



**CITY OF VANDALIA
MONTGOMERY COUNTY
DECEMBER 31, 2020**

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**CITY OF VANDALIA
MONTGOMERY COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	(1) Total Federal Expenditures
U.S. DEPARTMENT OF THE TREASURY			
<i>Passed Through Ohio Office of Budget and Management</i>			
COVID-19 - Coronavirus Relief Fund	21.019	HB481-CRF-Local	<u>\$868,213</u>
Total U.S. Department of the Treasury			<u>868,213</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Direct Program</i>			
COVID-19 - Provider Relief Fund	93.498		<u>12,274</u>
Total U.S. Department of Health and Human Services			<u>12,274</u>
Total Expenditures of Federal Awards			<u><u>\$880,487</u></u>

(1) There were no amounts passed through to subrecipients.

The accompanying notes are an integral part of this schedule.

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**CITY OF VANDALIA
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Vandalia (the City's) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Vandalia, Montgomery County, (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 30, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

August 30, 2021

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the City Council:

Report on Compliance for the Major Federal Program

We have audited the City of Vandalia's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Vandalia's major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the City of Vandalia complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on the major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

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

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

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

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

We have also 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated August 30, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. We conducted our audit to opine on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber
Auditor of State
Columbus, Ohio

August 30, 2021

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**CITY OF VANDALIA
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	COVID-19 - Coronavirus Relief Fund (CFDA # 21.019)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

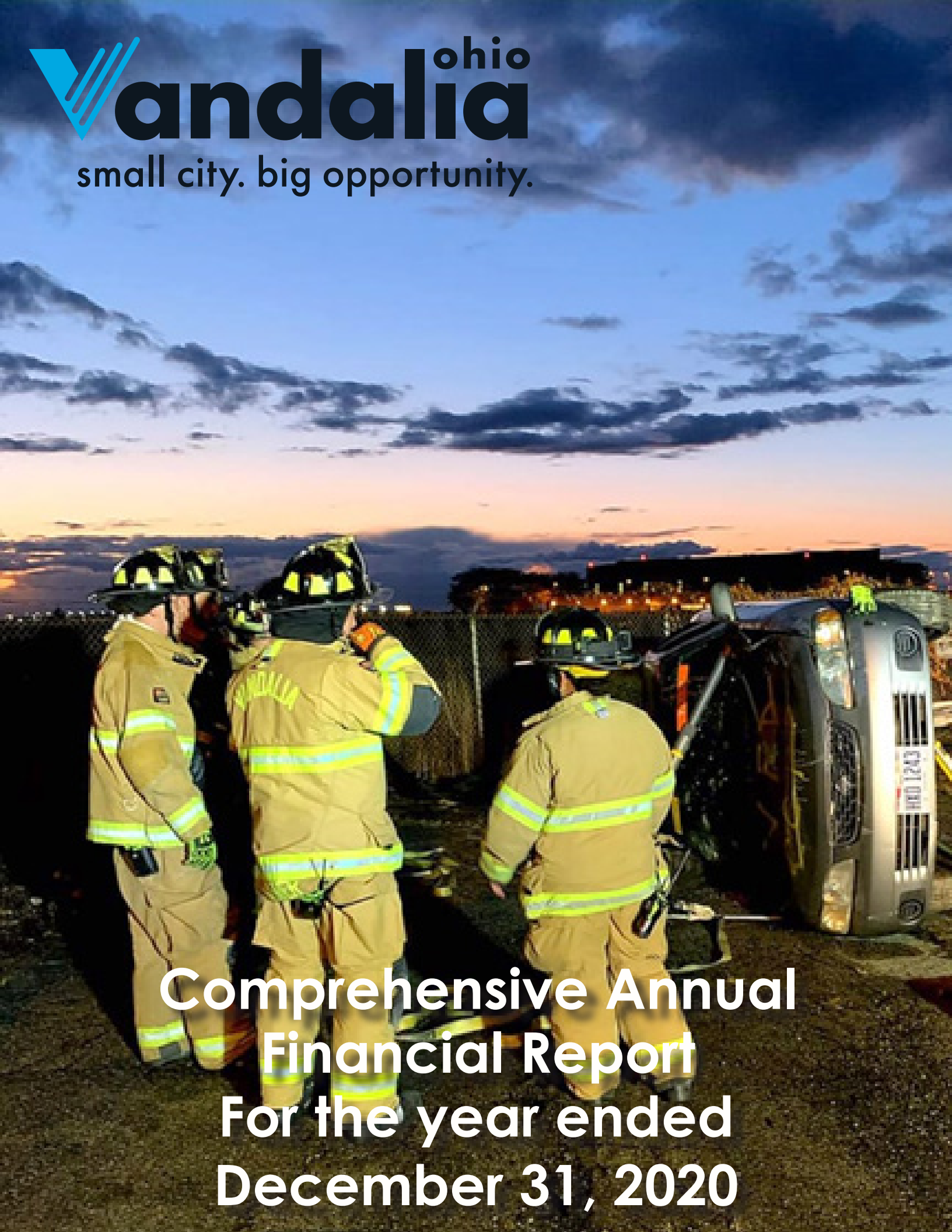
**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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**Comprehensive Annual
Financial Report
For the year ended
December 31, 2020**



CITY OF VANDALIA
Montgomery County, Ohio

Comprehensive Annual Financial Report

Year Ended December 31, 2020

Issued by:
Director of Finance



City of Vandalia, Ohio
 Comprehensive Annual Financial Report
 Year Ended December 31, 2020

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City of Vandalia, Ohio
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INTRODUCTORY SECTION



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August 30, 2021

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

The Comprehensive Annual Financial Report (CAFR) of the City of Vandalia, Ohio for the year ended December 31, 2020 is hereby submitted for your review. I am pleased to report that this is the thirty-first CAFR the City has prepared.

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

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

The Ohio Auditor of State, have issued an unmodified ("clean") opinion on the City of Vandalia's financial statements for the year ended December 31, 2020. The auditors' report is located at the front of the financial section of this report.

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

Profile of the City

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

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

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

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

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

The City is associated with the Tri-Cities North Regional Wastewater Authority (TCA) and the Northern Area Water Authority (NAWA), which are defined as joint ventures. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. These organizations are presented in Note 14.

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

The City is also a member of the Economic Development/Government Equity Program (ED/GE), a jointly governed organization which promotes developing plans and programs designed to assure that County resources are efficiently used, economic growth is properly balanced, and that county economic development is coordinated with that of the State of Ohio and other local governments. Additionally, the City participates in two jointly governed organizations with the Butler Township. The first organization is known as the Butler Township – Vandalia Joint Economic Development District (JEDD). The second organization is known as the Butler Township – Miller Lane Hotel District Joint Economic Development Zone (JEDZ). The JEDD and JEDZ was created for City and Township mutual benefit and for the benefit of their residents and the State of Ohio. These organizations are presented in Note 15.

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

Relevant Financial Policies

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

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

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

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

Local Economy

2020 was a year unlike any other. Despite the challenges brought on by the COVID-19 pandemic, Vandalia businesses persevered. City Staff worked with businesses to disseminate information coming from the federal and state governments on assistance and provide support. Residents and visitors were encouraged to support local eateries and businesses while health orders were in place.

The City adopted the Vision Vandalia Comprehensive Plan which lays the framework for a relocated downtown area and plans additional land for industrial development. This Plan will assist the City in fostering a place-based economy supported by high quality community amenities.

The former Rib House restaurant sold to a developer in late 2020. The building has been torn down to make way for a new Chipotle restaurant.

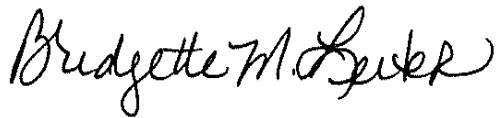
White Castle Distributing announced an expansion that would nearly double its footprint in the City. The \$27 million expansion is slated to bring another 30 full time jobs. Construction is set to begin in the summer of 2021.

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, 2019. This was the thirtieth year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report was made possible by the efforts of the Finance Department staff. My sincere appreciation is extended to all members of the City of Vandalia staff, whose efforts have made this report possible. I am especially grateful to Assistant City Manager Amber Holloway for her economic development input for this report. I would also like to express appreciation to W. Michael Lennon, CPA, and Scott Bushi 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 that reads "Bridgette M. Leiter". The signature is written in a cursive, flowing style.

Bridgette M. Leiter
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Vandalia
Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrill

Executive Director/CEO

City of Vandalia
Montgomery County, Ohio
List of Principal Officials
December 31, 2020

Elected Officials

Mayor

Richard Herbst

Vice Mayor

Robert Ahlers

Council Members

Mike Blakesly

Candice Farst

Corey M. Follick

David Lewis

Constance Woods

Appointed Officials

City Manager

Daniel D. Wendt

Director of Finance

Bridgette Leiter

City Attorney

Gerald McDonald

Assistant City Manager

Amber Holloway

Chief of Police

Kurt Althouse

Fire Chief

Chad Follick

Parks and Recreation Director

Steve Clark

Director of Public Service

Rob Cron



CITY OF VANDALIA ORGANIZATIONAL RESPONSIBILITIES

FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Vandalia, Montgomery County, Ohio (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Vandalia, as of December 31, 2020, and the respective changes in its financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 21 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2021, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

August 30, 2021



City of Vandalia, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(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, 2020. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter, basic financial statements and notes to enhance their understanding of the City's financial performance.

Financial Highlights

- The City's total net position increased \$4,334,340 during 2020. The net position of the governmental activities increased \$3,850,638, while the net position of business-type activities also increased by \$483,702.
- General revenues, for governmental activities, accounted for \$20,071,409, or 69.5% of total governmental activities revenue. Program specific revenues accounted for \$8,815,490 or 30.5% of total governmental activities revenue.
- Governmental activities net capital assets decreased \$1,014,267, due to current year depreciation expenses exceeding current year additions.
- The City had \$25,098,719 in expenses related to governmental activities; \$8,815,490 of these expenses was offset by program specific charges for services, grants, contributions, or interest. General revenues (primarily taxes) of \$20,071,409 were sufficient to offset these program expenses.
- The general fund, the City's largest major governmental fund, had revenues of \$21,872,015 in 2020, or 78.6% of total governmental funds. Expenditures of the general fund were \$17,293,468 or 76.0% of total governmental funds. The general fund balance increased \$3,405,391 or 17.2% in 2020.
- Business-type operations reflected an operating income of \$392,629 during 2020, and the business-type unrestricted net position was \$13,951,900.

Using this Comprehensive Annual Financial Report (CAFR)

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

City of Vandalia, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

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

Reporting the City as a Whole

Statement of Net Position and Statement of Activities

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

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

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

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

City of Vandalia, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

Government-wide Financial Analysis

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

City of Vandalia, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

Table 1 below provides a summary of the City's net position for 2020 compared to 2019:

Table 1
Net Position

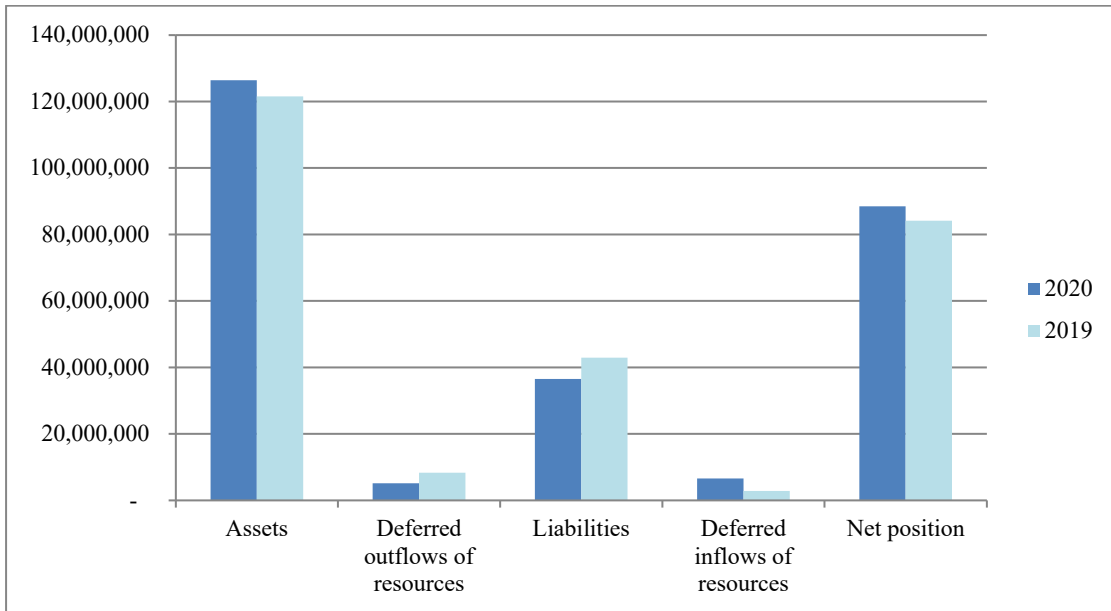
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>						
Current and other assets	\$ 37,568,345	\$ 32,487,752	\$ 7,254,884	\$ 6,439,135	\$ 44,823,229	\$ 38,926,887
Capital assets	54,091,061	55,105,328	18,204,967	18,339,937	72,296,028	73,445,265
Investment in joint venture	-	-	9,257,036	9,153,194	9,257,036	9,153,194
Total assets	<u>91,659,406</u>	<u>87,593,080</u>	<u>34,716,887</u>	<u>33,932,266</u>	<u>126,376,293</u>	<u>121,525,346</u>
<u>Deferred outflows of resources</u>						
Pension	2,994,246	6,551,163	166,122	470,089	3,160,368	7,021,252
OPEB	<u>1,867,362</u>	<u>1,216,042</u>	<u>121,874</u>	<u>57,655</u>	<u>1,989,236</u>	<u>1,273,697</u>
Total deferred outflows of resources	<u>4,861,608</u>	<u>7,767,205</u>	<u>287,996</u>	<u>527,744</u>	<u>5,149,604</u>	<u>8,294,949</u>
<u>Liabilities</u>						
Other liabilities	4,097,964	5,171,213	285,124	283,562	4,383,088	5,454,775
Long-term liabilities:						
Due within one year	1,700,302	1,538,304	191,558	131,292	1,891,860	1,669,596
Due in more than one year:						
Net pension liability	18,438,997	23,532,092	1,141,456	1,599,145	19,580,453	25,131,237
Net OPEB liability	7,294,670	6,868,410	769,807	735,192	8,064,477	7,603,602
Other amounts	<u>2,273,286</u>	<u>2,833,562</u>	<u>318,941</u>	<u>204,815</u>	<u>2,592,227</u>	<u>3,038,377</u>
Total liabilities	<u>33,805,219</u>	<u>39,943,581</u>	<u>2,706,886</u>	<u>2,954,006</u>	<u>36,512,105</u>	<u>42,897,587</u>
<u>Deferred inflows of resources</u>						
Property taxes	1,393,345	1,286,421	-	-	1,393,345	1,286,421
Payments in lieu of taxes	50,142	68,490	-	-	50,142	68,490
Pension	3,170,212	696,830	267,163	59,143	3,437,375	755,973
OPEB	<u>1,564,351</u>	<u>677,856</u>	<u>125,761</u>	<u>25,490</u>	<u>1,690,112</u>	<u>703,346</u>
Total deferred inflows of resources	<u>6,178,050</u>	<u>2,729,597</u>	<u>392,924</u>	<u>84,633</u>	<u>6,570,974</u>	<u>2,814,230</u>
<u>Net position</u>						
Net investment in capital assets	50,880,711	50,467,034	17,914,412	18,181,701	68,795,123	68,648,735
Restricted	5,351,626	4,107,791	-	-	5,351,626	4,107,791
Unrestricted	<u>305,408</u>	<u>(1,887,718)</u>	<u>13,990,661</u>	<u>13,239,670</u>	<u>14,296,069</u>	<u>11,351,952</u>
Total net position	<u>\$ 56,537,745</u>	<u>\$ 52,687,107</u>	<u>\$ 31,905,073</u>	<u>\$ 31,421,371</u>	<u>\$ 88,442,818</u>	<u>\$ 84,108,478</u>

City of Vandalia, Ohio
 Management’s Discussion and Analysis
 For the Year Ended December 31, 2020
 (Unaudited)

As displayed in Table 1, total net position of the City as a whole, increased \$4,334,340 from 2019 to 2020. This was due to changes in the net pension and OPEB liabilities and the related deferred outflows and inflows of resources from the prior year.

Total net position of the City’s governmental activities increased by \$3,850,638, and the unrestricted net position increased \$2,193,126 from 2019 to 2020. The increase in governmental net position as mentioned above is due to changes in the net pension and net OPEB liabilities.

The net position of the City’s business type activities increased by \$483,702. Two of the three enterprise funds reported operating income during 2020. Overall, program expenses increased \$68,354 from the prior year and had an increase of \$155,401 in charges for services during 2020. The City strives to control operation expenses for business-type activities in order to maintain stability in charges for services rates.



Users of these financial statements will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

The City’s statement of activities prepared on an accrual basis of accounting includes an annual pension expense and annual OPEB expense equal to its proportionate share of each plan’s change in net pension liability and net OPEB liability not accounted for as deferred inflows/outflows.

Table 2 shows the changes in net position for the year ended December 31, 2020, and revenue and expense comparisons to 2019.

City of Vandalia, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

Table 2
Changes in Net Position

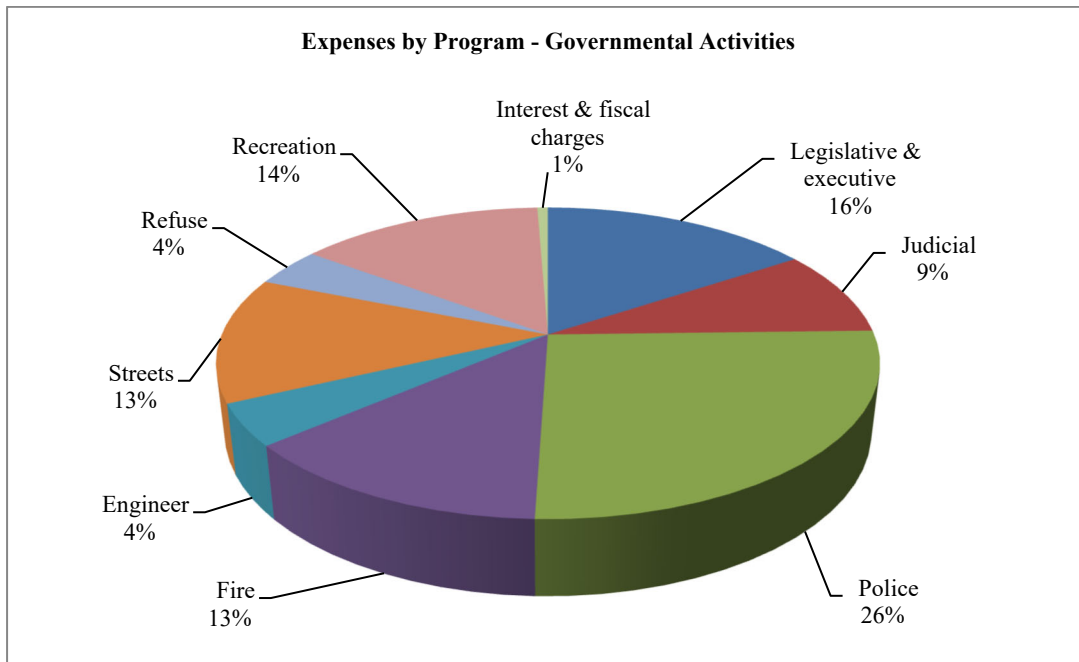
	Governmental Activities		Business-Type Activities		Total	Total
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program revenues:						
Charges for services	\$ 5,736,835	\$ 6,638,126	\$ 5,110,936	\$ 4,955,535	\$ 10,847,771	\$ 11,593,661
Operating grants, contributions, and interest	2,966,379	1,775,243	-	-	2,966,379	1,775,243
Capital grants and contributions	112,276	458,104	152,500	-	264,776	458,104
General revenues:						
Property taxes	1,380,389	1,360,445	-	-	1,380,389	1,360,445
Income taxes	16,732,440	15,797,423	-	-	16,732,440	15,797,423
Grants and entitlements	673,470	406,388	-	-	673,470	406,388
Payment in lieu of taxes	91,376	72,214	-	-	91,376	72,214
Gain on sale of capital assets	484,880	39,962	-	-	484,880	39,962
Investment earnings	678,910	755,855	-	-	678,910	755,855
Other	29,944	12,803	-	-	29,944	12,803
Total revenues	<u>28,886,899</u>	<u>27,316,563</u>	<u>5,263,436</u>	<u>4,955,535</u>	<u>34,150,335</u>	<u>32,272,098</u>
Program Expenses						
Governmental Activities:						
General government						
Legislative and executive	3,940,781	3,835,644	-	-	3,940,781	3,835,644
Judicial system	2,229,576	2,495,969	-	-	2,229,576	2,495,969
Public safety						
Police	6,510,112	1,767,177	-	-	6,510,112	1,767,177
Fire	3,310,014	1,735,666	-	-	3,310,014	1,735,666
Public works						
Engineer	1,086,990	1,270,495	-	-	1,086,990	1,270,495
Streets	3,276,781	3,417,626	-	-	3,276,781	3,417,626
Refuse	1,010,339	1,010,485	-	-	1,010,339	1,010,485
Recreation	3,579,483	4,751,156	-	-	3,579,483	4,751,156
Interest and fiscal charges	154,643	215,241	-	-	154,643	215,241
Business-Type Activities:						
Water	-	-	2,163,506	1,942,576	2,163,506	1,942,576
Sewer	-	-	1,660,417	1,656,483	1,660,417	1,656,483
Golf	-	-	893,353	1,049,863	893,353	1,049,863
Total program expenses	<u>25,098,719</u>	<u>20,499,459</u>	<u>4,717,276</u>	<u>4,648,922</u>	<u>29,815,995</u>	<u>25,148,381</u>
Increase (decrease) in net position						
before transfers	3,788,180	6,817,104	546,160	306,613	4,334,340	7,123,717
Transfers	62,458	155,080	(62,458)	(155,080)	-	-
Change in net position	3,850,638	6,972,184	483,702	151,533	4,334,340	7,123,717
Net position, beginning of year	<u>52,687,107</u>	<u>45,714,923</u>	<u>31,421,371</u>	<u>31,269,838</u>	<u>84,108,478</u>	<u>76,984,761</u>
Net position, end of year	<u>\$ 56,537,745</u>	<u>\$ 52,687,107</u>	<u>\$ 31,905,073</u>	<u>\$ 31,421,371</u>	<u>\$ 88,442,818</u>	<u>\$ 84,108,478</u>

