

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

(4) Source: Montgomery County Auditor

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

CITY OF VANDALIA, OHIO
 Full-Time Equivalent City Government Employees by Function/Program
 Last Nine Years (1)

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government									
Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Finance	6.00	6.00	6.50	6.50	7.50	6.00	7.00	6.50	8.00
Tax	11.00	10.50	9.00	9.00	8.50	9.50	9.00	9.00	4.00
City Manager	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.00	1.00
Law	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00
Administration	7.00	7.50	7.00	7.50	7.00	6.50	4.00	5.00	5.00
Engineer	9.00	9.50	9.00	10.00	9.50	9.00	9.00	9.50	9.50
Planning	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Civil Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Court	29.00	30.00	27.50	29.00	26.00	29.00	27.00	25.00	25.00
Public Building	18.00	17.00	19.00	20.00	20.00	19.50	18.50	19.50	22.50
Security of Persons and Property									
Police	32.00	31.00	32.00	35.00	33.00	30.00	33.00	30.00	31.00
Police - Auxiliary/Guards	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Police - Dispatchers/Office/Other	12.00	12.00	12.00	12.50	13.00	12.00	12.00	12.00	12.00
Police - Jailers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Police - Animal Wardens	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fire	49.00	43.00	44.00	42.00	41.00	37.50	34.00	36.50	39.50
Fire - Secretary - Other	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.00	1.00
Public Health Services									
Cemetery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Leisure Time Activities									
Recreation	122.00	112.50	118.00	110.00	102.50	101.00	104.00	123.00	123.00
Municipal Pool	7.00	4.50	6.00	6.00	4.00	3.50	5.00	2.00	7.50
Golf Course	25.00	29.50	32.50	32.00	31.50	30.50	33.50	32.50	35.00
Community Development									
Building	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Economic Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transportation									
Service	21.00	19.50	19.00	20.00	20.00	19.00	20.00	19.50	19.50
Street M&R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Basic Utility Services									
Water	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Wastewater	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Totals:	<u>361.00</u>	<u>345.50</u>	<u>354.50</u>	<u>351.50</u>	<u>335.50</u>	<u>325.00</u>	<u>330.00</u>	<u>342.00</u>	<u>352.50</u>

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

(1) Information prior to 2002 is not available

CITY OF VANDALIA, OHIO
 Operating Indicators by Function/Program
 Last Nine Years (1)

Function/Program	2010	2009	2008	2007
General Government				
<i>Council and Clerk</i>				
Number of Ordinances Passed	16	26	36	24
Number of Resolutions Passed	73	50	32	23
Number of Planning Commission docket items	7	11	12	13
Zoning Board of Appeals docket items	9	12	14	13
<i>Finance Department</i>				
Number of payroll checks issued	2,887	9,821	10,223	9,685
Number of checks/ vouchers issued	4,420	5,414	5,483	5,244
Amount of checks written (\$000 omitted)	\$25,311	\$27,569	\$25,584	\$24,980
Interest earnings for fiscal year (cash basis)	\$482,534	\$869,217	\$1,152,344	\$1,257,917
Number of Budget Adjustments issued	2	8	5	4
Agency Ratings - Moody's Financial Services	Aa2	Aa3	Aa3	Aa3
Health Insurance Costs vs General Fund Expenditures %	8.20%	5.69%	8.06%	6.80%
General Fund Receipts (cash basis, \$000 omitted)	\$19,407	\$20,269	\$22,013	\$22,913
General Fund Expenditures (cash basis, \$000 omitted)	\$20,891	\$25,217	\$21,297	\$21,033
General Fund Cash Balances (\$000 omitted)	\$13,491	\$14,974	\$19,921	\$19,205
<i>Income Tax Department</i>				
Number of Individual/Business Returns	23,042	21,443	22,735	19,507
Number of business withholding accounts	3,248	3,033	3,870	2,745
Amount of Penalties and Interest Collected	\$ 102,271	\$ 79,520	\$ 104,063	\$ 112,388
Annual number of withholding forms processed	31,205	26,310	27,470	24,810
Annual number of balance due statements forms processed	9,521	5,839	7,103	7,087
Annual number of estimated payment forms processed	5,045	4,508	4,825	4,500
Annual number of reconciliations of withholdings processed	4,146	4,130	4,001	3,964
<i>Engineer Contracted Services</i>				
Dollar amount of Construction overseen by Engineer	\$2,240,166	\$1,653,024	\$2,988,960	\$3,894,168
<i>Municipal Court</i>				
Number of Civil Cases	2,284	2,090	2,339	2,183
Number of Criminal/Traffic cases	14,666	15,779	17,872	18,668
<i>Vital Statistics</i>				
Certificates Issued				
Number of Births	36,262	39,785	41,859	48,606
Number of Deaths	31,544	32,424	34,618	33,397
Burial Permits Issued	5,132	4,864	4,994	4,380
<i>Civil Service</i>				
Number of police entry tests administered	0	1	1	1
Number of fire entry tests administered	1	0	0	1
Number of police promotional tests administered	0	1	0	0
Number of hires of Police Officers from certified lists	1	2	0	3
Number of hires of Fire/Medics from certified lists	1	0	5	8
Number of promotions from police certified lists	0	2	0	0
<i>Building Department Indicators</i>				
Construction Permits Issued	97	96	145	169
Estimated Value of Construction	\$52,879,415	\$12,029,682	\$17,258,702	\$22,672,865
Number of permits issued	725	751	910	891
Amount of Revenue generated from permits	\$210,717	\$125,340	\$193,684	\$198,035
Revenue generated from above 1,2,3,4	\$210,717	\$125,340	\$193,684	\$198,035