City of Vandalia, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

Governmental Activities

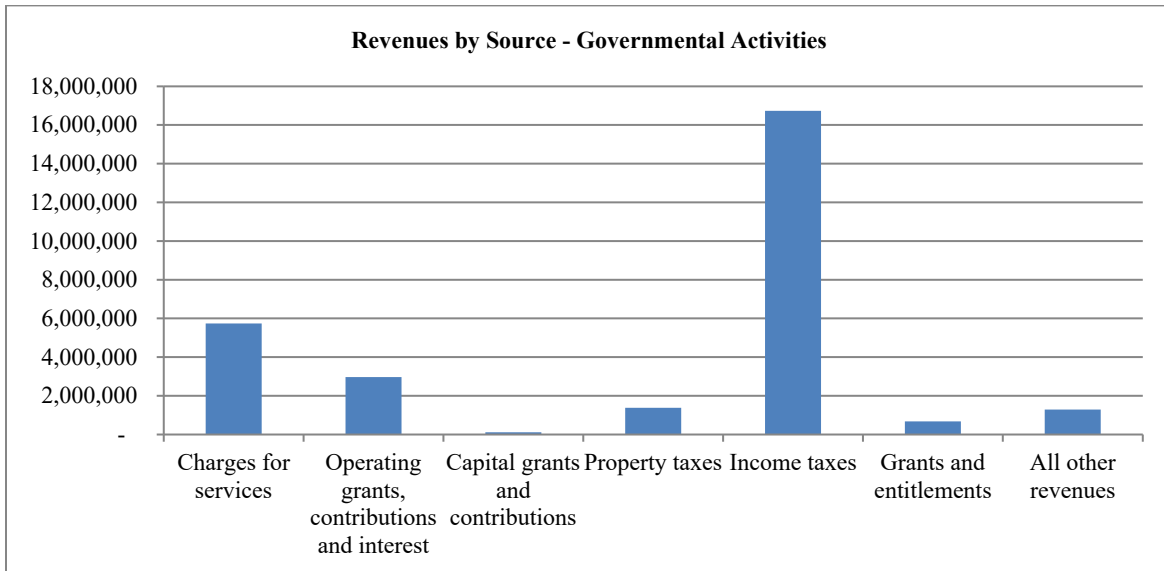
The City 2% income tax effective January 1, 2006, is the largest source of revenue for the City of Vandalia. The above table reflects that income tax receipts increased from the prior year.

Charges for services decreased \$901,291 and income tax revenues increased \$935,017 during 2020. Governmental activities program expenses increased \$4,599,260 during 2020 with increases and decreases in several areas. This increase was primarily in police and fire related to pension and OPEB expenses.



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

City of Vandalia, Ohio
 Management's Discussion and Analysis
 For the Year Ended December 31, 2020
 (Unaudited)



When looking at the sources of income used to support governmental activities, it should be noted that charges for services of \$5,736,835 represent 19.9% of revenue. Revenues provided by sources other than city residents in the form of operating and capital grants comprise another \$3,078,655, or 10.7%, and unrestricted grants and entitlements accounted for \$673,470, which is another 2.3%. The remaining revenues are primarily generated locally through property taxes, \$1,380,389 or 4.8% and income taxes, \$16,732,440 at 57.9%. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous councils have always been committed.

Business-Type Activities

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

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

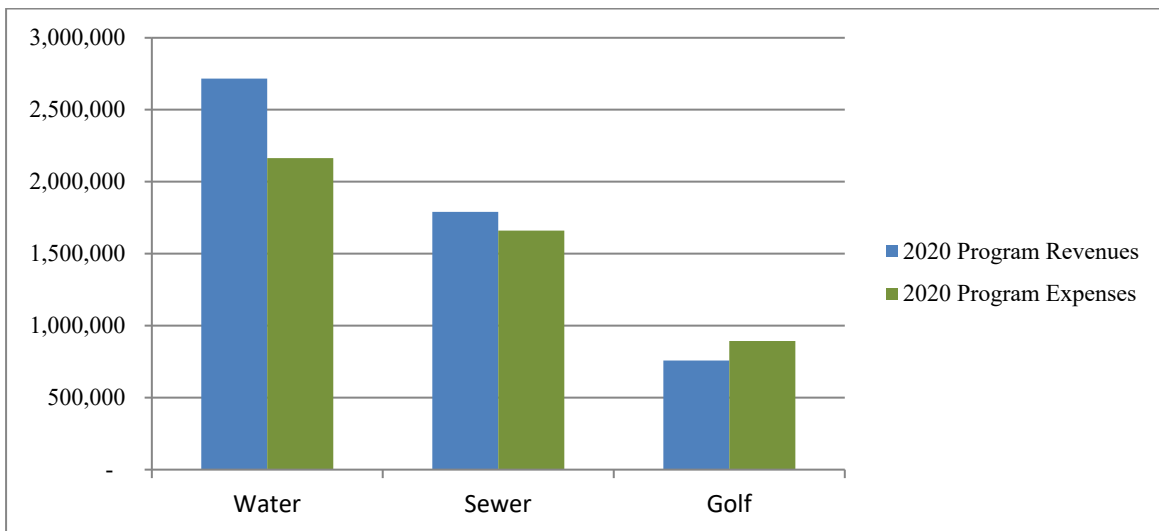
The water treatment plant became fully operational in June of 2007. The City of Dayton implemented water rate increases of 22% in 2005, 34% in January 2006 and 8% in January 2007. The City of Vandalia abandoned the final two years of its rate increases and passed a new ordinance to increase water rates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

City of Vandalia, Ohio
Management’s Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

Sewer - The City closed their wastewater treatment facility in 1985. Vandalia then contracted with the Miami Conservancy District for wastewater treatment services. In 1996, the Conservancy District decided they no longer wanted to furnish this service. A joint venture was formed between the Cities of Vandalia, Huber Heights and Tipp City to take over the Conservancy District operation. The joint venture now furnishes waste water treatment services to each city. Each city owns and maintains the infrastructure necessary to furnish service to their citizens. All capital repairs and upkeep of the treatment plant are the responsibility of the joint venture. The joint venture in turn will set costs of service for the cities, based on flow, to maintain the plant. The City of Vandalia will in turn, charge its citizens accordingly. Any capital outlay needed to maintain Vandalia’s sewer infrastructure was provided by user fees. Due to the need for current and future capital improvements, maintenance and up keep of enterprise infrastructure, Council decided to implement a 9% sewer rate increase for 2008 and 2009. For 2020, there was no change in the current charge to member cities which is not more than \$1.25 per thousand gallons of usage.

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

Overall, the City’s business-type activities generated over \$5.2 million in program revenues during 2020 and program expenses were just over \$4.7 million. Operating expenses in the business-type activities had a slight increase from the prior year due to the pension and OPEB expenses. Charges for services showed an increase in all three business type activities during 2020.



City of Vandalia, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

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

	2020	2019	2020	2019
	Governmental	Governmental	Business-Type	Business-Type
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>
Deferred outflows - pension	\$ 2,994,246	\$ 6,551,163	\$ 166,122	\$ 470,089
Deferred outflows - OPEB	1,867,362	1,216,042	121,874	57,655
Deferred inflows - pension	(3,170,212)	(696,830)	(267,163)	(59,143)
Deferred inflows - OPEB	(1,564,351)	(677,856)	(125,761)	(25,490)
Net pension liability	(18,438,997)	(23,532,092)	(1,141,456)	(1,599,145)
Net OPEB liability	<u>(7,294,670)</u>	<u>(6,868,410)</u>	<u>(769,807)</u>	<u>(735,192)</u>
Impact of GASBs 68 and 75 on net position	<u>\$ (25,606,622)</u>	<u>\$ (24,007,983)</u>	<u>\$ (2,016,191)</u>	<u>\$ (1,891,226)</u>

Financial Analysis of the Government's Funds

Information about the City's major governmental funds begins on page 22. These funds are reported using the modified accrual basis of accounting. Governmental funds reported revenues of just above \$27.8 million and expenditures of about \$22.8 million. The general fund net change in fund balance from 2019 to 2020 was an increase of \$3,405,391. The total revenues of the general fund decreased from 2019 by \$915,274 and expenditures decreased from 2019 by \$1,147,263. The decrease in revenues is due to a decrease in municipal income tax, charges for services and intergovernmental for 2020. The decrease in expenditures is not due to any one single event. Transfers to other funds such as the capital improvement fund, the general obligation debt service fund and the golf fund equaled \$1.7 million. The funds transferred were used for capital assets, improvements, repairs, and debt.

The capital improvement fund balance increased by \$136,028 due to a decrease in capital related expenditures. Fund balance at December 31, 2020, was \$673,284. The police, fire and street capital improvements fund balance increased \$375,476 from 2019 to an ending fund balance of \$697,512. This increase is also due to a decrease in capital related expenditures. The general obligation bond retirement fund balance increased \$872,601 from 2019 to an ending deficit fund balance of \$983,287. This increase is due to a decrease in the bond anticipation note payable. All other governmental funds fund balance increased by \$738,918 during 2020. This is due to the increase in revenues exceeding the increase in expenditures for 2020.

City of Vandalia, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

The City has implemented a series of rate increases in the enterprise funds to help alleviate future fund losses. If unrestricted net position is not sufficient to sustain the losses, the City will provide transfers and advances from the general fund as necessary to cover negative balances. Charges for services for water and sewer services have historically been established to ensure that on a cash basis, fees are adequate to cover operations. In the past, Council has not set fees with the intention of funding capital improvements, however, beginning in 2004, capital items are now charged to the enterprise funds. Therefore, during 2004, Council passed ordinances to implement new fee structures for water and sewer rates. Of the water and sewer funds, both funds showed an increase in cash during 2020.

The golf activity's operating loss of \$134,936 is attributable to increased personnel costs with only small increases in fees charged. The Golf course is intended to be operated as a business-type activity. However, historically; Council has not set fees adequate to cover all operating expenses. Even though this operation periodically receives governmental support, it is reflected as a business-type activity.

General fund budgeting highlights

The City's budget is adopted on a fund basis. Before the budget is adopted council reviews the detailed work papers of each function within the general fund, and then adopts the budget on a fund basis. During 2020, revisions were made to the general fund budget. These revisions are reflected on the statement of revenues, expenditures and changes in fund balances for the general fund on page 29. Within each departmental function, a department head may make small line item adjustments within their budget, as long as the total operation and maintenance amount does not exceed their original budget allowance.

Original general fund budgeted revenues and other financing sources increased \$1,435,472, from \$24,681,794 to the final budgeted amount of \$26,117,266 for the fiscal year end December 31, 2020. Municipal income taxes final budget was consistent with actual income tax revenue for the prior year. At the end of the year, actual revenues and other financing sources were less than the final budget by \$1,262,961, this was primarily due to charges for services that were not known during the budgeting process.

Original general fund expenditures and other financing uses increased \$210,549, from \$27,099,810 to the final budgeted amount of \$27,310,359. This increase was due to an increase in legislative and executive and fire appropriations as well as advances. Actual expenditures were \$3,117,009 below final budget expenditures for 2020 due to the close monitoring of expenditures.

City of Vandalia, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

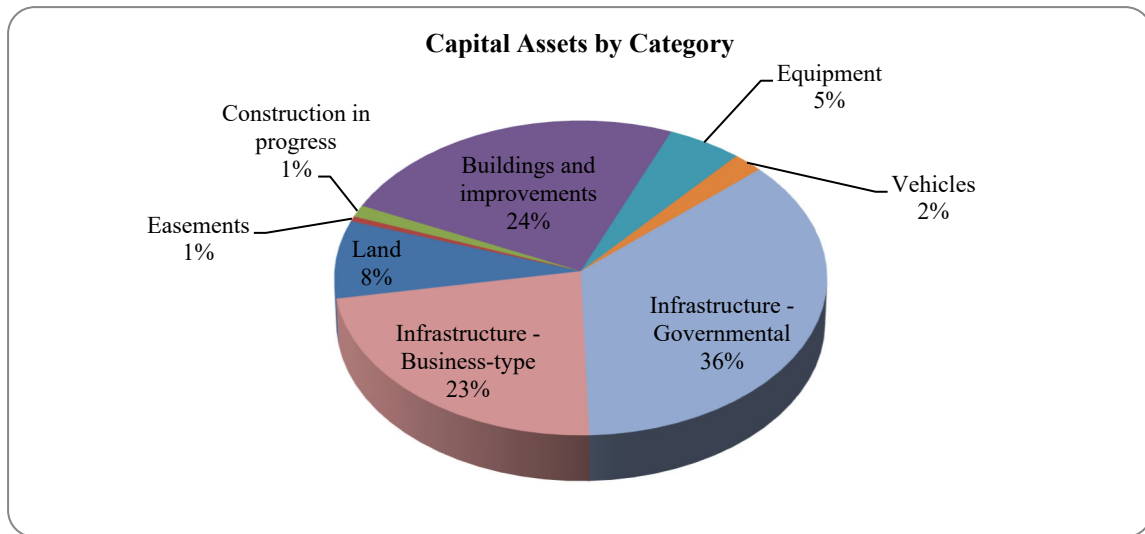
Capital Assets and Debt Administration

Capital Assets

Table 3
Capital Assets, at Fiscal Year End
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 5,618,659	\$ 5,640,619	\$ 167,369	\$ 167,369	\$ 5,786,028	\$ 5,807,988
Easements	376,999	376,999	500	500	377,499	377,499
Construction in progress	792,878	271,323	90,862	79,872	883,740	351,195
Buildings and improvements	16,448,141	17,078,410	1,103,326	1,138,160	17,551,467	18,216,570
Equipment	3,276,152	3,231,838	395,231	416,285	3,671,383	3,648,123
Vehicles	1,501,663	1,655,642	-	-	1,501,663	1,655,642
Infrastructure	<u>26,076,569</u>	<u>26,850,497</u>	<u>16,447,679</u>	<u>16,537,751</u>	<u>42,524,248</u>	<u>43,388,248</u>
Total	<u>\$ 54,091,061</u>	<u>\$ 55,105,328</u>	<u>\$ 18,204,967</u>	<u>\$ 18,339,937</u>	<u>\$ 72,296,028</u>	<u>\$ 73,445,265</u>

Capital assets, net of depreciation, in governmental activities decreased from the prior year. This is due to current year depreciation expense exceeding current year additions. Capital assets, net of depreciation, for the business-type activities also decreased during 2020 for the same reason. See Note 7 of the notes to the basic financial statements for more detailed information on capital assets.



City of Vandalia, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

Debt

At December 31, 2020, the City of Vandalia had \$4,899,905 in bonds and notes, loans.

Table 4
Outstanding Debt, at Year End

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Unvoted general obligation bonds						
Various purpose limited tax	\$ 1,132,870	\$ 1,479,724	\$ -	\$ -	\$ 1,132,870	\$ 1,479,724
State infrastructure bank loan	795,766	1,008,305	-	-	795,766	1,008,305
OPWC loan	185,714	189,265	290,555	158,236	476,269	347,501
	<u>\$ 2,114,350</u>	<u>\$ 2,677,294</u>	<u>\$ 290,555</u>	<u>\$ 158,236</u>	<u>\$ 2,404,905</u>	<u>\$ 2,835,530</u>

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

The City has short term note obligations being reported in the capital improvement capital projects fund, and the general obligation bond retirement debt service fund in the amounts of \$1,399,000, and \$1,096,000, respectively. Revenues for payment of interest and principal on the bond anticipation notes will result from proceeds from new notes to be issued in 2021. The general obligation debt service fund will retire the debt.

The City's overall legal debt margin was \$40,382,987 at December 31, 2020. See Note 9, 10 and 11 of the notes to the basic financial statements for more detailed information on debt of the City.

Contacting the City's Financial Management

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

City of Vandalia, Ohio
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
<u>Assets:</u>			
Equity in pooled cash and investments	\$ 29,267,051	\$ 6,625,526	\$ 35,892,577
Receivables:			
Income tax	3,322,494	-	3,322,494
Property and other taxes	1,490,407	-	1,490,407
Accounts	547,183	508,122	1,055,305
Revenue in lieu of taxes receivable	50,142	-	50,142
Accrued interest	42,954	-	42,954
Due from other governments	1,241,589	-	1,241,589
Materials and supplies inventory	101,173	14,547	115,720
Inventory held for resale	-	10,521	10,521
Prepaid items	47,067	-	47,067
Restricted: equity in pooled cash and cash equivalents	-	57,407	57,407
Investment in joint venture	-	9,257,036	9,257,036
Internal balances	(38,761)	38,761	-
Land held for resale	1,497,046	-	1,497,046
Nondepreciable capital assets	6,788,536	258,731	7,047,267
Depreciable capital assets	104,236,329	35,677,403	139,913,732
Accumulated depreciation	(56,933,804)	(17,731,167)	(74,664,971)
Total assets	<u>91,659,406</u>	<u>34,716,887</u>	<u>126,376,293</u>
<u>Deferred outflows of resources:</u>			
Pension	2,994,246	166,122	3,160,368
OPEB	1,867,362	121,874	1,989,236
Total deferred outflows of resources	<u>4,861,608</u>	<u>287,996</u>	<u>5,149,604</u>
<u>Liabilities:</u>			
Accounts payable	279,896	27,904	307,800
Accrued wages and benefits	347,767	19,617	367,384
Matured compensated absences payable	78,015	4,925	82,940
Due to other governments	197,963	11,067	209,030
Due to related parties	-	162,553	162,553
Unearned revenue	626	1,651	2,277
Income tax refunds payable	400,412	-	400,412
Bond anticipation notes payable	2,495,000	-	2,495,000
Accrued interest payable	21,649	-	21,649
Due to employees	6,444	-	6,444
Undistributed monies	138,640	-	138,640
Claims payable	131,552	-	131,552
Refundable deposits	-	57,407	57,407
Long-term liabilities:			
Due within one year	1,700,302	191,558	1,891,860
Due in more than one year:			
Net pension liability	18,438,997	1,141,456	19,580,453
Net OPEB liability	7,294,670	769,807	8,064,477
Other amounts due in more than one year	2,273,286	318,941	2,592,227
Total liabilities	<u>33,805,219</u>	<u>2,706,886</u>	<u>36,512,105</u>

(Continued)

City of Vandalia, Ohio
Statement of Net Position
December 31, 2020
(Continued)

	Governmental Activities	Business-Type Activities	Total
<u>Deferred inflows of resources:</u>			
Property taxes	1,393,345	-	1,393,345
Payments in lieu of taxes	50,142	-	50,142
Pension	3,170,212	267,163	3,437,375
OPEB	1,564,351	125,761	1,690,112
Total deferred inflows or resources	<u>6,178,050</u>	<u>392,924</u>	<u>6,570,974</u>
<u>Net position:</u>			
Net investment in capital assets	50,880,711	17,914,412	68,795,123
Restricted for capital projects	1,722,014	-	1,722,014
Restricted for streets and highways	3,069,253	-	3,069,253
Restricted for other purposes	560,359	-	560,359
Unrestricted	305,408	13,990,661	14,296,069
Total net position	<u>\$ 56,537,745</u>	<u>\$ 31,905,073</u>	<u>\$ 88,442,818</u>

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Activities
For the Year Ended December 31, 2020

	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	\$ 3,940,781	\$ 1,654,727	\$ 880,488	\$ -
Judicial system	2,229,576	1,336,520	-	-
Public safety				
Police	6,510,112	13,672	-	-
Fire	3,310,014	456,766	-	-
Public works				
Engineer	1,086,990	589,210	13,363	-
Streets	3,276,781	63,427	2,068,022	112,276
Refuse	1,010,339	986,260	-	-
Recreation	3,579,483	636,253	4,506	-
Interest and fiscal charges	154,643	-	-	-
Total governmental activities	<u>25,098,719</u>	<u>5,736,835</u>	<u>2,966,379</u>	<u>112,276</u>
<u>Business-Type Activities:</u>				
Water	2,163,506	2,563,878	-	152,500
Sewer	1,660,417	1,790,025	-	-
Golf	893,353	757,033	-	-
Total business-type activities	<u>4,717,276</u>	<u>5,110,936</u>	<u>-</u>	<u>152,500</u>
Total primary government	<u>\$ 29,815,995</u>	<u>\$ 10,847,771</u>	<u>\$ 2,966,379</u>	<u>\$ 264,776</u>

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

Change in net position

Net position, beginning of year
Net position, end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (1,405,566)	\$ -	\$ (1,405,566)
(893,056)	-	(893,056)
(6,496,440)	-	(6,496,440)
(2,853,248)	-	(2,853,248)
(484,417)	-	(484,417)
(1,033,056)	-	(1,033,056)
(24,079)	-	(24,079)
(2,938,724)	-	(2,938,724)
(154,643)	-	(154,643)
<u>(16,283,229)</u>	<u>-</u>	<u>(16,283,229)</u>
-	552,872	552,872
-	129,608	129,608
-	<u>(136,320)</u>	<u>(136,320)</u>
-	546,160	546,160
<u>\$ (16,283,229)</u>	<u>\$ 546,160</u>	<u>\$ (15,737,069)</u>
1,380,389	-	1,380,389
16,732,440	-	16,732,440
673,470	-	673,470
484,880	-	484,880
91,376	-	91,376
678,910	-	678,910
29,944	-	29,944
62,458	(62,458)	-
<u>20,133,867</u>	<u>(62,458)</u>	<u>20,071,409</u>
3,850,638	483,702	4,334,340
52,687,107	31,421,371	84,108,478
<u>\$ 56,537,745</u>	<u>\$ 31,905,073</u>	<u>\$ 88,442,818</u>

City of Vandalia, Ohio
Balance Sheet
Governmental Funds
December 31, 2020

	General	Capital Improvement	Police, Fire and Street Capital Improvements	General Obligation Bond Retirement
Assets:				
Equity in pooled cash and investments	\$ 22,480,278	\$ 607,676	\$ 713,266	\$ 118,239
Receivables:				
Income tax	3,322,494	-	-	-
Property and other taxes	1,490,407	-	-	-
Accounts	468,100	-	-	-
Revenue in lieu of taxes	-	-	-	-
Accrued interest	42,954	-	-	-
Due from other governments	206,707	-	-	-
Materials and supplies inventory	13,555	-	-	-
Interfund receivable	400,000	-	-	-
Land held for resale	-	1,497,046	-	-
Total assets	<u>\$ 28,424,495</u>	<u>\$ 2,104,722</u>	<u>\$ 713,266</u>	<u>\$ 118,239</u>
Liabilities:				
Accounts payable	\$ 238,654	\$ 23,777	\$ 7,147	\$ -
Accrued wages and benefits	329,734	-	3,859	-
Matured compensated absences payable	76,254	-	-	-
Interfund payable	-	-	-	-
Due to other governments	185,550	-	4,748	-
Unearned revenue	626	-	-	-
Undistributed monies	138,640	-	-	-
Income tax refunds payable	400,412	-	-	-
Accrued interest payable	-	8,661	-	5,526
Bond anticipation notes payable	-	1,399,000	-	1,096,000
Due to employees	6,444	-	-	-
Total liabilities	<u>1,376,314</u>	<u>1,431,438</u>	<u>15,754</u>	<u>1,101,526</u>
Deferred inflows of resources:				
Property taxes	1,393,345	-	-	-
Payments in lieu of taxes	-	-	-	-
Unavailable revenue - delinquent property taxes	77,355	-	-	-
Unavailable revenue - other	2,338,601	-	-	-
Total deferred inflows of resources	<u>3,809,301</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	13,555	-	-	-
Restricted	-	673,284	697,512	-
Committed	475,177	-	-	-
Assigned	1,818,743	-	-	-
Unassigned	20,931,405	-	-	(983,287)
Total fund balances	<u>23,238,880</u>	<u>673,284</u>	<u>697,512</u>	<u>(983,287)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,424,495</u>	<u>\$ 2,104,722</u>	<u>\$ 713,266</u>	<u>\$ 118,239</u>

See accompanying notes to the basic financial statements.

Other Governmental Funds		Total Governmental Funds
4,917,399	\$	28,836,858
-		3,322,494
-		1,490,407
79,083		547,183
50,142		50,142
-		42,954
1,034,882		1,241,589
87,618		101,173
-		400,000
-		1,497,046
<u>\$ 6,169,124</u>	<u>\$</u>	<u>37,529,846</u>
\$ 10,124	\$	279,702
14,174		347,767
1,761		78,015
400,000		400,000
7,665		197,963
-		626
-		138,640
-		400,412
-		14,187
-		2,495,000
-		6,444
<u>433,724</u>		<u>4,358,756</u>
-		1,393,345
50,142		50,142
-		77,355
<u>1,010,611</u>		<u>3,349,212</u>
<u>1,060,753</u>		<u>4,870,054</u>
87,618		101,173
3,053,393		4,424,189
1,602,631		2,077,808
-		1,818,743
<u>(68,995)</u>		<u>19,879,123</u>
<u>4,674,647</u>		<u>28,301,036</u>
<u>\$ 6,169,124</u>	<u>\$</u>	<u>37,529,846</u>



City of Vandalia, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2020

Total governmental fund balances		\$ 28,301,036
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in funds.		54,091,061
An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		345,514
The internal balance represents the portion of the internal service fund's assets and liabilities that are allocated to the proprietary funds.		(38,761)
Other long-term assets are not available to pay for current-period expenditures and therefore are offset by deferred inflows of resources in the funds:		
Property and other taxes	\$ 77,355	
Income taxes	1,745,457	
Licenses and permits	40,968	
Intergovernmental	1,118,207	
Charges for services	407,992	
Other	36,588	
Total	3,426,567	3,426,567
The net pension and OPEB liabilities are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in the funds:		
Deferred outflows - pension	\$ 2,994,246	
Deferred inflows - pension	(3,170,212)	
Net pension liability	(18,438,997)	
Deferred outflows - OPEB	1,867,362	
Deferred inflows - OPEB	(1,564,351)	
Net OPEB liability	(7,294,670)	
Total	(25,606,622)	(25,606,622)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(7,462)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	\$ (1,130,000)	
Premium on bonds	(2,870)	
State infrastructure bank loan	(795,766)	
OPWC loan	(185,714)	
Compensated absences	(1,859,238)	
Total	(3,973,588)	(3,973,588)
Net position of governmental activities		\$ 56,537,745

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, 2020

	General	Capital Improvement	Police, Fire and Street Capital Improvements	General Obligation Bond Retirement
Revenues:				
Municipal income tax	\$ 13,970,562	\$ -	\$ 2,045,446	\$ -
Property and other taxes	1,363,804	-	-	-
Charges for services	2,468,691	-	-	-
Licenses and permits	436,333	-	-	-
Fines and forfeitures	1,128,905	-	-	-
Intergovernmental	1,017,675	-	394,286	-
Interest	678,910	-	-	-
Payments in lieu of taxes	-	-	-	-
Other	807,135	23,366	19,911	1,000
Total revenue	<u>21,872,015</u>	<u>23,366</u>	<u>2,459,643</u>	<u>1,000</u>
Expenditures:				
Current:				
General government				
Legislative and executive	3,271,883	1,367	-	-
Judicial system	1,770,057	-	-	-
Public safety				
Police	5,227,995	-	321,389	-
Fire	1,971,239	-	110,379	-
Public works				
Engineer	732,965	2,287	-	-
Streets	530,914	-	99,262	-
Refuse	1,010,339	-	-	-
Recreation	2,777,161	108,758	-	-
Capital outlay	915	490,652	912,990	-
Debt service:				
Principal retirement	-	-	560,680	-
Interest and fiscal charges	-	12,003	141,092	5,526
Total expenditures	<u>17,293,468</u>	<u>615,067</u>	<u>2,145,792</u>	<u>5,526</u>
Excess of revenues over (under) expenditures	<u>4,578,547</u>	<u>(591,701)</u>	<u>313,851</u>	<u>(4,526)</u>
Other financing sources (uses):				
Sale of capital assets	563,375	6,050	61,625	-
Transfers - in	12,275	721,679	-	877,127
Transfers - out	(1,748,806)	-	-	-
Total other financing sources (uses)	<u>(1,173,156)</u>	<u>727,729</u>	<u>61,625</u>	<u>877,127</u>
Net change in fund balance	3,405,391	136,028	375,476	872,601
Fund balances at beginning of year	19,833,489	537,256	322,036	(1,855,888)
Fund balances at end of year	<u>\$ 23,238,880</u>	<u>\$ 673,284</u>	<u>\$ 697,512</u>	<u>\$ (983,287)</u>

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 16,016,008
-	1,363,804
279,280	2,747,971
-	436,333
262,789	1,391,694
2,758,744	4,170,705
20,944	699,854
91,376	91,376
46,568	897,980
<u>3,459,701</u>	<u>27,815,725</u>
306,354	3,579,604
165,492	1,935,549
5,734	5,555,118
584,115	2,665,733
229,030	964,282
837,405	1,467,581
-	1,010,339
22,262	2,908,181
557,706	1,962,263
410	561,090
-	158,621
<u>2,708,508</u>	<u>22,768,361</u>
<u>751,193</u>	<u>5,047,364</u>
-	631,050
-	1,611,081
<u>(12,275)</u>	<u>(1,761,081)</u>
<u>(12,275)</u>	<u>481,050</u>
738,918	5,528,414
<u>3,935,729</u>	<u>22,772,622</u>
<u>\$ 4,674,647</u>	<u>\$ 28,301,036</u>

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, 2020

Net change in fund balances - Total governmental funds		\$ 5,528,414
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		
In the current period, these amounts are:		
Capital outlay	\$ 1,962,263	
Capital contributions from enterprise fund	212,458	
Depreciation expense	<u>(3,042,818)</u>	
Excess of capital asset additions and contributions over depreciation expense		(868,097)
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.		
		(146,170)
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	\$ 16,585	
Income taxes	716,432	
Intergovernmental	(119,545)	
Charges for services	67,069	
Licenses and permits	40,867	
Other	<u>(135,114)</u>	
Net change in deferred inflows of resources during the year		586,294
Contractually required contributions are reported as expenditures in the governmental funds however, the statement of activities reports these amounts as deferred outflows.		
Pension		1,569,729
OPEB		19,074
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension		(2,506,933)
OPEB		(680,509)
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	\$ (164,666)	
Decrease in accrued interest	<u>2,124</u>	
Total additional expenditures		(162,542)
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.		
		(51,566)
Repayment of bond and loan principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position.		
		561,090
The amortization of bond premium is reflected as an expense in the statement of activities.		
		<u>1,854</u>
Change in net position of governmental activities		<u>\$ 3,850,638</u>
See accompanying notes to the basic financial statements.		

City of Vandalia, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Municipal income tax	\$ 16,600,000	\$ 16,744,000	\$ 16,594,510	\$ (149,490)
Property and other taxes	1,340,000	1,340,000	1,370,153	30,153
Charges for services	3,408,225	3,408,225	2,471,424	(936,801)
Licenses and permits	386,500	386,500	482,990	96,490
Fines and forfeitures	1,271,550	1,271,550	1,143,108	(128,442)
Intergovernmental	1,081,169	1,081,169	1,024,642	(56,527)
Interest	500,000	500,000	365,776	(134,224)
Other	93,350	800,911	811,209	10,298
Total revenues	<u>24,680,794</u>	<u>25,532,355</u>	<u>24,263,812</u>	<u>(1,268,543)</u>
<u>Expenditures:</u>				
Current:				
General government				
Legislative and executive	5,858,501	6,077,738	5,408,263	669,475
Judicial system	2,039,440	2,010,380	1,790,156	220,224
Public safety				
Police	5,711,811	5,713,106	5,288,507	424,599
Fire	2,677,700	2,859,984	1,992,357	867,627
Public works				
Engineer	833,373	834,498	766,038	68,460
Streets	578,551	589,261	540,948	48,313
Refuse	1,174,427	1,174,427	1,106,387	68,040
Recreation	3,799,007	3,706,713	2,956,442	750,271
Total expenditures	<u>22,672,810</u>	<u>22,966,107</u>	<u>19,849,098</u>	<u>3,117,009</u>
Excess of revenues over expenditures	<u>2,007,984</u>	<u>2,566,248</u>	<u>4,414,714</u>	<u>1,848,466</u>
Other financing sources (uses):				
Sale of capital assets	1,000	564,375	564,524	149
Advances - out	-	(400,000)	(400,000)	-
Transfers - in	-	20,536	25,969	5,433
Transfers - out	(4,427,000)	(3,944,252)	(3,944,252)	-
Total other financing sources (uses)	<u>(4,426,000)</u>	<u>(3,759,341)</u>	<u>(3,753,759)</u>	<u>5,582</u>
Net change in fund balance	(2,418,016)	(1,193,093)	660,955	1,854,048
Fund balance at beginning of year	17,180,177	17,180,177	17,180,177	-
Prior year encumbrances appropriated	1,615,511	1,615,511	1,615,511	-
Fund balance at end of year	<u>\$ 16,377,672</u>	<u>\$ 17,602,595</u>	<u>\$ 19,456,643</u>	<u>\$ 1,854,048</u>

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2020

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Golf	Total	Activities Internal Service
<u>Assets:</u>					
Current assets:					
Equity in pooled cash and investments	\$ 2,911,720	\$ 3,257,750	\$ 456,056	\$ 6,625,526	\$ 430,193
Receivables:					
Accounts	299,384	208,535	203	508,122	-
Materials and supplies inventory	6,327	-	8,220	14,547	-
Inventory held for resale	-	-	10,521	10,521	-
Prepaid items	-	-	-	-	47,067
Total current assets	<u>3,217,431</u>	<u>3,466,285</u>	<u>475,000</u>	<u>7,158,716</u>	<u>477,260</u>
Noncurrent assets:					
Restricted: equity in pooled cash and cash equivalents	38,464	18,943	-	57,407	-
Investment in joint venture	1,624,607	7,632,429	-	9,257,036	-
Capital assets:					
Land and easements	58,424	500	108,945	167,869	-
Construction in progress	47,431	43,431	-	90,862	-
Depreciable capital assets	15,926,589	17,094,860	2,655,954	35,677,403	-
Accumulated depreciation	(7,291,327)	(8,712,536)	(1,727,304)	(17,731,167)	-
Total noncurrent assets	<u>10,404,188</u>	<u>16,077,627</u>	<u>1,037,595</u>	<u>27,519,410</u>	<u>-</u>
Total assets	<u>13,621,619</u>	<u>19,543,912</u>	<u>1,512,595</u>	<u>34,678,126</u>	<u>477,260</u>
<u>Deferred outflows of resources:</u>					
Pension	52,987	50,123	63,012	166,122	-
OPEB	38,874	36,772	46,228	121,874	-
Total deferred outflows of resources	<u>91,861</u>	<u>86,895</u>	<u>109,240</u>	<u>287,996</u>	<u>-</u>
<u>Liabilities:</u>					
Current liabilities:					
Accounts payable	10,154	10,531	7,219	27,904	194
Accrued wages and benefits	6,573	6,817	6,227	19,617	-
Matured compensated absences payable	974	974	2,977	4,925	-
Due to other governments	3,682	3,715	3,670	11,067	-
Due to related parties	94,035	68,518	-	162,553	-
Unearned revenue	-	-	1,651	1,651	-
Compensated absences payable	30,412	30,412	39,691	100,515	-
Claims payable	-	-	-	-	131,746
OPWC loans payable	83,087	7,956	-	91,043	-
Refundable deposits	38,464	18,943	-	57,407	-
Total current liabilities	<u>267,381</u>	<u>147,866</u>	<u>61,435</u>	<u>476,682</u>	<u>131,940</u>
Long-term liabilities:					
Compensated absences payable	37,371	37,371	44,687	119,429	-
OPWC loans payable, net of current portion	194,207	5,305	-	199,512	-
Net pension liability	364,085	344,405	432,966	1,141,456	-
Net OPEB liability	245,542	232,269	291,996	769,807	-
Total long-term liabilities	<u>841,205</u>	<u>619,350</u>	<u>769,649</u>	<u>2,230,204</u>	<u>-</u>
Total liabilities	<u>1,108,586</u>	<u>767,216</u>	<u>831,084</u>	<u>2,706,886</u>	<u>131,940</u>

(Continued)

City of Vandalia, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2020
(Continued)

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Golf	Total	Activities Internal Service
<u>Deferred inflows of resources:</u>					
Pension	85,216	80,610	101,337	267,163	-
OPEB	40,114	37,945	47,702	125,761	-
Total deferred inflows of resources	125,330	118,555	149,039	392,924	-
<u>Net position:</u>					
Net investment in capital assets	8,463,823	8,412,994	1,037,595	17,914,412	-
Unrestricted	4,015,741	10,332,042	(395,883)	13,951,900	345,514
Total net position	\$ 12,479,564	\$ 18,745,036	\$ 641,712	31,866,312	\$ 345,514

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

	38,761
Net position of business-type activities	\$ 31,905,073

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Golf	Total	Internal Service
<u>Operating revenues:</u>					
Charges for services	\$ 2,492,637	\$ 1,672,934	\$ 734,299	\$ 4,899,870	\$ 2,704,889
Tap-in fees	2,200	9,950	-	12,150	-
Other	69,041	23,271	22,734	115,046	147,981
Total operating revenue	2,563,878	1,706,155	757,033	5,027,066	2,852,870
<u>Operating expenses:</u>					
Personal services	453,705	445,503	534,735	1,433,943	-
Contractual services	1,359,855	936,738	141,929	2,438,522	563,962
Supplies and materials	28,479	21,416	119,377	169,272	-
Claims	-	-	-	-	2,345,880
Depreciation	238,452	254,749	59,889	553,090	-
Other	3,571	-	36,039	39,610	-
Total operating expenses	2,084,062	1,658,406	891,969	4,634,437	2,909,842
Operating income (loss)	479,816	47,749	(134,936)	392,629	(56,972)
<u>Nonoperating revenue (expenses):</u>					
Investment in joint venture	(77,433)	83,870	-	6,437	-
Loss on disposal of capital assets	(212,458)	-	-	(212,458)	-
Total nonoperating revenue (expense)	(289,891)	83,870	-	(206,021)	-
Income (loss) before contributions and transfers	189,925	131,619	(134,936)	186,608	(56,972)
Capital contributions	152,500	-	-	152,500	-
Transfers in	-	-	150,000	150,000	-
Total contributions and transfers	152,500	-	150,000	302,500	-
Change in net position	342,425	131,619	15,064	489,108	(56,972)
Net position at beginning of year	12,137,139	18,613,417	626,648		402,486
Net position at end of year	\$ 12,479,564	\$ 18,745,036	\$ 641,712		\$ 345,514

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. (5,406)

Change in net position of business-type activities: \$ 483,702

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Golf	Total	Activities Internal Service
Cash flows from operating activities:					
Cash received from customers	\$ 2,450,313	\$ 1,634,788	\$ 761,026	\$ 4,846,127	\$ -
Cash received from interfund services provided	-	-	-	-	2,853,879
Cash payments for employee services and benefits	(407,619)	(401,154)	(457,828)	(1,266,601)	-
Cash payments to suppliers for goods and services	(1,383,949)	(967,372)	(301,273)	(2,652,594)	(564,761)
Cash payments for claims	-	-	-	-	(2,490,561)
Utility deposits received	7,638	3,762	-	11,400	-
Utility deposits returned	(4,600)	(2,265)	-	(6,865)	-
Net cash provided by (used) for operating activities	661,783	267,759	1,925	931,467	(201,443)
Cash flows from noncapital financing activities:					
Transfers from other funds	-	-	150,000	150,000	-
Net cash provided by noncapital financing activities	-	-	150,000	150,000	-
Cash flows from capital and related financing activities:					
Grants	152,500	-	-	152,500	-
OPWC loan	152,500	-	-	152,500	-
Principal payment on OPWC loan	(17,530)	(2,651)	-	(20,181)	-
Acquisition of capital assets	(590,621)	(2,258)	(35,225)	(628,104)	-
Net cash used for capital and related financing activities	(303,151)	(4,909)	(35,225)	(343,285)	-
Cash flows from investing activities:					
Investment in joint venture	(97,405)	-	-	(97,405)	-
Net cash used for investing activities	(97,405)	-	-	(97,405)	-
Net increase (decrease) in cash and cash equivalents	261,227	262,850	116,700	640,777	(201,443)
Cash and cash equivalents at beginning of year	2,688,957	3,013,843	339,356	6,042,156	631,636
Cash and cash equivalents at end of year	\$ 2,950,184	\$ 3,276,693	\$ 456,056	\$ 6,682,933	\$ 430,193
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 479,816	\$ 47,749	\$ (134,936)	\$ 392,629	\$ (56,972)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	238,452	254,749	59,889	553,090	-
Change in assets and liabilities:					
(Increase) decrease in assets:					
Accounts receivable	(113,565)	(71,367)	4,831	(180,101)	1,009
Materials and supplies inventory	639	-	(916)	(277)	-
Prepaid items	-	-	-	-	(770)
Deferred outflows of resources - pension	96,955	91,714	115,298	303,967	-
Deferred outflows of resources - OPEB	(20,484)	(19,376)	(24,359)	(64,219)	-

(Continued)

City of Vandalia, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Golf	Total	Activities Internal Service
Increase (decrease) in liabilities:					
Accounts payable	2,800	(1,557)	(1,949)	(706)	(29)
Refundable deposits	3,038	1,497	-	4,535	-
Claims payable	-	-	-	-	(144,681)
Unearned revenue	-	-	(838)	(838)	-
Accrued wages and benefits	1,101	1,301	(858)	1,544	-
Compensated absences	5,280	5,280	30,631	41,191	-
Due to related parties	4,482	(7,687)	-	(3,205)	-
Due to other governments	(120)	89	(1,329)	(1,360)	-
Net pension liability	(145,987)	(138,096)	(173,606)	(457,689)	-
Net OPEB liability	11,041	10,444	13,130	34,615	-
Deferred inflows of resources - pension	66,351	62,765	78,904	208,020	-
Deferred inflows of resources - OPEB	31,984	30,254	38,033	100,271	-
Net cash provided by (used for) operating activities	\$ 661,783	\$ 267,759	\$ 1,925	\$ 931,467	\$ (201,443)

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2020

	Custodial
<u>Assets:</u>	
Equity in pooled cash and investments	\$ 3,147,726
Cash and cash equivalents in segregated accounts	99,749
Accounts receivable	350,605
Due from other governments	672,676
Total assets	4,270,756
 <u>Liabilities:</u>	
Held for other governments	\$ 4,171,007
Undistributed monies	99,749
Total liabilities	4,270,756
 <u>Net position:</u>	
Restricted for individuals, organizations and other governments	-
Total net position	\$ -

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2020

	Custodial
<u>Additions:</u>	
Interest, dividends, and other investment income	\$ 13,714
Contributions and rentals	4,235,843
Fines and forfeitures for other governments	1,440,530
Income tax collections for other governments	3,968,347
Total additions	9,658,434
 <u>Deductions:</u>	
Distributions from municipal court to other governments	1,440,530
Administrative expenses	26
Income tax refunds	181,848
Distributions of income tax collections	3,786,477
Payments for joint venture	4,249,553
Total deductions	9,658,434
 Change net position	 -
 Net position beginning of year	 -
Net position end of year	\$ -

See accompanying notes to the basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

The City is associated with the Tri-Cities North Regional Wastewater Authority (Tri-Cities), and the Northern Area Water Authority (NAWA), which are defined as joint ventures. A joint venture is a legal entity or other organization that is a result of a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. These organizations are presented in Note 14.