(1) Information prior to 2002 is not available

2006	2005	2004	2003	2002
33	31	36	20	25
33	34	32	35	30
5	18	7	5	6
9	10	26	16	32
9,563	9,076	9,247	9,526	9,814
5,549	4,840	5,188	5,163	5,214
\$22,684	\$19,125	\$19,383	\$20,151	\$18,293,181
\$934,545	\$532,194	\$525,379	\$399,166	\$890,570
4	3	3	2	2
Aa3	Aa3	Aa3	Aa3	Aa3
9.35%	12.71%	13.73%	12.36%	13.06%
\$21,006	\$19,247	\$17,649	\$16,523	\$16,891
\$18,060	\$14,892	\$14,714	\$14,164	\$13,741
\$17,325	\$14,379	\$11,669	\$10,406	\$11,044
19,222	19,574	19,788	18,809	10,932
2,766	2,772	3,004	1,607	1,634
\$ 107,933	\$ 162,053	n/a	n/a	n/a
19,962	19,983	24,525	19,704	9,867
7,150	8,399	8,171	5,952	5,059
4,391	4,172	3,924	3,498	1,880
4,133	4,560	3,998	2,793	1,741
\$2,065,000	\$335,000	\$1,098,225	\$1,890,000	n/a
1,960	2,122	15,850	17,009	20,915
17,394	15,964	2,051	1,962	1,820
46,943	43,768	42,240	44,806	48,435
32,503	33,652	33,567	35,686	38,136
4,771	4,997	4,843	5,058	5,209
1	1	0	1	1
1	1	0	0	0
0	1	0	0	1
0	2	5	0	4
0	1	1	0	0
0	1	0	0	1
201	200	255	228	240
\$13,179,670	\$42,337,669	\$22,233,669	\$10,705,485	\$11,703,784
934	1,055	1,044	977	967
\$145,285	\$255,270	\$173,055	\$89,298	\$85,948
\$145,285	\$255,270	\$173,055	\$89,298	\$85,948

(Continued)

CITY OF VANDALIA, OHIO
 Operating Indicators by Function/Program
 Last Nine Years (1)