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

The City is associated with the Economic Development/Government Equity Program (ED/GE), the Butler Township – Vandalia Joint Economic Development District (JEDD) and the Butler Township – Miller Lane Hotel District Joint Economic Development Zone (JEDZ), which are defined as a jointly governed organization. A jointly governed organization is an organization that is governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility on the part of the participating governments. This organization is presented in Note 15.

B. Basis of Presentation

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

C. Fund Accounting

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Governmental Funds

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

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

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

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

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

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

Proprietary Funds

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

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

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

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

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

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and Custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's only fiduciary funds are custodial funds that account for municipal court collections that are distributed to various local governments, the collection of income taxes for other subdivisions, and the activities of the Northern Area Water Authority and Tri-Cities North Regional Wastewater Authority.

D. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

E. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and other postemployment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Notes 12 and 13.

City of Vandalia, Ohio
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For the Year Ended December 31, 2020

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenues. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2020, but which were levied to finance year 2021 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported on the governmental funds balance sheet, and represents receivables/revenues which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, franchise taxes, intergovernmental grants, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Notes 12 and 13)

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 fiduciary net position as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City's treasury. The cash of the Municipal Court is included in this line item.

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

During the year, the City invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2020, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice is appreciated 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

City of Vandalia, Ohio
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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 2020 amounted to \$678,910, which includes \$257,995 assigned from other City funds.

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

G. Inventory

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

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

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

H. Restricted Assets

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

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

I. Interfund Balances

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

J. Prepaids

Payments made to vendors for services that will benefit periods beyond December 31, 2020 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure or expense is reported in the year in which services are consumed.

K. Land Held for Resale

Land held for resale represent land received by the City, which will be sold.

L. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are 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, easements, 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.

M. Pension and other postemployment benefits (OPEB) liabilities

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

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

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

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

N. Compensated Absences

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

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

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

O. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences and the net pension/OPEB liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

P. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

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

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

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

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

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

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

Q. Net Position

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

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

R. Operating Revenues and Expenses

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

S. Bond Premiums/Issuance Costs

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

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

T. 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.

U. 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.

V. Budgetary Process

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

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

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

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

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

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

City of Vandalia, Ohio
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3. Encumbrances are treated as expenditures (budget) rather than included as part of restricted, committed, or assigned fund balance (GAAP).
4. Advances in and advances out (“repayment of advances”) are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. The change in fair value of investments is not included on the budget operating statement. This amount is included as revenue on the GAAP basis operating statement.
6. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.
7. The City’s portion of the activity of the Municipal Court is not included on the budgetary statement. This activity is included on the GAAP basis operating statement.
8. The revenues, expenditures and other financing sources and uses of the general fund include activity that is budgeted within special revenue funds (GAAP basis). However, on the budgetary basis, the activity of the special revenue funds is excluded resulting in perspective differences.

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

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$ 3,405,391
Revenue accruals	2,556,640
Expenditure accruals	(6,871,108)
Advances out	(400,000)
Expenditures	62,467
Transfer from general fund	(150,000)
Encumbrances (Budget Basis) outstanding at year end	<u>2,057,565</u>
Budget Basis	<u>\$ 660,955</u>

City of Vandalia, Ohio
Notes to the Basic Financial Statements
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NOTE 3 – FUND BALANCE

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

Fund Balances	<u>General</u>	<u>Capital Improvement</u>	<u>Police, Fire and Street Capital Improvements</u>	<u>General Obligation Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Nonspendable</u>						
Materials and supplies inventory	\$ 13,555	\$ -	\$ -	\$ -	\$ 87,618	\$ 101,173
<u>Restricted for</u>						
Streets and highways	-	-	-	-	2,115,420	2,115,420
Court activities	-	-	-	-	326,990	326,990
Police services	-	-	-	-	252,255	252,255
Capital improvements	-	673,284	697,512	-	358,728	1,729,524
Total restricted	-	673,284	697,512	-	3,053,393	4,424,189
<u>Committed</u>						
Employee retirements	475,177	-	-	-	-	475,177
Capital improvements	-	-	-	-	1,250,000	1,250,000
Stormwater system	-	-	-	-	352,631	352,631
Total committed	475,177	-	-	-	1,602,631	2,077,808
<u>Assigned</u>						
Various purchases on order*	1,818,743	-	-	-	-	1,818,743
Unassigned (deficit)	20,931,405	-	-	(983,287)	(68,995)	19,879,123
Total fund balances	<u>\$ 23,238,880</u>	<u>\$ 673,284</u>	<u>\$ 697,512</u>	<u>\$ (983,287)</u>	<u>\$ 4,674,647</u>	<u>\$ 28,301,036</u>

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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Custodial Credit Risk is the risk that in the event of bank failure, the government’s deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured. If the institution participates in the Ohio Pooled Collateral System (OPCS), the total market value of the securities pledged can be one hundred two percent or lower if permitted by the Treasurer of State.

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

Deposits: At year-end, the carrying amount of the City’s deposits was \$15,222,723, and \$4,273,981 of the City’s total bank balance of \$15,491,118 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized.

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

Investment Type	Fair Value	Percentage of Investments	Investment Maturities (in years)		
			Less than 1 year	1 - 2 years	More than 2 years
Federal Home Loan Mortgage Corporation Bonds	\$ 1,744,384	7.28%	\$ -	\$ -	\$ 1,744,384
Federal Home Loan Bank Bonds	523,775	2.19%	-	-	523,775
Federal Farm Credit Bank Bonds	2,406,492	10.04%	-	-	2,406,492
Federal National Mortgage Association Bonds	1,170,329	4.88%	-	-	1,170,329
Commerical paper	3,613,703	15.08%	3,613,703	-	-
Negotiable certificates of deposit	11,256,590	46.97%	999,076	5,086,670	5,170,844
STAR Ohio	<u>1,980,989</u>	8.27%	<u>1,980,989</u>	<u>-</u>	<u>-</u>
Investments recorded in custodial fund:					
STAR Ohio	<u>1,268,704</u>	5.29%	<u>1,268,704</u>	<u>-</u>	<u>-</u>
Total investments recorded in custodial fund	<u>1,268,704</u>	<u>5.29%</u>	<u>1,268,704</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 23,964,966</u>	<u>100.00%</u>	<u>\$ 7,862,472</u>	<u>\$ 5,086,670</u>	<u>\$ 11,015,824</u>

City of Vandalia, Ohio
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The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The preceding table identifies the City's recurring fair value measurement as of December 31, 2020. As previously discussed Star Ohio is reported at its net asset value. All other investments of the City are valued using Level 2 inputs using valuations techniques that incorporate market data for similar investments, broker quotes and inactive transactions prices.

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

Interest Rate Risk – The City's investment policy states that the maximum maturity for any investment is limited to a final stated maturity of seven years, an expected call of seven years, or an expected average life of seven years, where the average life is estimated by nationally recognized firms independent of the dealer selling the security to the City. The City holds various agency securities of which some are callable in fiscal year 2021.

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

Concentration of Credit Risk – The City's investment policy states that the portfolio shall be diversified so as to avoid concentrations of credit risk from any rated issuer: (1) At the time of purchase, aggregate collateralized investments in the obligations of any financial institution are limited to the greater of \$1,000,000 or 20% of the portfolio, where eligible collateral is defined by the Ohio Revised Code; (2) At the time of purchase, aggregate investments in the obligations of any U.S. corporation and non-collateralized investments in the obligations of any financial institution are limited to the greater of \$500,000 or 10% of the portfolio. Investments in eligible short term investments which can be readily converted to cash within 48 hours are limited to the greater of \$2,500,000 or 30% of the portfolio. More than 5% of the City's investments are in FHLMB, FFCB bonds and commercial paper. The table above is the City's allocation as of December 31, 2020.

NOTE 5 – RECEIVABLES

Receivables at December 31, 2020, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, 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.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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 2020 for real and public utility property taxes represents collections of the 2019 taxes. Property tax payments received during 2020 for tangible personal property (other than public utility property) is for 2020 taxes.

2020 real property taxes are levied after October 1, 2020, on the assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35% of appraised market value. 2020 real property taxes are collected in and intended to finance 2021.

Public utility property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2020 public utility property taxes became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2020, was \$4.14 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2019 property tax receipts were based are as follows:

<u>Property Category</u>	<u>Assessed Value</u>
<u>Real Property</u>	
Residential and agricultural	\$ 262,592,110
Commercial and industrial	122,449,460
Public utilities	49,830
<u>Personal Property</u>	
Public utilities	<u>9,171,630</u>
Total	<u>\$ 394,263,030</u>

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Vandalia. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2020, and for which there is an enforceable legal claim. In the general fund, the entire receivable has been offset by deferred inflow of resources since the current taxes were not levied to finance 2020 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been recorded as a deferred inflow of resources.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Income Taxes

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

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

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

Due from Other Governments

A summary of due from other governments follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Local Government and Local Government	
Revenue Assistance	\$ 117,588
Homestead and Rollback	85,591
Gasoline and Excise Tax	490,801
Motor Vehicle License Fees	541,072
Permissive Motor Vehicle License Tax	3,008
Other	3,529
Total	<u>\$ 1,241,589</u>

NOTE 6 - RISK MANAGEMENT

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

The City pays an annual premium to MVRMA that is intended to cover administrative expenses and any claims covered by the pool. MVRMA has the ability to require member cities to make supplemental payments in the event reserves are not adequate to cover claims. An actuarial opinion issued as of December 31, 2020, indicates reserves in excess of anticipated claims. There were no settled claims from these risks that have exceeded commercial insurance coverage for the past three years and there has been no significant reduction in coverages from last year.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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

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

During 2020, a total of \$2,909,842 was paid in benefits and administrative costs. The liability for unpaid claims cost of \$131,552, reported in the hospital care internal service fund at December 31, 2020, is based on the requirements of Governmental Accounting Standards Board Statement No. 30 and will be processed and paid in 2021. 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 2021, which were incurred in 2020 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>
2019 \$	284,235	2,382,415	2,390,417	276,233
2020 \$	276,233	2,345,880	2,490,561	131,552

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

	Balance <u>12/31/2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>12/31/2020</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 5,640,619	\$ -	\$ (21,960)	\$ 5,618,659
Easements	376,999	-	-	376,999
Construction in progress	<u>271,323</u>	<u>521,555</u>	<u>-</u>	<u>792,878</u>
Total capital assets, not being depreciated	<u>6,288,941</u>	<u>521,555</u>	<u>(21,960)</u>	<u>6,788,536</u>
Capital assets, being depreciated				
Buildings and improvements	31,557,910	107,209	(380,141)	31,284,978
Equipment	7,730,802	481,382	(126,290)	8,085,894
Vehicles	6,422,721	414,979	(308,377)	6,529,323
Infrastructure				
Storm sewers, bridges and culverts	12,663,513	56,443	-	12,719,956
Streets, sidewalks and curbs	40,749,795	586,268	-	41,336,063
Traffic signals	2,481,077	-	-	2,481,077
Street lighting	<u>1,792,153</u>	<u>6,885</u>	<u>-</u>	<u>1,799,038</u>
Total capital assets, being depreciated	<u>103,397,971</u>	<u>1,653,166</u>	<u>(814,808)</u>	<u>104,236,329</u>
Less: accumulated depreciation				
Buildings and improvements	(14,479,500)	(633,664)	276,327	(14,836,837)
Equipment	(4,498,964)	(416,672)	105,894	(4,809,742)
Vehicles	(4,767,079)	(568,958)	308,377	(5,027,660)
Infrastructure				
Storm sewers, bridges and culverts	(6,410,157)	(222,956)	-	(6,633,113)
Streets, sidewalks and curbs	(22,436,937)	(1,000,533)	-	(23,437,470)
Traffic signals	(1,355,403)	(108,725)	-	(1,464,128)
Street lighting	<u>(633,544)</u>	<u>(91,310)</u>	<u>-</u>	<u>(724,854)</u>
Total accumulated depreciation	<u>(54,581,584)</u>	<u>(3,042,818)</u>	<u>690,598</u>	<u>(56,933,804)</u>
Total capital assets, being depreciated, net	<u>48,816,387</u>	<u>(1,389,652)</u>	<u>(124,210)</u>	<u>47,302,525</u>
Governmental activities capital assets, net	<u>\$ 55,105,328</u>	<u>\$ (868,097)</u>	<u>\$ (146,170)</u>	<u>\$ 54,091,061</u>

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Depreciation expense was charged to governmental functions as follows:

General government	
Legislative and executive	\$ 154,753
Judicial system	77,821
Public safety	
Police	317,419
Fire	345,587
Public works	
Engineer	19,944
Streets	1,693,278
Recreation	434,016
Total depreciation expense	<u>\$ 3,042,818</u>

	<u>Balance</u> <u>12/31/2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2020</u>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 167,369	\$ -	\$ -	\$ 167,369
Easements	500	-	-	500
Construction in progress	<u>79,872</u>	<u>10,990</u>	<u>-</u>	<u>90,862</u>
Total assets not being depreciated	<u>247,741</u>	<u>10,990</u>	<u>-</u>	<u>258,731</u>
Capital assets, being depreciated				
Buildings and improvements	2,995,507	-	-	2,995,507
Equipment	1,107,581	35,225	-	1,142,806
Vehicles	348,618	-	(21,754)	326,864
Infrastructure				
Water lines	13,597,065	584,363	(212,458)	13,968,970
Sewer lines	16,935,779	-	-	16,935,779
Golf cart paths and sprinkler systems	<u>307,477</u>	<u>-</u>	<u>-</u>	<u>307,477</u>
Total capital assets, being depreciated	<u>35,292,027</u>	<u>619,588</u>	<u>(234,212)</u>	<u>35,677,403</u>
Less: accumulated depreciation				
Buildings and improvements	(1,857,347)	(34,834)	-	(1,892,181)
Equipment	(691,296)	(56,279)	-	(747,575)
Vehicles	(348,618)	-	21,754	(326,864)
Infrastructure				
Water lines	(5,769,617)	(210,048)	-	(5,979,665)
Sewer lines	(8,367,146)	(246,892)	-	(8,614,038)
Golf cart paths and sprinkler systems	<u>(165,807)</u>	<u>(5,037)</u>	<u>-</u>	<u>(170,844)</u>
Total accumulated depreciation	<u>(17,199,831)</u>	<u>(553,090)</u>	<u>21,754</u>	<u>(17,731,167)</u>
Total capital assets, being depreciated, net	<u>18,092,196</u>	<u>66,498</u>	<u>(212,458)</u>	<u>17,946,236</u>
Business-type activities capital assets, net	<u>\$ 18,339,937</u>	<u>\$ 77,488</u>	<u>\$ (212,458)</u>	<u>\$ 18,204,967</u>

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

During the year several assets were acquired in the water funds and subsequently transferred to governmental activities before depreciation. The water fund transferred \$212,458 in infrastructure. These assets are being depreciated in the governmental activities.

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

Water	\$ 238,452
Sewer	254,749
Golf	<u>59,889</u>
Total depreciation expense	<u>\$ 553,090</u>

NOTE 8 – LAND HELD FOR RESALE

Assets held for resale represent 57.107 parcels received, which will be sold for future development/ownership. At December 31, 2020, the City had land held for resale with a value of \$1,497,046.

NOTE 9 - 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, 2020

NOTE 10 - LONG-TERM DEBT

A schedule of changes in bonds and other long-term obligations of the City during 2020 follows:

	Amount Outstanding <u>12/31/2019</u>	<u>Increases</u>	<u>Decreases</u>	Amount Outstanding <u>12/31/2020</u>	Amount Due in <u>One Year</u>
Governmental activities					
<u>Unvoted general obligation bonds</u>					
2009 Various purpose limited tax					
bonds, 2.0% - 4.1%	\$ 1,475,000	\$ -	\$ (345,000)	\$ 1,130,000	\$ 365,000
Premium on bonds	<u>4,724</u>	-	<u>(1,854)</u>	<u>2,870</u>	-
Total unvoted general obligation bonds	<u>1,479,724</u>	-	<u>(346,854)</u>	<u>1,132,870</u>	<u>365,000</u>
Loans from direct borrowings:					
2014 State infrastructure bank loan	1,008,305	-	(212,539)	795,766	218,963
2019 OPWC loan	167,961	-	-	167,961	50,388
2017 OPWC loan	<u>21,304</u>	-	<u>(3,551)</u>	<u>17,753</u>	<u>10,653</u>
Total loans from direct borrowings	<u>1,197,570</u>	-	<u>(216,090)</u>	<u>981,480</u>	<u>280,004</u>
Other long-term obligations:					
Compensated absences	<u>1,694,572</u>	<u>1,121,533</u>	<u>(956,867)</u>	<u>1,859,238</u>	<u>1,055,298</u>
Total other long-term obligations	<u>1,694,572</u>	<u>1,121,533</u>	<u>(956,867)</u>	<u>1,859,238</u>	<u>1,055,298</u>
Net pension liability:					
OPERS	12,186,591	-	(3,487,902)	8,698,689	-
OP&F	<u>11,345,501</u>	-	<u>(1,605,193)</u>	<u>9,740,308</u>	-
Total net pension liability	<u>23,532,092</u>	-	<u>(5,093,095)</u>	<u>18,438,997</u>	-
Net OPEB liability:					
OPERS	5,602,665	263,791	-	5,866,456	-
OP&F	<u>1,265,745</u>	<u>162,469</u>	-	<u>1,428,214</u>	-
Total net OPEB liability	<u>6,868,410</u>	<u>426,260</u>	-	<u>7,294,670</u>	-
Total governmental activities long-term liabilities	<u>\$ 34,772,368</u>	<u>\$ 1,547,793</u>	<u>\$ (6,612,906)</u>	<u>\$ 29,707,255</u>	<u>\$ 1,700,302</u>

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

	Amount Outstanding <u>12/31/2019</u>	<u>Increases</u>	<u>Decreases</u>	Amount Outstanding <u>12/31/2020</u>	Amount Due in <u>One Year</u>
Business-type activities					
Loans from direct borrowings:					
2017 OPWC loan	\$ 40,237	\$ -	\$ (6,706)	\$ 33,531	\$ 20,118
2018 OPWC loan	67,009	-	(8,376)	58,633	25,128
2019 OPWC loan	50,990	-	(5,099)	45,891	15,297
2020 OPWC loan	-	62,500	-	62,500	12,500
2020 OPWC loan	-	90,000	-	90,000	18,000
Total loans from direct borrowings	<u>158,236</u>	<u>152,500</u>	<u>(20,181)</u>	<u>290,555</u>	<u>91,043</u>
Other long-term obligations:					
Compensated absences	<u>177,871</u>	<u>133,003</u>	<u>(90,930)</u>	<u>219,944</u>	<u>100,515</u>
Total other long-term obligations	<u>177,871</u>	<u>133,003</u>	<u>(90,930)</u>	<u>219,944</u>	<u>100,515</u>
Net pension liability - OPERS	1,599,145	-	(457,689)	1,141,456	-
Net OPEB liability - OPERS	<u>735,192</u>	<u>34,615</u>	<u>-</u>	<u>769,807</u>	<u>-</u>
Total net pension/OPEB liability	<u>2,334,337</u>	<u>34,615</u>	<u>(457,689)</u>	<u>1,911,263</u>	<u>-</u>
Total business-type activities long-term liabilities	<u>\$ 2,670,444</u>	<u>\$ 320,118</u>	<u>\$ (568,800)</u>	<u>\$ 2,421,762</u>	<u>\$ 191,558</u>

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

During 2014, the City entered into a State Infrastructure Bank (SIB) direct loan with the Ohio Department of Transportation (ODOT) in the amount of \$1,652,215 of which \$308,334 was received in 2014, \$866,421 during 2015, \$161,775 during 2016 and \$75,391 during 2017, respectively. The remaining amount of \$240,294 was received during 2018.

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

During 2018, the City entered into a loan agreement with the Ohio Public Works Commission (OPWC). The loan is for a water project. The loan will be repaid in annual installments of \$16,752, maturing in 2023. Principal is paid out of the water fund.

During 2019, the City entered into two loan agreements with the Ohio Public Works Commission (OPWC) in the amounts of \$167,961 and \$50,990. The loans are for a street reconstruction and water main project. The loans will be repaid in semiannual installments of \$16,796 and \$5,099, maturing in 2025 and 2024, respectively. Principal is paid out of the stormwater special revenue fund, the police, fire and street capital improvements capital projects fund and the water fund.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

During 2020, the City entered into two loan agreements with the Ohio Public Works Commission (OPWC) in the amounts of \$62,500 and \$90,000. The loans are for two water main projects. The loans will be repaid in semiannual installments of \$12,500 and \$18,000, maturing in 2025. Principal will be paid out of the water fund.

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

The City pays net pension/OPEB liability obligations from the fund benefitting from employee services. In the past this has been the general fund, the street, computer legal research, stormwater and magistrate special revenue funds, police, fire and street capital improvements capital projects fund and the water, sewer and golf enterprise funds.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2020, are as follows:

Year ending <u>December 31,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 365,000	\$ 45,777	\$ 410,777
2022	375,000	31,178	406,178
2023	390,000	15,990	405,990
Total	<u>\$ 1,130,000</u>	<u>\$ 92,945</u>	<u>\$ 1,222,945</u>

Year ending <u>December 31,</u>	<u>Governmental Activities</u>			OPWC Loan
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>
2021	\$ 218,963	\$ 22,243	\$ 241,206	\$ 61,041
2022	225,582	15,625	241,207	40,693
2023	232,400	8,806	241,206	33,592
2024	118,821	1,782	120,603	33,592
2025	-	-	-	16,796
Total	<u>\$ 795,766</u>	<u>\$ 48,456</u>	<u>\$ 844,222</u>	<u>\$ 185,714</u>

<u>Business-type Activities</u>	
Year ending <u>December 31,</u>	<u>OPWC Loan Principal</u>
2021	\$ 91,043
2022	70,863
2023	57,451
2024	40,698
2025	30,500
Total	<u>\$ 290,555</u>

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

NOTE 11 – SHORT TERM OBLIGATIONS

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

	<u>Balance</u> <u>12/31/2019</u>	<u>Increase</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2020</u>
Capital projects fund:				
Capital improvement, 1.5%	\$ -	\$ 1,399,000	\$ -	\$ 1,399,000
Capital improvement, 3.25%	1,399,000	-	(1,399,000)	-
Debt service fund:				
Various purpose, 1.5%	-	1,096,000	-	1,096,000
Various purpose, 2.125%	<u>1,961,000</u>	<u>-</u>	<u>(1,961,000)</u>	<u>-</u>
Total governmental activities	<u>\$ 3,360,000</u>	<u>\$ 2,495,000</u>	<u>\$ (3,360,000)</u>	<u>\$ 2,495,000</u>

In August of 2020, the City paid off \$1,399,000 in bond anticipation notes and issued \$1,399,000 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 2021.

In September of 2020, the City paid off \$1,961,000 in bond anticipation notes and issued \$1,096,000 in bond anticipation notes. The bond anticipation notes were issued for a current refunding of the 2004 Refunding Various Purpose bonds during 2014 and for a new fire truck. The general obligation bond retirement debt service fund will retire these debts.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

Net pension liability

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

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

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

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

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

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS Comprehensive Annual Financial Report referenced above for additional information):

City of Vandalia, Ohio
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Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years <u>after January 7, 2013</u>	20 years of service credit prior to January 7, 2013 or eligible to retire <u>ten years after January 7, 2013</u>	Members not in other Groups and members hired on or after <u>January 7, 2013</u>
State and Local	State and Local	State and Local
Age and service requirements:	Age and service requirements:	Age and service requirements:
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	Formula:	Formula:
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

Once a benefit recipient retiring under the Traditional Plan has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided on the member's base benefit. Members retiring under the Combined Plan receive a cost-of-living adjustment on the defined benefit portion of their retirement benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent. Additionally, a death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional and Combined Plan.

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

	<u>State and Local</u>
2020 Statutory maximum contribution rates	
Employer	14.00%
Employee	10.00%
2020 Actual contribution rates	
Employer:	
Pension	14.00%
Post-employment health care benefits	<u>0.00%</u>
Total employer	<u>14.00%</u>
Employee	<u>10.00%</u>

City of Vandalia, Ohio
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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$906,516 for 2020. Of this amount, \$104,111 is reported as due to other governments.

Ohio Police and Firemen's Disability and Pension Fund

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 Street East Town, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. (See OP&F Comprehensive Annual Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan (DROP) provisions and reduced and unreduced benefits.)

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

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

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

	<u>Police</u>	<u>Firefighters</u>
2020 Statutory maximum contribution rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
 2020 Actual contribution rates		
Employer:		
Pension	19.00%	23.50%
Post-employment health care benefits	<u>0.50%</u>	<u>0.50%</u>
Total employer	<u>19.50%</u>	<u>24.00%</u>
Employee	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$768,369 for 2020. Of this amount \$99,256 is reported as due to other governments.

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

The net pension liability for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability - prior measurement date	0.0503350%	0.1389930%	
Proportion of the net pension liability - current measurement date	<u>0.0497840%</u>	<u>0.1445893%</u>	
Change in proportionate share	<u>-0.0005510%</u>	<u>0.0055963%</u>	
 Proportionate share of the net pension liability	 \$ 9,840,145	 \$ 9,740,308	 \$ 19,580,453
Pension expense	\$ 1,374,599	\$ 1,291,788	\$ 2,666,387

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At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 368,702	\$ 368,702
Changes of assumptions	525,579	239,099	764,678
Changes in proportionate share and differences between City contributions and proportionate share of contributions	-	352,103	352,103
City contributions subsequent to the measurement date	<u>906,516</u>	<u>768,369</u>	<u>1,674,885</u>
Total deferred outflows of resources	<u>\$ 1,432,095</u>	<u>\$ 1,728,273</u>	<u>\$ 3,160,368</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 124,415	\$ 502,347	\$ 626,762
Net difference between projected and actual earnings on pension plan investments	1,962,888	470,535	2,433,423
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>215,828</u>	<u>161,362</u>	<u>377,190</u>
Total deferred inflows of resources	<u>\$ 2,303,131</u>	<u>\$ 1,134,244</u>	<u>\$ 3,437,375</u>

\$1,674,885 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year ending December 31:			
2021	\$ (419,580)	\$ (66,200)	\$ (485,780)
2022	(659,859)	15,241	(644,618)
2023	81,283	254,480	335,763
2024	(779,396)	(360,933)	(1,140,329)
2025	<u>-</u>	<u>(16,928)</u>	<u>(16,928)</u>
Total	<u>\$ (1,777,552)</u>	<u>\$ (174,340)</u>	<u>\$ (1,951,892)</u>

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Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Experience study	5 - year period ended December 31, 2015
Wage inflation	3.25 percent
Future salary increases, including inflation -Traditional plan	3.25 percent to 10.75 percent
Future salary increases, including inflation - Combined plan	3.25 percent to 8.25 percent
COLA or Ad Hoc COLA	Pre January 7, 2013 retirees, 3 percent, simple Post January 7, 2013 retirees, 1.4 percent, simple through 2020, then 2.15 percent, simple
Investment rate of return	7.2 percent
Actuarial cost method	Individual entry age

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2% for 2019.

City of Vandalia, Ohio
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The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

<u>Asset class</u>	<u>Target allocation</u>	Weighted average long-term expected real rate of return <u>(arithmetic)</u>
Fixed income	25.00%	1.83%
Domestic equities	19.00%	5.75%
Real estate	10.00%	5.20%
Private equity	12.00%	10.70%
International equities	21.00%	7.66%
Other investments	<u>13.00%</u>	<u>4.98%</u>
Total	<u>100.00%</u>	<u>5.61%</u>

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2%) or one-percentage-point higher (8.2%) than the current rate:

	1% Decrease <u>(6.20%)</u>	Current discount rate <u>(7.20%)</u>	1% Increase <u>(8.20%)</u>
City's proportionate share of the net pension liability	\$ 16,229,584	\$ 9,840,145	\$ 4,096,228

City of Vandalia, Ohio
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Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2019 is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2019, are presented below:

Valuation date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial cost method	Entry age normal
Investment rate of return	8.00 percent
Projected salary increases	3.75 percent to 10.5 percent
Payroll increases	3.25 percent
Inflation assumptions	2.75 percent
Cost of living adjustments	2.20 percent and 3.00 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68 - 77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60 - 69	60%	45%
70 - 79	75%	70%
80 and up	100%	90%

The most recent experience study was completed December 31, 2016.

City of Vandalia, Ohio
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The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019 are summarized below:

Asset <u>class</u>	Target <u>Allocation</u>	Long-term expected <u>real rate of return</u>
Cash and cash equivalents	0.00%	1.00%
Domestic equity	16.00%	5.40%
Non-US equity	16.00%	5.80%
Private markets	8.00%	8.00%
Core fixed income *	23.00%	2.70%
High yield	7.00%	4.70%
Private credit	5.00%	5.50%
U.S. inflation linked bonds*	17.00%	2.50%
Master limited partnerships	8.00%	6.60%
Real Assets	8.00%	7.40%
Real estate	<u>12.00%</u>	6.40%
Total	<u>120.00%</u>	

Note: Assumptions are geometric

* Levered 2x.

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

Discount Rate The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

City of Vandalia, Ohio
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	1% Decrease <u>(7.00%)</u>	Current discount rate <u>(8.00%)</u>	1% Increase <u>(9.00%)</u>
City's proportionate share of the net pension liability	\$ 13,499,728	\$ 9,740,308	\$ 6,595,926

NOTE 13 - POSTEMPLOYMENT BENEFITS

Net OPEB liability

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Comprehensive Annual Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2020.

City of Vandalia, Ohio
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Ohio Police and Firemen's Disability and Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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 is 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. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent 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.

The OP&F Board of Trustees is also 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 contractually required contribution to OP&F was \$19,074 for 2020. Of this amount, \$2,480 is reported as due to other governments.

City of Vandalia, Ohio
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OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability - prior measurement date	0.0486120%	0.1389930%	
Proportion of the net OPEB liability - current measurement date	<u>0.0480450%</u>	<u>0.1445893%</u>	
Change in proportionate share	<u>-0.0005670%</u>	<u>0.0055963%</u>	
Proportionate share of the net OPEB liability	\$ 6,636,263	\$ 1,428,214	\$ 8,064,477
OPEB expense	\$ 609,228	\$ 141,948	\$ 751,176

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 178	\$ -	\$ 178
Changes of assumptions	1,050,450	834,989	1,885,439
Changes in proportionate share and differences between City contributions and proportionate share of contributions	-	84,545	84,545
City contributions subsequent to the measurement date	-	<u>19,074</u>	<u>19,074</u>
Total deferred outflows of resources	<u>\$ 1,050,628</u>	<u>\$ 938,608</u>	<u>\$ 1,989,236</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 606,917	\$ 153,590	\$ 760,507
Net difference between projected and actual earnings on OPEB plan investments	337,917	65,721	403,638
Changes of assumptions	-	304,374	304,374
Changes in proportionate share and differences between City contributions and proportionate share of contributions	<u>139,311</u>	<u>82,282</u>	<u>221,593</u>
Total deferred inflows of resources	<u>\$ 1,084,145</u>	<u>\$ 605,967</u>	<u>\$ 1,690,112</u>

City of Vandalia, Ohio
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\$19,074 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year ending December 31:			
2021	\$ 51,210	\$ 53,211	\$ 104,421
2022	59,400	53,211	112,611
2023	269	66,692	66,961
2024	(144,396)	45,437	(98,959)
2025	-	56,053	56,053
Thereafter	-	38,963	38,963
Total	\$ (33,517)	\$ 313,567	\$ 280,050

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Experience study	5 - year period ended December 31, 2015
Wage inflation	3.25 percent
Projected salary increases	3.25 to 10.75 percent (includes wage inflation at 3.25 percent)
Single discount rate:	
Current measurement date	3.16 percent
Prior measurement date	3.96 percent
Investment rate of return	6.00 percent
Municipal bond rate	2.75 percent
Health care cost trend rate	10.0 percent, initial 3.5 percent, ultimate in 2030
Actuarial cost method	Individual entry age normal

City of Vandalia, Ohio
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Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 19.7 percent for 2019.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

<u>Asset class</u>	<u>Target allocation</u>	Weighted average long-term expected real rate of return <u>(arithmetic)</u>
Fixed income	36.00%	1.53%
Domestic equities	21.00%	5.75%
Real estate investment trust	6.00%	5.69%
International equities	23.00%	7.66%
Other investments	<u>14.00%</u>	<u>4.90%</u>
Total	<u>100.00%</u>	<u>4.55%</u>

City of Vandalia, Ohio
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Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease <u>(2.16%)</u>	Current discount rate <u>(3.16%)</u>	1% Increase <u>(4.16%)</u>
Proportionate share of the net OPEB liability	\$ 8,684,614	\$ 6,636,263	\$ 4,996,200

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost

Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

	1% Decrease	Current health care cost trend rate <u>assumption</u>	1% Increase
Proportionate share of the net OPEB liability	\$6,440,432	\$6,636,263	\$6,829,597

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

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On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial cost method	Entry age normal
Investment rate of return	8.0 percent
Projected salary increases	3.75 percent to 10.5 percent
Payroll growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.56 percent
Prior measurement date	4.66 percent
Cost of living adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

City of Vandalia, Ohio
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Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68 - 77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60 - 69	60%	45%
70 - 79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

Discount Rate For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2033, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

City of Vandalia, Ohio
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	1% Decrease <u>(2.56%)</u>	Current discount rate <u>(3.56%)</u>	1% Increase <u>(4.56%)</u>
City's proportionate share of the net OPEB liability	\$ 1,770,893	\$ 1,428,214	\$ 1,143,471

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

Changes between Measurement Date and Report Date There was a decrease in the discount rate from 4.66 percent at the prior measurement date to 3.56 percent at the current measurement date. There are no changes to benefit terms.

NOTE 14 - JOINT VENTURES

Tri-Cities North Regional Wastewater Authority

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

The Tri-Cities North Regional Wastewater Authority (Tri-Cities) is a joint venture among the cities of Vandalia, Huber Heights and Tipp City. Tri-Cities is governed by a management board consisting of the city managers of the three cities. The board has complete authority over all aspects of the operation. Tri-Cities supplies all participating residents of the member cities with sewer services. Each city owns the sewage lines located in its city and bills its residents for usage. Continued existence of Tri-Cities is dependent on the City's continued participation and the City does have an equity interest. The percentage of equity interest for each City is based on annual usage and is adjusted each year accordingly. The City's equity interest is \$7,632,431 which represents 26.19% 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 \$850,833 for services provided in 2020. Tri-Cities had four OWDA Loans outstanding at December 31, 2020, in the amounts of \$65,994, \$595,496, \$4,239,041 and \$1,970,875 for a total of \$6,871,406. 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.

City of Vandalia, Ohio
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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. The City's equity interest is \$1,624,607 which represents 50% of the total equity of NAWA as of December 31, 2020.

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, 2020, NAWA has two outstanding loans with OWDA in the amount of \$16,907,054 and \$443,922 for the water treatment plant construction. The City of Vandalia paid \$1,274,540 for services provided in 2020. Complete financial statements can be obtained from the Northern Area Water Authority, c/o City of Vandalia, 333 J.E. Bohanan Drive, Vandalia, Ohio 45377.

NOTE 15 - JOINTLY GOVERNED ORGANIZATION

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

The ED/GE Advisory Committee, made up of alternating member entities' representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute to or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those communities experiencing less economic growth. The City has agreed to be a member for ten years, ending December 31, 2029. 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 did not make any contributions to ED/GE during 2019. Financial information may be obtained by writing to Linda Gum, Administrative Assistant, 451 West Third Street, Dayton, Ohio, 45402.

City of Vandalia, Ohio
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The City participates in two jointly governed organizations with the Butler Township. The first organization is known as the Butler Township – Vandalia Joint Economic Development District (JEDD), which the Township and the Cities have entered into the contracts to create and provide for the operation of the JEDD agreement in accordance with Sections 715.72 through 715.83 of the Revised Code for their mutual benefit and for the benefit of their residents and the State of Ohio. The second organization is known as the Butler Township – Miller Lane Hotel District Joint Economic Development Zone (JEDZ). The Township and City have entered into the contracts to create and provide for the operation of the JEDZ agreement in accordance with Section 715.691 of the Ohio Revised Code.

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, 2020, the audits of these programs have not been completed. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 17 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers and Due to/from other funds for the year ended December 31, 2020, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>		<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	
<u>Governmental activities:</u>			
General fund	\$ -	\$ 12,275	\$ 12,275
Capital improvement fund	721,679	-	721,679
General obligation bond retirement fund	877,127	-	877,127
	<u>1,598,806</u>	<u>12,275</u>	<u>1,611,081</u>
<u>Business-Type activities:</u>			
Golf fund	150,000	-	150,000
Total	<u>\$ 1,748,806</u>	<u>\$ 12,275</u>	<u>\$ 1,761,081</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.

City of Vandalia, Ohio
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Interfund balances at December 31, 2020 consisted of the following:

	<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General		\$ 400,000	\$ -
Other governmental funds		-	400,000
Totals		<u>\$ 400,000</u>	<u>\$ 400,000</u>

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of December 31, 2020, all interfund loans outstanding are anticipated to be repaid by 2021.

NOTE 18 – ACCOUNTABILITY

At December 31, 2020, the following funds had a deficit fund balance:

	<u>Fund</u>	<u>Deficit fund balance</u>
General obligation bond retirement		\$ 983,287
OPWC		68,995

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

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

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NOTE 19 – COMMITMENTS

At December 31, 2020, the City had contractual commitments/encumbrances for several projects. The most significant of these commitments are related to the following:

<u>Fund/Project</u>	<u>Remaining Commitment</u>
General:	
Various capital improvements	\$ 290,000
Equipment information systems	92,718
Various purchases on order	<u>1,436,025</u>
Total General	1,818,743
Police, Fire and Street Capital Improvements:	
Vehicle purchase	<u>48,563</u>
Total Police, Fire and Street Capital Improvements	48,563
Capital Improvement:	
Various capital improvements	164,743
Equipment information systems	<u>24,552</u>
Total Capital Improvement	189,295
Other governmental funds:	
Vehicle purchase	48,563
Various roadway infrastructure	<u>328,094</u>
Total other governmental funds	<u>376,657</u>
	<u>\$ 2,433,258</u>

NOTE 20 – TAX ABATEMENTS

Real estate tax abatements

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

City of Vandalia, Ohio
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Income tax abatements

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

Under the real estate tax abatement agreements, the City property taxes were reduced by \$24,891 during 2020 and the City made incentive payments in the amount of \$183,632 for the income tax abatement programs.

NOTE 21 – CORONAVIRUS PANDEMIC 2019 (COVID-19)

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. Additional funding will be available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

NOTE 22 – SUBSEQUENT EVENT

On August 26, 2021 the City issued bond anticipation notes, not to exceed \$1,740,000, for the purpose of purchasing fire apparatus and refunding notes.



Required Supplementary Information

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

	2020	2019	2018	2017
Ohio Public Employees Retirement System (OPERS) - Traditional Plan				
City's proportion of the net pension liability	0.049784%	0.050335%	0.052988%	0.053256%
City's proportionate share of the net pension liability	\$ 9,840,145	\$ 13,785,736	\$ 8,312,790	\$ 12,093,532
City's covered payroll	\$ 7,004,650	\$ 6,880,564	\$ 7,056,223	\$ 7,434,433
City's proportionate share of the net pension liability as a percentage of its covered payroll	140.48%	200.36%	117.81%	162.67%
Plan fiduciary net position as a percentage of total pension liability	84.17%	74.70%	84.66%	77.25%

	2020	2019	2018	2017
Ohio Police and Fire Pension Fund				
City's proportion of the net pension liability	0.144589%	0.138993%	0.137610%	0.140418%
City's proportionate share of the net pension liability	\$ 9,740,308	\$ 11,345,501	\$ 8,445,748	\$ 8,893,926
City's covered payroll	\$ 3,628,328	\$ 3,448,072	\$ 3,229,381	\$ 3,476,364
City's proportionate share of the net pension liability as a percentage of its covered payroll	268.45%	329.04%	261.53%	255.84%
Plan fiduciary net position as a percentage of total pension liability	69.89%	63.07%	70.91%	68.36%

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

(2) Restated during 2015.