Function/Program	2010	2009	2008	2007
Security of Persons & Property				
<i>Police</i>				
Total Calls for Services	13,496	13,335	13,714	13,386
Number of traffic citations issued	1,052	957	1,371	1,417
Number of parking citations issued	72	33	49	60
Number of criminal arrests	596	547	703	788
Number of accident reports completed	256	266	316	321
Part 1 Offenses (major offenses)	462	346	114	511
Reserve officers hours worked	119	162	774	860
DUI Arrests	77	88	90	100
Prisoners Processed - Temporary Holdings	146	213	210	215
Property damage accidents	206	193	250	249
Fatalities from Motor Vehicle Accidents	0	1	0	0
Gasoline costs of fleet	\$70,170	\$59,080	\$83,611	\$55,758
DARE youth program	293	400	267	265
Community Diversion Program Youths (Be Proud)	0	0	2	3
Volunteer Service Program	0	0	0	0
<i>Fire</i>				
EMS Calls	2,062	2,031	1,995	1,943
Ambulance Billing Collections (net)	\$554,865	\$529,248	\$581,785	\$570,206
Fire Calls	455	527	850	647
Fires with Loss	7	8	21	3
Fires with Losses exceeding \$10K	2	2	8	3
Fire Losses \$	\$197,110	\$471,600	\$609,050	\$172,500
Fire Safety Inspections	477	473	457	112
Number of times Mutual Aid given to Fire and EMS	116	159	212	156
Number of times Mutual Aid received for Fire and EMS	167	145	85	71
Public Health and Welfare				
Cemetery burials	34	26	24	16
Cemetery cremations	2	5	7	1
Cemetery sale of lots	53	22	47	53
Cemetery receipts	\$40,914	\$22,150	\$25,215	\$23,060
Leisure Time Activities				
<i>Recreation</i>				
Recreation Swimming pool receipts	\$54,193	\$43,000	\$46,586	\$42,840
Recreation Mens & Womens Leagues receipts	49,863	13,774	12,160	11,450
Recreation Programs	92,790	79,216	85,573	78,868
Youth Soccer League	33,230	31,940	32,880	16,857
Youth Baseball League	43,767	47,468	49,597	25,359
Facilities rentals	155,517	153,177	100,782	97,718
Total Recreation Department receipts	<u>\$429,360</u>	<u>\$368,575</u>	<u>\$327,578</u>	<u>\$273,092</u>
Community Development				
Grant amounts received due to Economic Development Dept.	\$109,957	\$727,677	\$472,736	\$157,710
Basic Utility Services				
Refuse disposal per year (in tons) January through December	5,835	6,036	6,360	6,632
Refuse disposal costs per year January through December	\$805,000	\$786,883	\$742,000	\$722,000
Annual recycling tonnage (excluding leaf, and compost items)	683	622	638	788

(1) Information prior to 2002 is not available

2006	2005	2004	2003	2002
13,429	13,432	13,475	14,103	14,546
1,798	2,362	1,962	1,876	1,817
58	85	55	87	87
831	745	672	713	898
297	306	354	340	356
528	466	470	562	661
869	850	886	1,237	1,003
97	132	93	83	80
151	104	115	171	171
227	246	275	272	292
1	0	0	1	1
\$63,195	\$59,802	\$41,797	\$33,294	\$29,774
259	285	336	261	n/a
1	3	6	7	n/a
136	0	0	0	0
1,868	1,625	1,578	826	786
\$470,575	\$451,964	\$478,874	\$195,040	\$0
605	583	550	310	275
2	4	7	13	8
1	2	0	3	4
\$17,500	\$37,525	\$47,850	\$148,800	\$2,137,350
106	91	82	78	57
176	163	120	115	160
100	105	146	92	99
23	27	20	17	18
4	5	3	2	6
41	48	53	22	38
\$25,771	\$24,673	\$22,950	\$14,062	\$18,487
\$42,539	\$50,764	\$42,080	\$48,757	\$53,222
11,844	12,226	11,164	11,160	13,239
86,537	86,877	72,524	82,760	79,808
12,476	12,596	7,609	8,108	7,147
22,151	19,412	10,352	10,183	9,697
70,303	46,985	46,586	35,261	31,599
<u>\$245,850</u>	<u>\$228,860</u>	<u>\$190,315</u>	<u>\$196,229</u>	<u>\$194,712</u>
\$183,955	\$551,948	\$26,596	\$22,791	\$0
7,294	6,863	4,865	2,642	3,815
\$705,000	\$611,000	\$611,000	\$570,000	\$625,000
788	n/a	932	796	796

(Continued)

CITY OF VANDALIA, OHIO
 Operating Indicators by Function/Program
 Last Nine Years (1)