2016	2015	2014
0.056614%	0.056832%	0.056832%
\$ 9,806,258	\$ 6,854,574	\$ 6,699,752
\$ 6,801,825	\$ 7,034,450	\$ 7,245,408
144.17%	97.44%	92.47%
81.08%	86.45%	86.36%

2016	2015	2014
0.142926%	0.146112%	0.146112%
\$ 9,194,517	\$ 7,569,221	\$ 7,116,122
\$ 3,089,263	\$ 3,017,685	\$ 2,383,101
297.63%	250.83%	298.61%
66.77%	71.71%	73.00% (2)

City of Vandalia, Ohio
Required Supplementary Information
Schedule of City Contributions - Pension
Last Eight Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Ohio Public Employees Retirement System (OPERS) - Traditional Plan					
Contractually required contribution	\$ 906,516	\$ 980,651	\$ 963,279	\$ 917,309	\$ 892,132
Contributions in relation to contractually required contribution	<u>(906,516)</u>	<u>(980,651)</u>	<u>(963,279)</u>	<u>(917,309)</u>	<u>(892,132)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 6,475,114	\$ 7,004,650	\$ 6,880,564	\$ 7,056,223	\$ 7,434,433
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%	12.00%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Ohio Police and Fire Pension Fund - Police					
Contractually required contribution	\$ 540,802	\$ 547,842	\$ 527,414	\$ 508,278	\$ 540,214
Contributions in relation to contractually required contribution	<u>(540,802)</u>	<u>(547,842)</u>	<u>(527,414)</u>	<u>(508,278)</u>	<u>(540,214)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 2,846,328	\$ 2,826,892	\$ 2,775,863	\$ 2,675,147	\$ 2,843,232
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%	19.00%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Ohio Police and Fire Pension Fund - Fire					
Contractually required contribution	\$ 227,567	\$ 189,351	\$ 157,969	\$ 130,245	\$ 148,786
Contributions in relation to contractually required contribution	<u>(227,567)</u>	<u>(189,351)</u>	<u>(157,969)</u>	<u>(130,245)</u>	<u>(148,786)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 968,370	\$ 801,436	\$ 672,209	\$ 554,234	\$ 633,132
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%	23.50%

(1) Information prior to 2013 is not available.

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 816,219	\$ 844,134	\$ 941,903
<u>(816,219)</u>	<u>(844,134)</u>	<u>(941,903)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,801,825	\$ 7,034,450	\$ 7,245,408
12.00%	12.00%	13.00%

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 492,573	\$ 471,293	\$ 311,773
<u>(492,573)</u>	<u>(471,293)</u>	<u>(311,773)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,592,489	\$ 2,480,489	\$ 1,982,028
19.00%	19.00%	15.73%

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 116,742	\$ 126,241	\$ 81,137
<u>(116,742)</u>	<u>(126,241)</u>	<u>(81,137)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 496,774	\$ 537,196	\$ 401,073
23.50%	23.50%	20.23%



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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017 (2)</u>
Ohio Public Employees Retirement System (OPERS)				
City's proportion of the net OPEB liability	0.048050%	0.048612%	0.051186%	0.051609%
City's proportionate share of the net OPEB liability	\$ 6,636,263	\$ 6,337,857	\$ 5,558,423	\$ 5,212,684
City's covered payroll	\$ 7,004,650	\$ 6,880,564	\$ 7,274,500	\$ 7,664,350
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	94.74%	92.11%	76.41%	68.01%
Plan fiduciary net position as a percentage of total OPEB liability	47.80%	46.33%	54.14%	54.05%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017 (2)</u>
Ohio Police and Fire OPEB Fund				
City's proportion of the net OPEB liability	0.144589%	0.138993%	0.137610%	0.140418%
City's proportionate share of the net OPEB liability	\$ 1,428,214	\$ 1,265,745	\$ 7,796,796	\$ 6,665,319
City's covered payroll	\$ 3,628,328	\$ 3,448,000	\$ 3,229,400	\$ 3,476,400
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	39.36%	36.71%	241.43%	191.73%
Plan fiduciary net position as a percentage of total OPEB liability	47.08%	46.57%	14.13%	15.96%

(1) Information prior to 2017 is not available and the amounts presented are as of the City's measurement date which is the prior year end.

(2) Restated during 2018.

City of Vandalia, Ohio
Required Supplementary Information
Schedule of City Contributions - OPEB
Last Eight Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Ohio Public Employees Retirement System (OPERS)					
Contractually required contribution	\$ -	\$ -	\$ -	\$ 72,745	\$ 153,287
Contributions in relation to contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>(72,745)</u>	<u>(153,287)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 6,475,114	\$ 7,004,650	\$ 6,880,564	\$ 7,274,500	\$ 7,664,350
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	1.00%	2.00%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Ohio Police and Fire Pension Fund - Police					
Contractually required contribution	\$ 14,232	\$ 8,778	\$ 13,879	\$ 13,376	\$ 14,216
Contributions in relation to contractually required contribution	<u>(14,232)</u>	<u>(8,778)</u>	<u>(13,879)</u>	<u>(13,376)</u>	<u>(14,216)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 2,846,328	\$ 2,826,892	\$ 2,775,800	\$ 2,675,200	\$ 2,843,200
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%	0.50%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Ohio Police and Fire Pension Fund - Fire					
Contractually required contribution	\$ 4,842	\$ 7,459	\$ 3,361	\$ 2,771	\$ 3,166
Contributions in relation to contractually required contribution	<u>(4,842)</u>	<u>(7,459)</u>	<u>(3,361)</u>	<u>(2,771)</u>	<u>(3,166)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 968,370	\$ 801,436	\$ 672,200	\$ 554,200	\$ 633,200
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%	0.50%

(1) Information prior to 2013 is not available.

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 140,244	\$ 145,040	\$ 74,695
<u>(140,244)</u>	<u>(145,040)</u>	<u>(74,695)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,012,200	\$ 7,252,000	\$ 7,469,500
2.00%	2.00%	1.00%

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 12,962	\$ 12,402	\$ 74,723
<u>(12,962)</u>	<u>(12,402)</u>	<u>(74,723)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,592,400	\$ 2,480,400	\$ 1,982,042
0.50%	0.50%	3.77%

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 2,484	\$ 2,686	\$ 15,121
<u>(2,484)</u>	<u>(2,686)</u>	<u>(15,121)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 496,800	\$ 537,200	\$ 401,088
0.50%	0.50%	3.77%

City of Vandalia, Ohio
Notes to Required Supplementary Information
For the Year Ended December 31, 2020

Pension

Ohio Public Employees Retirement System (OPERS) - Traditional Plan

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

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2020. See the notes to the basic financials for the methods and assumptions in this calculation.

Ohio Police and Fire Pension Fund

Changes in benefit terms: There were no significant changes in benefit terms during 2020.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2020. See the notes to the basic financial statements for the methods and assumptions in this calculation.

OPEB

Ohio Public Employees Retirement System (OPERS)

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

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2020. See the notes to the basic financials for the methods and assumptions in this calculation.

Ohio Police and Fire Pension Fund

Changes in benefit terms: There were no significant changes in benefit terms during 2020.

Changes in assumptions: There was no change in methods and assumptions used in the calculation of actuarial determined contributions for 2020. See the notes to the basic financial statements for the methods and assumptions in this calculation.

Combining Statements for Nonmajor Governmental Funds

Combining Statements and Individual Fund Schedules

NONMAJOR SPECIAL REVENUE FUNDS

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

Street Fund

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

State Highway

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

Permissive Motor Vehicle Tax

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

Law Enforcement

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

Drug Law Enforcement

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

OMVI Education and Enforcement

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

OMVI Indigent

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

Computer Legal Research

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

Indigent Drivers Interlock and Alcohol Monitoring (IAM)

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

Combining Statements – Nonmajor Governmental Funds (Continued)

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Police Continuous Professional Training

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

CARES Act

To account for costs that are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)

Local Coronavirus Relief

To account for and report the State Coronavirus Relief Distribution and expenses restricted to assist with the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

Federal Emergency Management Agency (FEMA)

To account for monies received from the federal government and used to offset costs related to hurricane/tornado damage.

Stormwater

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

Magistrate

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

Crisis Intervention Training

To account for monies received from Montgomery County and used for the assistance to the City's police officers related to police calls involving mental health.

NONMAJOR CAPITAL PROJECTS FUNDS

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

Tax Increment Financing (TIF)

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

Stonequarry Crossings Tax Increment Financing (TIF)

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

OPWC

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

Facilities Improvement & Maintenance Reserve

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



City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 2,977,666	\$ 1,939,733	\$ 4,917,399
Receivables:			
Accounts	79,083	-	79,083
Revenue in lieu of taxes	-	50,142	50,142
Due from other governments	1,034,882	-	1,034,882
Materials and supplies inventory	87,618	-	87,618
Total assets	\$ 4,179,249	\$ 1,989,875	\$ 6,169,124
Liabilities:			
Accounts payable	\$ 10,124	\$ -	\$ 10,124
Accrued wages and benefits	14,174	-	14,174
Matured compensated absences payable	1,761	-	1,761
Interfund payable	-	400,000	400,000
Due to other governments	7,665	-	7,665
Total liabilities	33,724	400,000	433,724
Deferred inflows of resources:			
Payments in lieu of taxes	-	50,142	50,142
Unavailable revenue - other	1,010,611	-	1,010,611
Total deferred inflows of resources	1,010,611	50,142	1,060,753
Fund balances:			
Nonspendable	87,618	-	87,618
Restricted	2,694,665	358,728	3,053,393
Committed	352,631	1,250,000	1,602,631
Unassigned	-	(68,995)	(68,995)
Total fund balances	3,134,914	1,539,733	4,674,647
Total liabilities, deferred inflows of resources and fund balances	\$ 4,179,249	\$ 1,989,875	\$ 6,169,124

City of Vandalia, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Charges for services	\$ 279,280	\$ -	\$ 279,280
Fines and forfeitures	262,789	-	262,789
Intergovernmental	2,646,422	112,322	2,758,744
Interest	20,944	-	20,944
Payments in lieu of taxes	-	91,376	91,376
Other	46,568	-	46,568
Total revenue	<u>3,256,003</u>	<u>203,698</u>	<u>3,459,701</u>
Expenditures:			
Current:			
General government			
Legislative and executive	278,503	27,851	306,354
Judicial system	165,492	-	165,492
Public safety			
Police	5,734	-	5,734
Fire	584,115	-	584,115
Public works			
Engineer	229,030	-	229,030
Streets	837,405	-	837,405
Recreation	22,262	-	22,262
Capital outlay	376,435	181,271	557,706
Debt service:			
Principal retirement	410	-	410
Total expenditures	<u>2,499,386</u>	<u>209,122</u>	<u>2,708,508</u>
Excess of revenues over (under) expenditures	<u>756,617</u>	<u>(5,424)</u>	<u>751,193</u>
Other financing sources (uses):			
Transfers - out	<u>(12,275)</u>	<u>-</u>	<u>(12,275)</u>
Net change in fund balance	744,342	(5,424)	738,918
Fund balances at beginning of year	<u>2,390,572</u>	<u>1,545,157</u>	<u>3,935,729</u>
Fund balances at end of year	<u>\$ 3,134,914</u>	<u>\$ 1,539,733</u>	<u>\$ 4,674,647</u>

City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020

	Street Fund	State Highway Fund	Permissive Motor Vehicle Tax Fund	Law Enforcement Fund	Drug Law Enforcement Fund
Assets:					
Equity in pooled cash and investments	\$ 1,815,344	\$ 149,809	\$ 68,779	\$ 35,629	\$ 2,944
Receivables:					
Accounts	35,002	-	-	-	-
Due from other governments	953,923	77,951	3,008	-	-
Materials and supplies inventory	87,618	-	-	-	-
Total assets	<u>\$ 2,891,887</u>	<u>\$ 227,760</u>	<u>\$ 71,787</u>	<u>\$ 35,629</u>	<u>\$ 2,944</u>
Liabilities:					
Accounts payable	\$ 8,994	\$ 89	\$ -	\$ -	\$ -
Accrued wages and benefits	7,668	-	-	-	-
Matured compensated absences payable	1,144	-	-	-	-
Due to other governments	3,971	-	-	-	-
Total liabilities	<u>21,777</u>	<u>89</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Unavailable revenue - other	896,105	70,425	-	-	-
Fund balances:					
Nonspendable	87,618	-	-	-	-
Restricted	1,886,387	157,246	71,787	35,629	2,944
Committed	-	-	-	-	-
Total fund balances	<u>1,974,005</u>	<u>157,246</u>	<u>71,787</u>	<u>35,629</u>	<u>2,944</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,891,887</u>	<u>\$ 227,760</u>	<u>\$ 71,787</u>	<u>\$ 35,629</u>	<u>\$ 2,944</u>

OMVI Education and Enforcement Fund	OMVI Indigent Fund	Computer Legal Research Fund	Indigent Drivers IAM Fund	Police Continuous Professional Training Fund	CARES Act Fund
\$ 17,334	\$ 188,309	\$ 138,909	\$ 170,453	\$ 8,039	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 17,334</u>	<u>\$ 188,309</u>	<u>\$ 138,909</u>	<u>\$ 170,453</u>	<u>\$ 8,039</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,252	-	-	-
-	-	95	-	-	-
-	-	743	-	-	-
-	-	<u>2,090</u>	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
17,334	188,309	136,819	170,453	8,039	-
-	-	-	-	-	-
<u>17,334</u>	<u>188,309</u>	<u>136,819</u>	<u>170,453</u>	<u>8,039</u>	<u>-</u>
<u>\$ 17,334</u>	<u>\$ 188,309</u>	<u>\$ 138,909</u>	<u>\$ 170,453</u>	<u>\$ 8,039</u>	<u>\$ -</u>

(Continued)

City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020
(Continued)

	Local Coronavirus Relief Fund	FEMA Fund	Stormwater Fund	Magistrate Fund	Total Nonmajor Special Revenue Funds
Assets:					
Equity in pooled cash and investments	\$ -	\$ -	\$ 358,458	\$ 23,659	\$ 2,977,666
Receivables:					
Accounts	-	-	44,081	-	79,083
Due from other governments	-	-	-	-	1,034,882
Materials and supplies inventory	-	-	-	-	87,618
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 402,539</u>	<u>\$ 23,659</u>	<u>\$ 4,179,249</u>
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 1,041	\$ -	\$ 10,124
Accrued wages and benefits	-	-	2,756	2,498	14,174
Matured compensated absences payable	-	-	522	-	1,761
Due to other governments	-	-	1,508	1,443	7,665
Total liabilities	<u>-</u>	<u>-</u>	<u>5,827</u>	<u>3,941</u>	<u>33,724</u>
Deferred inflows of resources:					
Unavailable revenue - other	-	-	44,081	-	1,010,611
Fund balances:					
Nonspendable	-	-	-	-	87,618
Restricted	-	-	-	19,718	2,694,665
Committed	-	-	352,631	-	352,631
Total fund balances	<u>-</u>	<u>-</u>	<u>352,631</u>	<u>19,718</u>	<u>3,134,914</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 402,539</u>	<u>\$ 23,659</u>	<u>\$ 4,179,249</u>



City of Vandalia, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020

	Street Fund	State Highway Fund	Permissive Motor Vehicle Tax Fund	Law Enforcement Fund	Drug Law Enforcement Fund
Revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	3,493	360
Intergovernmental	1,526,072	123,735	40,062	-	-
Interest	18,876	1,229	839	-	-
Other	26,414	-	-	-	-
Total revenue	<u>1,571,362</u>	<u>124,964</u>	<u>40,901</u>	<u>3,493</u>	<u>360</u>
Expenditures:					
Current:					
General government					
Legislative and executive	-	-	-	-	-
Judicial system	-	-	-	-	-
Public safety					
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public works					
Engineer	-	-	-	-	-
Streets	703,234	60,649	36,020	-	-
Recreation	-	-	-	-	-
Capital outlay	232,529	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Total expenditures	<u>935,763</u>	<u>60,649</u>	<u>36,020</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>635,599</u>	<u>64,315</u>	<u>4,881</u>	<u>3,493</u>	<u>360</u>
Other financing uses:					
Transfers - out	-	-	-	-	-
Net change in fund balance	635,599	64,315	4,881	3,493	360
Fund balances at beginning of year	<u>1,338,406</u>	<u>92,931</u>	<u>66,906</u>	<u>32,136</u>	<u>2,584</u>
Fund balances at end of year	<u>\$ 1,974,005</u>	<u>\$ 157,246</u>	<u>\$ 71,787</u>	<u>\$ 35,629</u>	<u>\$ 2,944</u>

OMVI Education and Enforcement Fund	OMVI Indigent Fund	Computer Legal Research Fund	Indigent Drivers IAM Fund	Police Continuous Professional Training Fund	CARES Act Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
696	31,517	110,928	10,859	-	-
-	-	-	-	-	12,275
-	-	-	-	-	-
2,007	-	4,399	-	-	-
<u>2,703</u>	<u>31,517</u>	<u>115,327</u>	<u>10,859</u>	<u>-</u>	<u>12,275</u>
-	5,984	107,879	-	-	-
-	-	-	-	-	-
-	-	-	1,350	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	5,260	-	-	-
-	-	-	-	-	-
-	5,984	113,139	1,350	-	-
<u>2,703</u>	<u>25,533</u>	<u>2,188</u>	<u>9,509</u>	<u>-</u>	<u>12,275</u>
-	-	-	-	-	(12,275)
2,703	25,533	2,188	9,509	-	-
14,631	162,776	134,631	160,944	8,039	-
<u>\$ 17,334</u>	<u>\$ 188,309</u>	<u>\$ 136,819</u>	<u>\$ 170,453</u>	<u>\$ 8,039</u>	<u>\$ -</u>

(Continued)

City of Vandalia, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020
(Continued)

	Local Coronavirus Relief Fund	FEMA Fund	Stormwater Fund	Magistrate Fund	Total Nonmajor Special Revenue Funds
Revenues:					
Charges for services	\$ -	\$ -	\$ 279,280	\$ -	\$ 279,280
Fines and forfeitures	-	-	-	104,936	262,789
Intergovernmental	868,213	62,702	13,363	-	2,646,422
Interest	-	-	-	-	20,944
Other	-	-	6,885	6,863	46,568
Total revenue	<u>868,213</u>	<u>62,702</u>	<u>299,528</u>	<u>111,799</u>	<u>3,256,003</u>
Expenditures:					
Current:					
General government					
Legislative and executive	164,640	-	-	-	278,503
Judicial system	37,807	-	-	127,685	165,492
Public safety					
Police	4,384	-	-	-	5,734
Fire	584,115	-	-	-	584,115
Public works					
Engineer	17,503	-	211,527	-	229,030
Streets	37,502	-	-	-	837,405
Recreation	22,262	-	-	-	22,262
Capital outlay	-	-	138,646	-	376,435
Debt service:					
Principal retirement	-	-	410	-	410
Total expenditures	<u>868,213</u>	<u>-</u>	<u>350,583</u>	<u>127,685</u>	<u>2,499,386</u>
Excess of revenues over (under) expenditure	<u>-</u>	<u>62,702</u>	<u>(51,055)</u>	<u>(15,886)</u>	<u>756,617</u>
Other financing uses:					
Transfers - out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,275)</u>
Net change in fund balance	-	62,702	(51,055)	(15,886)	744,342
Fund balances at beginning of year	<u>-</u>	<u>(62,702)</u>	<u>403,686</u>	<u>35,604</u>	<u>2,390,572</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 352,631</u>	<u>\$ 19,718</u>	<u>\$ 3,134,914</u>



City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2020

	TIF Fund	Stonequarry Crossings TIF Fund	OPWC Fund	Facilities Improvement & Maintenance Reserve Fund	Total Nonmajor Capital Projects Funds
Assets:					
Equity in pooled cash and investments	\$ 342,684	\$ 16,044	\$ 331,005	\$ 1,250,000	\$ 1,939,733
Receivables:					
Revenue in lieu of taxes	50,142	-	-	-	50,142
Total assets	<u>\$ 392,826</u>	<u>\$ 16,044</u>	<u>\$ 331,005</u>	<u>\$ 1,250,000</u>	<u>\$ 1,989,875</u>
Liabilities:					
Interfund payable	-	-	400,000	-	400,000
Deferred inflows of resources:					
Payments in lieu of taxes	50,142	-	-	-	50,142
Fund balances:					
Restricted	342,684	16,044	-	-	358,728
Committed	-	-	-	1,250,000	1,250,000
Unassigned	-	-	(68,995)	-	(68,995)
Total fund balances	<u>342,684</u>	<u>16,044</u>	<u>(68,995)</u>	<u>1,250,000</u>	<u>1,539,733</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 392,826</u>	<u>\$ 16,044</u>	<u>\$ 331,005</u>	<u>\$ 1,250,000</u>	<u>\$ 1,989,875</u>

City of Vandalia, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020

	TIF Fund	Stonequarry Crossings TIF Fund	OPWC Fund	Facilities Improvement & Maintenance Reserve Fund	Total Nonmajor Capital Projects Funds
Revenues:					
Intergovernmental	\$ 46	\$ -	\$ 112,276	\$ -	\$ 112,322
Payments in lieu of taxes	71,499	19,877	-	-	91,376
Total revenue	<u>71,545</u>	<u>19,877</u>	<u>112,276</u>	<u>-</u>	<u>203,698</u>
Expenditures:					
Current:					
General government					
Legislative and executive	21,700	6,151	-	-	27,851
Capital outlay	-	-	181,271	-	181,271
Total expenditures	<u>21,700</u>	<u>6,151</u>	<u>181,271</u>	<u>-</u>	<u>209,122</u>
Net change in fund balance	49,845	13,726	(68,995)	-	(5,424)
Fund balances at beginning of year	292,839	2,318	-	1,250,000	1,545,157
Fund balances at end of year	<u>\$ 342,684</u>	<u>\$ 16,044</u>	<u>\$ (68,995)</u>	<u>\$ 1,250,000</u>	<u>\$ 1,539,733</u>

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

MAJOR GENERAL FUND

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

Funds being reported as part of the general fund

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

Employee Retirement Benefits Reserve

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

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Municipal income tax	\$ 16,600,000	\$ 16,744,000	\$ 16,594,510	\$ (149,490)
Property and other taxes	1,340,000	1,340,000	1,370,153	30,153
Charges for services	3,408,225	3,408,225	2,471,424	(936,801)
Licenses and permits	386,500	386,500	482,990	96,490
Fines and forfeitures	1,271,550	1,271,550	1,143,108	(128,442)
Intergovernmental	1,081,169	1,081,169	1,024,642	(56,527)
Interest	500,000	500,000	365,776	(134,224)
Other	93,350	800,911	811,209	10,298
Total revenues	24,680,794	25,532,355	24,263,812	(1,268,543)
<u>Expenditures:</u>				
Current:				
General government				
Legislative and executive				
Personal services	2,013,956	2,117,696	1,962,437	155,259
Operations and maintenance	3,844,545	3,960,042	3,445,826	514,216
Total legislative and executive	5,858,501	6,077,738	5,408,263	669,475
Judicial system				
Personal services	1,834,625	1,805,565	1,612,910	192,655
Operations and maintenance	204,815	204,815	177,246	27,569
Total judicial system	2,039,440	2,010,380	1,790,156	220,224
Total general government	7,897,941	8,088,118	7,198,419	889,699
Public safety				
Police				
Personal services	5,170,863	5,172,158	4,855,127	317,031
Operations and maintenance	540,948	540,948	433,380	107,568
Total police	5,711,811	5,713,106	5,288,507	424,599
Fire				
Personal services	2,318,474	2,490,203	1,638,498	851,705
Operations and maintenance	359,226	369,781	353,859	15,922
Total fire	2,677,700	2,859,984	1,992,357	867,627
Total public safety	8,389,511	8,573,090	7,280,864	1,292,226
Public works				
Engineer				
Personal services	631,770	632,895	591,364	41,531
Operations and maintenance	201,603	201,603	174,674	26,929
Total engineer	833,373	834,498	766,038	68,460

(Continued)

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2020
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Street lighting				
Operations and maintenance	202,819	202,819	189,537	13,282
Street maintenance				
Personal services	361,953	372,663	341,088	31,575
Operations and maintenance	13,779	13,779	10,323	3,456
Total streets	<u>578,551</u>	<u>589,261</u>	<u>540,948</u>	<u>48,313</u>
Refuse				
Operations and maintenance	1,174,427	1,174,427	1,106,387	68,040
Total public works	<u>2,586,351</u>	<u>2,598,186</u>	<u>2,413,373</u>	<u>184,813</u>
Recreation				
Parks				
Personal services	2,728,292	2,512,082	1,989,767	522,315
Operations and maintenance	1,070,715	1,194,631	966,675	227,956
Total recreation	<u>3,799,007</u>	<u>3,706,713</u>	<u>2,956,442</u>	<u>750,271</u>
Total expenditures	<u>22,672,810</u>	<u>22,966,107</u>	<u>19,849,098</u>	<u>3,117,009</u>
Excess of revenues over expenditures	<u>2,007,984</u>	<u>2,566,248</u>	<u>4,414,714</u>	<u>1,848,466</u>
Other financing sources (uses):				
Sale of capital assets	1,000	564,375	564,524	149
Advances - out	-	(400,000)	(400,000)	-
Transfers - in	-	20,536	25,969	5,433
Transfers - out	(4,427,000)	(3,944,252)	(3,944,252)	-
Total other financing sources (uses)	<u>(4,426,000)</u>	<u>(3,759,341)</u>	<u>(3,753,759)</u>	<u>5,582</u>
Net change in fund balance	(2,418,016)	(1,193,093)	660,955	1,854,048
Fund balance at beginning of year	17,180,177	17,180,177	17,180,177	-
Prior year encumbrances appropriated	1,615,511	1,615,511	1,615,511	-
Fund balance at end of year	<u>\$ 16,377,672</u>	<u>\$ 17,602,595</u>	<u>\$ 19,456,643</u>	<u>\$ 1,854,048</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Employee Retirement Benefits Reserve Fund (1)
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Current:				
General government				
Legislative and executive				
Personal services	23,997	23,997	24,845	(848)
Public safety				
Police				
Personal services	25,846	25,846	18,207	7,639
Public works				
Engineer				
Personal services	30,294	30,294	-	30,294
Recreation				
Parks				
Personal services	21,400	21,400	19,415	1,985
				-
Total expenditures	101,537	101,537	62,467	39,070
Excess of revenues under expenditures	(101,537)	(101,537)	(62,467)	39,070
Other financing sources:				
Transfers - in	150,000	150,000	150,000	-
Net change in fund balance	48,463	48,463	87,533	39,070
Fund balance at beginning of year	387,644	387,644	387,644	-
Fund balance at end of year	\$ 436,107	\$ 436,107	\$ 475,177	\$ 39,070

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

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Special assessments	\$ 2,700	\$ 2,700	\$ -	\$ (2,700)
Other	20,000	20,000	9,461	(10,539)
Total revenues	<u>22,700</u>	<u>22,700</u>	<u>9,461</u>	<u>(13,239)</u>
<u>Expenditures:</u>				
Capital outlay	1,368,379	1,402,879	1,087,624	315,255
Excess of revenues under expenditures	<u>(1,345,679)</u>	<u>(1,380,179)</u>	<u>(1,078,163)</u>	<u>302,016</u>
Other financing sources:				
Sale of capital assets	-	-	38,964	38,964
Transfers - in	1,100,000	1,112,545	716,090	(396,455)
Total other financing sources	<u>1,100,000</u>	<u>1,112,545</u>	<u>755,054</u>	<u>(357,491)</u>
Net change in fund balance	(245,679)	(267,634)	(323,109)	(55,475)
Fund balance at beginning of year	185,684	185,684	185,684	-
Prior year encumbrances appropriated	393,473	393,473	393,473	-
Fund balance at end of year	<u>\$ 333,478</u>	<u>\$ 311,523</u>	<u>\$ 256,048</u>	<u>\$ (55,475)</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 259,295	\$ 269,295	\$ 394,286	\$ 124,991
Other	-	11,517	11,517	-
Total revenues	<u>\$ 259,295</u>	<u>\$ 280,812</u>	<u>\$ 405,803</u>	<u>\$ 124,991</u>
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Personal services	246,926	246,926	241,542	5,384
Capital outlay	362,726	362,726	329,882	32,844
Total police	<u>609,652</u>	<u>609,652</u>	<u>571,424</u>	<u>38,228</u>
Fire				
Capital outlay	599,215	654,040	588,450	65,590
Total public safety	<u>1,208,867</u>	<u>1,263,692</u>	<u>1,159,874</u>	<u>103,818</u>
Public works				
Streets				
Capital outlay	745,000	777,000	554,079	222,921
Debt service:				
Principal retirement	653,000	653,000	627,213	25,787
Interest and fiscal charges	113,780	113,780	93,092	20,688
Total expenditures	<u>2,720,647</u>	<u>2,807,472</u>	<u>2,434,258</u>	<u>373,214</u>
Excess of revenues under expenditures	<u>(2,461,352)</u>	<u>(2,526,660)</u>	<u>(2,028,455)</u>	<u>498,205</u>
Other financing sources:				
Sale of capital assets	-	61,625	70,019	8,394
Transfers - in	2,080,000	2,093,512	2,047,340	(46,172)
Total other financing sources	<u>2,080,000</u>	<u>2,155,137</u>	<u>2,117,359</u>	<u>(37,778)</u>
Net change in fund balance	(381,352)	(371,523)	88,904	460,427
Fund balance at beginning of year	5,998	5,998	5,998	-
Prior year encumbrances appropriated	376,806	376,806	376,806	-
Fund balance at end of year	<u>\$ 1,452</u>	<u>\$ 11,281</u>	<u>\$ 471,708</u>	<u>\$ 460,427</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Other	\$ 25,000	\$ 25,000	\$ 1,000	\$ (24,000)
<u>Expenditures:</u>				
Debt service:				
Principal retirement	3,312,000	3,312,000	3,312,000	-
Interest and fiscal charges	130,000	130,000	81,806	48,194
Bond issuance costs	30,000	30,000	26,840	3,160
Total expenditures	3,472,000	3,472,000	3,420,646	51,354
Excess of revenues under expenditures	(3,447,000)	(3,447,000)	(3,419,646)	27,354
Other financing sources:				
Bond anticipation notes issued	2,543,000	2,543,000	2,495,000	(48,000)
Premium on notes issued	-	-	25,384	25,384
Transfers - in	947,000	947,000	898,806	(48,194)
Total other financing sources	3,490,000	3,490,000	3,419,190	(70,810)
Net change in fund balance	118,695	43,000	(456)	(43,456)
Fund balance at beginning of year	118,695	118,695	118,695	-
Fund balance at end of year	\$ 237,390	\$ 161,695	\$ 118,239	\$ (43,456)

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 1,232,300	\$ 1,232,300	\$ 1,527,801	\$ 295,501
Interest	12,000	12,000	18,876	6,876
Other	21,000	57,179	38,756	(18,423)
Total revenues	<u>1,265,300</u>	<u>1,301,479</u>	<u>1,585,433</u>	<u>283,954</u>
<u>Expenditures:</u>				
Current:				
Public works				
Streets				
Personal services	449,742	461,107	376,996	84,111
Operations and maintenance	297,669	297,669	210,001	87,668
Capital outlay	484,601	584,601	468,181	116,420
Total expenditures	<u>1,232,012</u>	<u>1,343,377</u>	<u>1,055,178</u>	<u>288,199</u>
Excess of revenues over (under) expenditures	<u>33,288</u>	<u>(41,898)</u>	<u>530,255</u>	<u>572,153</u>
Other financing sources:				
Transfers - in	-	12,629	12,629	-
Net change in fund balance	33,288	(29,269)	542,884	572,153
Fund balance at beginning of year	1,117,511	1,117,511	1,117,511	-
Prior year encumbrances appropriated	<u>64,207</u>	<u>64,207</u>	<u>64,207</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,215,006</u>	<u>\$ 1,152,449</u>	<u>\$ 1,724,602</u>	<u>\$ 572,153</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 100,600	\$ 100,600	\$ 123,876	\$ 23,276
Interest	500	500	1,229	729
Total revenues	101,100	101,100	125,105	24,005
<u>Expenditures:</u>				
Current:				
Public works				
Streets				
Street maintenance				
Operations and maintenance	72,578	72,578	60,968	11,610
Net change in fund balance	28,522	28,522	64,137	35,615
Fund balance at beginning of year	84,772	84,772	84,772	-
Prior year encumbrances appropriated	578	578	578	-
Fund balance at end of year	\$ 113,872	\$ 113,872	\$ 149,487	\$ 35,615

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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 40,336	\$ 336
Interest	-	-	839	839
Total revenues	40,000	40,000	41,175	1,175
<u>Expenditures:</u>				
Current:				
Public works				
Streets				
Operations and maintenance	11,667	8,584	5,347	3,237
Capital outlay	41,701	44,784	38,081	6,703
Total expenditures	53,368	53,368	43,428	9,940
Net change in fund balance	(13,368)	(13,368)	(2,253)	11,115
Fund balance at beginning of year	56,756	56,756	56,756	-
Prior year encumbrances appropriated	6,868	6,868	6,868	-
Fund balance at end of year	\$ 50,256	\$ 50,256	\$ 61,371	\$ 11,115

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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Fines and forfeitures	\$ 1,000	\$ 1,000	\$ 3,493	\$ 2,493
<u>Expenditures:</u>				
Current:				
General government				
Legislative and executive				
Operations and maintenance	9,569	9,569	9,069	500
Net change in fund balance	(8,569)	(8,569)	(5,576)	2,993
Fund balance at beginning of year	23,067	23,067	23,067	-
Prior year encumbrances appropriated	9,069	9,069	9,069	-
Fund balance at end of year	\$ 23,567	\$ 23,567	\$ 26,560	\$ 2,993

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Fines and forfeitures	\$ 150	\$ 150	\$ 335	\$ 185
<u>Expenditures:</u>				
Current:				
General government				
Legislative and executive				
Operations and maintenance	1,000	1,000	-	1,000
Net change in fund balance	(850)	(850)	335	1,185
Fund balance at beginning of year	2,584	2,584	2,584	-
Fund balance at end of year	<u>\$ 1,734</u>	<u>\$ 1,734</u>	<u>\$ 2,919</u>	<u>\$ 1,185</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and forfeitures	\$ 1,000	\$ 1,000	\$ 661	\$ (339)
Other	-	-	2,211	2,211
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>2,872</u>	<u>1,872</u>
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Operations and maintenance	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net change in fund balance	-	-	2,872	2,872
Fund balance at beginning of year	<u>14,427</u>	<u>14,427</u>	<u>14,427</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 14,427</u></u>	<u><u>\$ 14,427</u></u>	<u><u>\$ 17,299</u></u>	<u><u>\$ 2,872</u></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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 31,591	\$ 11,591
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Operations and maintenance	50,000	50,000	5,984	44,016
Net change in fund balance	(30,000)	(30,000)	25,607	55,607
Fund balance at beginning of year	161,796	161,796	161,796	-
Fund balance at end of year	<u>\$ 131,796</u>	<u>\$ 131,796</u>	<u>\$ 187,403</u>	<u>\$ 55,607</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Fines and forfeitures	\$ 140,000	\$ 140,000	\$ 112,285	\$ (27,715)
Other	-	4,400	4,399	(1)
Total revenues	<u>140,000</u>	<u>144,400</u>	<u>116,684</u>	<u>(27,716)</u>
<u>Expenditures:</u>				
Current:				
General government				
Legislative and executive				
Personal services	75,758	75,803	74,138	1,665
Operations and maintenance	53,236	52,236	35,519	16,717
Capital outlay	73,400	74,400	70,370	4,030
Total expenditures	<u>202,394</u>	<u>202,439</u>	<u>180,027</u>	<u>22,412</u>
Net change in fund balance	(62,394)	(58,039)	(63,343)	(5,304)
Fund balance at beginning of year	118,191	118,191	118,191	-
Prior year encumbrances appropriated	<u>43,737</u>	<u>43,737</u>	<u>43,737</u>	<u>-</u>
Fund balance at end of year	<u>\$ 99,534</u>	<u>\$ 103,889</u>	<u>\$ 98,585</u>	<u>\$ (5,304)</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 11,203	\$ (8,797)
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Operations and maintenance	101,405	101,405	4,406	96,999
Net change in fund balance	(81,405)	(81,405)	6,797	88,202
Fund balance at beginning of year	159,071	159,071	159,071	-
Prior year encumbrances appropriated	1,405	1,405	1,405	-
Fund balance at end of year	<u>\$ 79,071</u>	<u>\$ 79,071</u>	<u>\$ 167,273</u>	<u>\$ 88,202</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Continuous Professional Training Fund
For the Year Ended December 31, 2020

	<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:				
Public safety				
Police				
Operations and maintenance	5,000	5,000	-	5,000
Net change in fund balance	(5,000)	(5,000)	-	5,000
Fund balance at beginning of year	8,039	8,039	8,039	-
Fund balance at end of year	<u>\$ 3,039</u>	<u>\$ 3,039</u>	<u>\$ 8,039</u>	<u>\$ 5,000</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
CARES Act Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 12,275	\$ 12,275	\$ -
<u>Expenditures:</u>				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	12,275	12,275	-
<u>Other financing (uses):</u>				
Transfers - out	-	(12,275)	(12,275)	-
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
Local Coronavirus Relief Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 868,213	\$ 868,213	\$ 868,213	\$ -
<u>Expenditures:</u>				
Current:				
General government				
Legislative and executive				
Personal services	11,792	11,792	11,792	-
Operations and maintenance	152,848	152,848	152,848	-
Total legislative and executive	164,640	164,640	164,640	-
Judicial system				
Personal services	37,807	37,807	37,807	-
Total general government	202,447	202,447	202,447	-
Public safety				
Police				
Personal services	4,384	4,384	4,384	-
Total police	4,384	4,384	4,384	-
Fire				
Personal services	584,115	584,115	584,115	-
Total public safety	588,499	588,499	588,499	-
Public works				
Engineer				
Personal services	17,503	17,503	17,503	-
Streets				
Service department				
Personal services	37,502	37,502	37,502	-
Total public works	55,005	55,005	55,005	-
Recreation				
Parks				
Personal services	22,262	22,262	22,262	-
Total expenditures	868,213	868,213	868,213	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 62,702	\$ 62,702	\$ 62,702	\$ -
<u>Expenditures:</u>				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	62,702	62,702	62,702	-
<u>Other financing uses:</u>				
Transfers - out	(62,702)	(62,702)	(62,702)	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Stormwater Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for services	\$ 285,500	\$ 285,500	\$ 279,280	\$ (6,220)
Intergovernmental	-	-	13,363	13,363
Other	1,000	7,885	6,885	(1,000)
Total revenues	<u>286,500</u>	<u>293,385</u>	<u>299,528</u>	<u>6,143</u>
<u>Expenditures:</u>				
Current:				
Public works				
Engineer				
Personal services	160,197	164,497	153,708	10,789
Operations and maintenance	43,672	47,965	38,272	9,693
Capital outlay	261,556	257,263	230,797	26,466
Total engineer	<u>465,425</u>	<u>469,725</u>	<u>422,777</u>	<u>46,948</u>
Debt service:				
Principal retirement	10,321	10,321	5,386	4,935
Total expenditures	<u>475,746</u>	<u>480,046</u>	<u>428,163</u>	<u>51,883</u>
Excess of revenues under expenditures	<u>(189,246)</u>	<u>(186,661)</u>	<u>(128,635)</u>	<u>58,026</u>
Other financing sources:				
Transfers - in	-	5,176	5,176	-
Net change in fund balance	(189,246)	(181,485)	(123,459)	58,026
Fund balance at beginning of year	403,688	403,688	403,688	-
Prior year encumbrances appropriated	30,389	30,389	30,389	-
Fund balance at end of year	<u>\$ 244,831</u>	<u>\$ 252,592</u>	<u>\$ 310,618</u>	<u>\$ 58,026</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Fines and forfeitures	\$ 125,000	\$ 125,000	\$ 106,206	\$ (18,794)
Other	-	6,864	6,863	(1)
Total revenues	\$ 125,000	\$ 131,864	\$ 113,069	\$ (18,795)
<u>Expenditures:</u>				
Current:				
General government				
Judicial system				
Personal services	118,803	148,203	126,329	21,874
Net change in fund balance	6,197	(16,339)	(13,260)	3,079
Fund balance at beginning of year	29,324	29,324	29,324	-
Fund balance at end of year	\$ 35,521	\$ 12,985	\$ 16,064	\$ 3,079

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Crisis Intervention Training Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines and forfeitures	\$ -	\$ 45,000	\$ -	\$ (45,000)
<u>Expenditures:</u>				
Current:				
General government				
Judicial system				
Personal services	-	45,000	-	45,000
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
TIF Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ -	\$ 46	\$ 46
Payments in lieu of taxes	71,450	71,450	71,499	49
Total revenues	<u>71,450</u>	<u>71,450</u>	<u>71,545</u>	<u>95</u>
<u>Expenditures:</u>				
Capital outlay	<u>31,135</u>	<u>31,135</u>	<u>26,701</u>	<u>4,434</u>
Net change in fund balance	40,315	40,315	44,844	4,529
Fund balance at beginning of year	288,357	288,357	288,357	-
Prior year encumbrances appropriated	<u>4,482</u>	<u>4,482</u>	<u>4,482</u>	<u>-</u>
Fund balance at end of year	<u>\$ 333,154</u>	<u>\$ 333,154</u>	<u>\$ 337,683</u>	<u>\$ 4,529</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Stonequarry Crossings TIF Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Payments in lieu of taxes	\$ -	\$ 15,290	\$ 19,877	\$ 4,587
<u>Expenditures:</u>				
Capital outlay	-	9,000	9,541	(541)
Net change in fund balance	-	6,290	10,336	4,046
Fund balance at beginning of year	<u>2,318</u>	<u>2,318</u>	<u>2,318</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,318</u>	<u>\$ 8,608</u>	<u>\$ 12,654</u>	<u>\$ 4,046</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
OPWC Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 400,000	\$ 400,000	\$ 112,276	\$ (287,724)
<u>Expenditures:</u>				
Capital outlay	400,000	400,000	400,000	-
Excess of revenues under expenditures	-	-	(287,724)	(287,724)
Other financing sources:				
Advances - in	-	-	400,000	400,000
Net change in fund balance	-	-	112,276	112,276
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,276</u>	<u>\$ 112,276</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, 2020