Function/Program	2010	2009	2008	2007
Transportation				
Street Improvements - asphalt overlay (linear feet)	39,807	34,069	0	487
Rejuvenating Spray on Streets (Miles)	2	2	0	0
Crackseal Coating Program (Miles)	0	0	0	0
Street Repair (Concrete, asphalt, crack sealing) (hours)	5,169	4,711	3,596	4,442
Mowing (hours)	556	822	2,296	508
Paint Striping (hours)	660	508	483	744
Street Sweeper (hours)	980	946	897	994
Snow & Ice Removal regular hours	1,205	816	761	787
Sewer and Sanitary calls for service (hours)	596	768	187	436
Fire hydrants (hours)	212	220	364	336
Catch basin (hours)	2,344	3,245	2,490	3,370
Water and Water calls for service (hours)	2,893	3,701	3,877	3,726
Leaf collection (hours)	1,735	1,356	1,526	1,362
Holiday lights setup (hours)	297	138	0	40
Burial services (hours)	730	292	325	562
Equipment repair/body shop (hours)	3,960	3,850	1,991	1,743
Sign department (hours)	2,097	2,517	2,661	1,626
Building maintenance (hours)	779	1,054	756	376
Other (hours)	1,677	1,464	1,407	4,096
Water Department				
Water Rates per 1st 300 Cu ft of water used (2,250 gallons)	\$ 13.34	\$ 13.34	\$ 12.58	\$ 13.55
Avg. number of water accounts billed monthly (Cu. Ft.)	5,409	5,389	5,369	1,999
Total Water Collections Annually (Including P&I)	\$2,130,194	\$2,087,631	\$2,376,917	\$2,441,414
Wastewater Department				
Wastewater Rates per 1st 300 Cu ft of water used	\$4.02	\$3.65	\$3.02	\$2.92
Total flow of wastewater treatment plant (Millions of Gallons)	2,852	2,852	2,901	2,748
Average daily flow (Millions of gallons per day)	8	8	9	8
Tons of dry sludge removed	781.56	644.81	685.20	701.10

Source: City of Vandalia

(1) Information prior to 2002 is not available

2006	2005	2004	2003	2002
21,041	0	1,800	9,125	16,480
0	0	0	0	0
0	0	0	0	10
3,130	4,926	3,047	3,801	2,275
506	408	660	1,341	1,206
825	612	722	1,180	1,394
916	766	1,048	1,369	1,082
186	579	782	1,038	431
575	466	428	220	667
320	216	660	390	92
3,711	4,029	1,240	846	1,337
2,852	2,660	3,125	3,023	1,704
1,300	1,222	1,521	1,472	1,544
152	254	222	342	188
714	486	499	458	610
1,153	1,392	1,429	1,853	1,544
1,386	1,171	1,455	1,610	1,642
451	428	616	1,332	1,248
4,478	3,556	4,269	4,457	4,138
\$ 11.71	\$ 11.10	\$ 9.57	\$ 9.26	\$ 8.97
1,979	1,954	1,897	1,831	1,812
\$2,130,132	\$1,489,814	\$1,410,603	\$1,359,046	\$1,407,216
\$2.92	\$2.78	\$2.65	\$2.65	\$2.65
3,507	3,422	3,230	3,663	3,370
10	9	9	10	9
842.50	823.24	945.14	677.56	846.73

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

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government										
Square Footage Occupied	23,843	23,843	23,843	23,843	23,843	23,843	23,843	23,843	23,843	23,843
Administrative Vehicles	2	2	1	2	2	2	5	5	5	5
Inspection Vehicles	8	8	8	8	7	7	8	8	8	10
Municipal Court Vehicles	2	2	2	2	2	2	2	2	2	2
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219
Vehicles	21	21	21	20	21	20	21	20	19	18
Fire										
Stations	3	2	2	2	2	2	2	2	2	2
Number of fire hydrants	770	770	765	763	750	723	723	633	633	633
Square Footage of Building	33,443	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Vehicles	16	19	18	18	17	17	17	17	19	18
Recreation										
Number of Parks	11	11	11	11	9	9	9	9	9	9
Number of Pools	1	1	1	1	1	1	1	1	1	1
Number of Golf Courses	1	1	1	1	1	1	1	1	1	1
Number of Tennis Courts	11	11	11	10	10	10	10	10	10	10
Number of Baseball Fields	15	15	15	15	15	15	15	15	15	15
Number of Senior Centers	1	1	1	1	1	1	1	1	1	1
Number of Soccer Fields	12	12	12	12	12	12	12	12	12	12
Square Footage of Recreation Center	58,357	58,357	58,357	58,357	58,357	58,357	58,357	58,357	58,357	58,357
Vehicles	20	20	20	21	20	21	22	22	22	22
Other Public Works										
Streets (miles)	89.0	82.5	83.5	83.5	79.5	79.5	79	79	79	72
Service Vehicles	29	27	25	24	24	23	23	22	23	24
Wastewater										
Sanitary Sewers (miles)	73	73	73	73	63	63	62	56	56	56
Storm Sewers (miles)	75	74	73	72	48	48	46	42	42	42
Water Department										
Water Lines (miles)	85	85	85	84	74	74	73	65	65	65
Vehicles	1	1	1	1	1	1	1	1	1	1

Source: City of Vandalia



Dave Yost • Auditor of State

VILLAGE OF VANDALIA

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 5, 2011