	<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	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,250,000</u>	<u>\$ 1,250,000</u>	<u>\$ 1,250,000</u>	<u>\$ -</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenses and Changes
In Net Position - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 2,188,000	\$ 2,188,000	\$ 2,374,502	\$ 186,502
Tap-in fees	3,500	3,500	2,200	(1,300)
Utility deposits received	-	-	7,638	7,638
Other	53,000	70,599	73,611	3,012
Total revenues	<u>2,244,500</u>	<u>2,262,099</u>	<u>2,457,951</u>	<u>195,852</u>
Expenses:				
Personal services	441,304	450,791	407,640	43,151
Contractual services	1,951,454	1,956,709	1,579,834	376,875
Materials and supplies	58,820	45,578	30,180	15,398
Capital outlay	613,866	626,082	624,262	1,820
Utility deposits returned	-	-	4,600	(4,600)
Other	1,000	3,571	3,571	-
Total expenses	<u>3,066,444</u>	<u>3,082,731</u>	<u>2,650,087</u>	<u>432,644</u>
Operating loss	<u>(821,944)</u>	<u>(820,632)</u>	<u>(192,136)</u>	<u>628,496</u>
Nonoperating revenues (expenses):				
Intergovernmental	-	-	152,500	152,500
Issuance of OPWC loans	-	-	152,500	152,500
Principal retirement	(65,750)	(65,750)	(31,801)	33,949
Total nonoperating revenues (expenses)	<u>(65,750)</u>	<u>(65,750)</u>	<u>273,199</u>	<u>338,949</u>
Income (loss) before transfers	<u>(887,694)</u>	<u>(886,382)</u>	<u>81,063</u>	<u>967,445</u>
Other financing sources:				
Transfers - in	-	10,939	10,940	1
Change in net position	(887,694)	(875,443)	92,003	967,446
Net position at beginning of year	1,790,621	1,790,621	1,790,621	-
Prior year encumbrances appropriated	898,336	898,336	898,336	-
Net position at end of year	<u>\$ 1,801,263</u>	<u>\$ 1,813,514</u>	<u>\$ 2,780,960</u>	<u>\$ 967,446</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenses and Changes
In Net Position - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 1,598,500	\$ 1,598,500	\$ 1,598,849	\$ 349
Tap-in fees	10,000	10,000	9,950	(50)
Utility deposits received	-	-	3,762	3,762
Other	60,000	76,756	21,289	(55,467)
Total revenues	<u>1,668,500</u>	<u>1,685,256</u>	<u>1,633,850</u>	<u>(51,406)</u>
<u>Expenses:</u>				
Personal services	426,454	435,804	401,175	34,629
Contractual services	1,099,680	1,109,679	1,055,221	54,458
Materials and supplies	47,100	34,884	25,080	9,804
Capital outlay	146,866	149,084	32,262	116,822
Utility deposits returned	200	200	2,265	(2,065)
Total expenses	<u>1,720,300</u>	<u>1,729,651</u>	<u>1,516,003</u>	<u>213,648</u>
Operating loss	<u>(51,800)</u>	<u>(44,395)</u>	<u>117,847</u>	<u>162,242</u>
Nonoperating revenues (expenses):				
Sale of capital assets	-	-	4,700	4,700
Principal retirement	(5,400)	(5,400)	(5,400)	-
Total nonoperating revenues (expenses)	<u>(5,400)</u>	<u>(5,400)</u>	<u>(700)</u>	<u>4,700</u>
Loss before transfers	<u>(57,200)</u>	<u>(49,795)</u>	<u>117,147</u>	<u>166,942</u>
Other financing sources:				
Transfers - in	-	9,640	2,279	(7,361)
Change in net position	(57,200)	(40,155)	119,426	159,581
Net position at beginning of year	2,890,231	2,890,231	2,890,231	-
Prior year encumbrances appropriated	<u>123,612</u>	<u>123,612</u>	<u>123,612</u>	<u>-</u>
Net position at end of year	<u>\$ 2,956,643</u>	<u>\$ 2,973,688</u>	<u>\$ 3,133,269</u>	<u>\$ 159,581</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenses and Changes
In Net Position - Budget (Non-GAAP Basis) and Actual
Golf Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 855,400	\$ 855,400	\$ 733,461	\$ (121,939)
Other	-	27,211	27,565	354
Total revenues	<u>855,400</u>	<u>882,611</u>	<u>761,026</u>	<u>(121,585)</u>
<u>Expenses:</u>				
Personal services	551,392	552,067	457,828	94,239
Contractual services	170,517	181,708	147,070	34,638
Materials and supplies	208,336	196,918	153,195	43,723
Capital outlay	106,923	106,923	85,067	21,856
Other	58,323	58,550	42,349	16,201
Total expenses	<u>1,095,491</u>	<u>1,096,166</u>	<u>885,509</u>	<u>210,657</u>
Operating loss	<u>(240,091)</u>	<u>(213,555)</u>	<u>(124,483)</u>	<u>89,072</u>
Nonoperating revenues:				
Intergovernmental	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>(7,000)</u>
Loss before transfers	<u>(233,091)</u>	<u>(206,555)</u>	<u>(124,483)</u>	<u>82,072</u>
Other financing sources:				
Transfers - in	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Change in net position	(83,091)	(56,555)	25,517	82,072
Net position at beginning of year	288,878	288,878	288,878	-
Prior year encumbrances appropriated	<u>50,477</u>	<u>50,477</u>	<u>50,477</u>	<u>-</u>
Net position at end of year	<u>\$ 256,264</u>	<u>\$ 282,800</u>	<u>\$ 364,872</u>	<u>\$ 82,072</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenses and Changes
In Net Position - Budget (Non-GAAP Basis) and Actual
Hospital Care Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Charges for services	\$ 3,042,000	\$ 3,042,000	\$ 2,704,889	\$ (337,111)
Other	350,000	350,000	148,990	(201,010)
Total revenues	<u>3,392,000</u>	<u>3,392,000</u>	<u>2,853,879</u>	<u>(538,121)</u>
<u>Expenses:</u>				
Contractual services	572,655	572,655	567,461	5,194
Claims	2,563,663	2,563,663	2,503,908	59,755
Total expenses	<u>3,136,318</u>	<u>3,136,318</u>	<u>3,071,369</u>	<u>64,949</u>
Change in net position	255,682	255,682	(217,490)	(473,172)
Net position at beginning of year	623,269	623,269	623,269	-
Prior year encumbrances appropriated	<u>8,368</u>	<u>8,368</u>	<u>8,368</u>	<u>-</u>
Net position at end of year	<u>\$ 887,319</u>	<u>\$ 887,319</u>	<u>\$ 414,147</u>	<u>\$ (473,172)</u>



Combining Statement – Fiduciary Funds

CUSTODIAL FUNDS

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

Municipal Court

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

Multi-District Tax

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

Butler Township JEDD Tax Collection

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

Butler Township JEDZ Tax Collection

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

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.

Northern Area Water Authority

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

City of Vandalia, Ohio
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2020

	Municipal Court Fund	Multi-District Tax Fund	Butler Township JEDD Tax Collection Fund
<u>Assets:</u>			
Equity in pooled cash and investments	\$ -	\$ 46,043	\$ 12,644
Cash and cash equivalents in segregated accounts	99,749	-	-
Accounts receivable	-	-	-
Due from other governments	-	569,641	14,683
Total assets	<u>\$ 99,749</u>	<u>\$ 615,684</u>	<u>\$ 27,327</u>
<u>Liabilities:</u>			
Held for other governments	\$ -	\$ 615,684	\$ 27,327
Undistributed monies	99,749	-	-
Total liabilities	<u>\$ 99,749</u>	<u>\$ 615,684</u>	<u>\$ 27,327</u>
<u>Net position:</u>			
Restricted for individuals, organizations and other governments	-	-	-
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Butler Township JEDZ Tax Collection Fund	Tri-Cities North Regional Wastewater Authority Fund	Northern Area Water Authority Fund	Total
\$ 45,511	\$ 1,979,547	\$ 1,063,981	\$ 3,147,726
-	-	-	99,749
-	206,818	143,787	350,605
88,352	-	-	672,676
<u>\$ 133,863</u>	<u>\$ 2,186,365</u>	<u>\$ 1,207,768</u>	<u>\$ 4,270,756</u>
\$ 133,863	\$ 2,186,365	\$ 1,207,768	\$ 4,171,007
-	-	-	99,749
<u>\$ 133,863</u>	<u>\$ 2,186,365</u>	<u>\$ 1,207,768</u>	<u>\$ 4,270,756</u>
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Vandalia, Ohio
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2020

	Municipal Court Fund	Multi-District Tax Fund	Butler Township JEDD Tax Collection Fund
<u>Additions:</u>			
Interest, dividends, and other investment income	\$ -	\$ -	\$ -
Contributions and rentals	-	-	-
Fines and forfeitures for other governments	1,440,530	-	-
Income tax collections for other governments	-	3,179,833	167,661
Total additions	<u>1,440,530</u>	<u>3,179,833</u>	<u>167,661</u>
<u>Deductions:</u>			
Distributions from municipal court to other governments	1,440,530	-	-
Administrative expenses	-	-	-
Income tax refunds	-	170,697	-
Distributions of income tax collections	-	3,009,136	167,661
Payments for joint venture	-	-	-
Fines and forfeitures distributions to other governments	-	-	-
Total deductions	<u>1,440,530</u>	<u>3,179,833</u>	<u>167,661</u>
Change net position	-	-	-
Net position beginning of year	-	-	-
Net position end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Butler Township JEDZ Tax Collection Fund	Tri-Cities North Regional Wastewater Authority Fund	Northern Area Water Authority Fund	Total
\$ 4	\$ 12,125	\$ 1,585	\$ 13,714
-	2,564,734	1,671,109	4,235,843
-	-	-	1,440,530
620,853	-	-	3,968,347
<u>620,857</u>	<u>2,576,859</u>	<u>1,672,694</u>	<u>9,658,434</u>
-	-	-	1,440,530
26	-	-	26
11,151	-	-	181,848
609,680	-	-	3,786,477
-	2,576,859	1,672,694	4,249,553
-	-	-	-
<u>620,857</u>	<u>2,576,859</u>	<u>1,672,694</u>	<u>9,658,434</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



STATISTICAL SECTION



Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	S2 - S8
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue source(s), the property tax (and the income tax).	S9 - S14
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S15 - S19
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	S20 - S21
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S22 - S29

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

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

	Restated			Restated (1)	
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Governmental Activities</u>					
Net investment in capital assets	\$ 42,488,927	\$ 42,909,665	\$ 43,255,312	\$ 45,004,853	\$ 47,900,553
Restricted	2,032,828	3,006,345	3,047,614	3,895,737	3,929,597
Unrestricted	<u>15,743,855</u>	<u>15,722,617</u>	<u>15,697,621</u>	<u>3,669,638</u>	<u>4,639,893</u>
Total governmental activities net position	<u>\$ 60,265,610</u>	<u>\$ 61,638,627</u>	<u>\$ 62,000,547</u>	<u>\$ 52,570,228</u>	<u>\$ 56,470,043</u>
<u>Business-Type Activities</u>					
Net investment in capital assets	\$ 18,332,521	\$ 18,007,758	\$ 19,044,671	\$ 18,585,891	\$ 18,584,910
Unrestricted	<u>10,898,051</u>	<u>11,833,535</u>	<u>12,516,865</u>	<u>11,992,590</u>	<u>12,516,989</u>
Total business-type activities net position	<u>\$ 29,230,572</u>	<u>\$ 29,841,293</u>	<u>\$ 31,561,536</u>	<u>\$ 30,578,481</u>	<u>\$ 31,101,899</u>
<u>Primary Government</u>					
Net investment in capital assets	\$ 60,821,448	\$ 60,917,423	\$ 62,299,983	\$ 63,590,744	\$ 66,485,463
Restricted	2,032,828	3,006,345	3,047,614	3,895,737	3,929,597
Unrestricted	<u>26,641,906</u>	<u>27,556,152</u>	<u>28,214,486</u>	<u>15,662,228</u>	<u>17,156,882</u>
Total primary government net position	<u>\$ 89,496,182</u>	<u>\$ 91,479,920</u>	<u>\$ 93,562,083</u>	<u>\$ 83,148,709</u>	<u>\$ 87,571,942</u>

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

(2) The City implemented GASB 75 during 2018 and as a result 2017 was restated.

	Restated (2)				
2016	2017	2018	2019	2020	
\$ 48,804,352	\$ 49,337,872	\$ 49,032,022	\$ 50,467,034	\$ 50,880,711	
3,939,012	3,695,303	4,055,358	4,107,791	5,351,626	
<u>5,874,223</u>	<u>(6,954,821)</u>	<u>(7,372,457)</u>	<u>(1,887,718)</u>	<u>305,408</u>	
<u>\$ 58,617,587</u>	<u>\$ 46,078,354</u>	<u>\$ 45,714,923</u>	<u>\$ 52,687,107</u>	<u>\$ 56,537,745</u>	
\$ 18,740,110	\$ 18,654,104	\$ 18,116,128	\$ 18,181,701	\$ 17,914,412	
12,449,139	12,658,259	13,153,710	13,239,670	13,990,661	
<u>\$ 31,189,249</u>	<u>\$ 31,312,363</u>	<u>\$ 31,269,838</u>	<u>\$ 31,421,371</u>	<u>\$ 31,905,073</u>	
\$ 67,544,462	\$ 67,991,976	\$ 67,148,150	\$ 68,648,735	\$ 68,795,123	
3,939,012	3,695,303	4,055,358	4,107,791	5,351,626	
<u>18,323,362</u>	<u>5,703,438</u>	<u>5,781,253</u>	<u>11,351,952</u>	<u>14,296,069</u>	
<u>\$ 89,806,836</u>	<u>\$ 77,390,717</u>	<u>\$ 76,984,761</u>	<u>\$ 84,108,478</u>	<u>\$ 88,442,818</u>	

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

Expenses	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities:					
General government	\$ 5,726,617	\$ 5,782,863	\$ 5,475,675	\$ 5,520,951	\$ 5,130,767
Public safety	6,911,373	6,811,934	7,174,259	7,124,303	7,236,385
Public works	5,328,780	6,294,260	5,098,906	4,736,869	4,900,560
Recreation	3,958,580	3,847,357	3,788,977	4,147,571	4,008,981
Interest and fiscal charges	661,538	601,289	560,923	569,379	209,376
Total governmental activities expenses	<u>22,586,888</u>	<u>23,337,703</u>	<u>22,098,740</u>	<u>22,099,073</u>	<u>21,486,069</u>
Business-Type Activities:					
Water	2,057,812	2,059,071	1,909,167	2,072,336	2,151,550
Sewer	1,741,089	1,512,536	1,552,360	1,814,270	1,694,090
Golf	965,069	1,042,176	1,097,625	1,019,002	1,035,124
Total business-type activities	<u>4,763,970</u>	<u>4,613,783</u>	<u>4,559,152</u>	<u>4,905,608</u>	<u>4,880,764</u>
Total primary government expenses	<u>\$ 27,350,858</u>	<u>\$ 27,951,486</u>	<u>\$ 26,657,892</u>	<u>\$ 27,004,681</u>	<u>\$ 26,366,833</u>
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$ 1,871,826	\$ 1,577,135	\$ 2,459,074	\$ 2,435,013	\$ 2,579,526
Public safety	326,695	649,206	569,979	569,797	489,852
Public works	1,706,801	1,400,408	1,474,377	1,424,524	1,544,620
Recreation	1,479,628	1,446,534	1,395,800	1,446,891	1,476,639
Operating grants, contributions and interest	1,272,681	1,106,688	1,227,177	1,177,845	1,458,405
Capital grants and contributions	818,757	2,004,768	45,000	1,623,771	2,399,492
Total governmental activities program revenues	<u>7,476,388</u>	<u>8,184,739</u>	<u>7,171,407</u>	<u>8,677,841</u>	<u>9,948,534</u>
Business-Type Activities:					
Charges for services:					
Water	2,128,858	2,226,641	2,190,856	2,218,971	2,149,396
Sewer	1,378,273	1,584,806	1,933,954	1,691,533	1,823,665
Golf	863,896	973,947	888,023	885,919	880,378
Operating grants, contributions and interest	-	130,340	-	-	-
Capital grants and contributions	1,052	2,828	1,290,959	2,960	369,115
Total business-type activities program revenues	<u>4,372,079</u>	<u>4,918,562</u>	<u>6,303,792</u>	<u>4,799,383</u>	<u>5,222,554</u>
Total primary government program revenues	<u>\$ 11,848,467</u>	<u>\$ 13,103,301</u>	<u>\$ 13,475,199</u>	<u>\$ 13,477,224</u>	<u>\$ 15,171,088</u>
Net (expense)/revenue					
Governmental activities	\$ (15,110,500)	\$ (15,152,964)	\$ (14,927,333)	\$ (13,421,232)	\$ (11,537,535)
Business-type activities	(391,891)	304,779	1,744,640	(106,225)	341,790
Total primary government net expense	<u>\$ (15,502,391)</u>	<u>\$ (14,848,185)</u>	<u>\$ (13,182,693)</u>	<u>\$ (13,527,457)</u>	<u>\$ (11,195,745)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property taxes levied for:					
General purposes	\$ 1,548,086	\$ 1,505,738	\$ 1,221,094	\$ 1,283,417	\$ 1,272,611
Income tax levied for:					
General purposes	11,709,263	13,025,898	12,709,385	13,021,106	13,682,940
Grants and entitlements not restricted to specific programs	1,764,465	1,556,563	1,098,778	761,023	408,435
Payment in lieu of taxes	107,720	43,957	84,136	196,368	105,453
Investment earnings	492,580	208,984	20,362	215,329	129,436
Gain on the sale of capital assets	11,040	124,555	-	-	-
Other	59,415	82,334	131,101	11,046	20,103
Total governmental activities	<u>15,692,569</u>	<u>16,548,029</u>	<u>15,264,856</u>	<u>15,488,289</u>	<u>15,618,978</u>
Business-Type Activities:					
Other	56,523	283,894	-	-	-
Total business-type activities	<u>56,523</u>	<u>283,894</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 15,749,092</u>	<u>\$ 16,831,923</u>	<u>\$ 15,264,856</u>	<u>\$ 15,488,289</u>	<u>\$ 15,618,978</u>
Change in net position					
Governmental activities	\$ (36,898)	\$ 1,373,017	\$ 361,920	\$ 2,264,635	\$ 3,899,815
Business-type activities	283,599	610,721	1,720,243	(303,803)	523,418
Total primary government	<u>\$ 246,701</u>	<u>\$ 1,983,738</u>	<u>\$ 2,082,163</u>	<u>\$ 1,960,832</u>	<u>\$ 4,423,233</u>

	2016	2017	2018	2019	2020
\$	4,836,921	\$ 5,838,359	\$ 5,792,732	\$ 6,331,613	\$ 6,170,357
	7,841,876	8,571,205	9,307,432	3,502,843	9,820,126
	4,890,378	5,616,975	6,029,741	5,698,606	5,374,110
	3,793,318	4,527,113	4,494,143	4,751,156	3,579,483
	235,861	231,297	220,783	215,241	154,643
	<u>21,598,354</u>	<u>24,784,949</u>	<u>25,844,831</u>	<u>20,499,459</u>	<u>25,098,719</u>
	2,010,094	1,942,016	1,904,562	1,942,576	2,163,506
	1,944,231	1,703,795	1,567,017	1,656,483	1,660,417
	1,064,705	1,113,928	1,127,198	1,049,863	893,353
	<u>5,019,030</u>	<u>4,759,739</u>	<u>4,598,777</u>	<u>4,648,922</u>	<u>4,717,276</u>
\$	<u>26,617,384</u>	<u>29,544,688</u>	<u>30,443,608</u>	<u>25,148,381</u>	<u>29,815,995</u>
\$	2,712,465	\$ 2,819,251	\$ 2,756,579	\$ 2,999,331	\$ 2,991,247
	593,124	483,193	600,885	498,103	470,438
	1,452,055	1,580,269	1,605,100	1,686,038	1,638,897
	1,510,517	1,448,313	1,546,317	1,454,654	636,253
	1,184,517	1,028,220	1,268,969	1,775,243	2,966,379
	151,524	131,649	22,083	458,104	112,276
	<u>7,604,202</u>	<u>7,490,895</u>	<u>7,799,933</u>	<u>8,871,473</u>	<u>8,815,490</u>
	2,174,722	2,329,366	2,317,000	2,539,463	2,563,878
	1,892,558	1,932,540	1,341,381	1,570,853	1,790,025
	907,446	859,629	812,708	845,219	757,033
	-	-	-	-	-
	121,799	116,890	-	-	152,500
	<u>5,096,525</u>	<u>5,238,425</u>	<u>4,471,089</u>	<u>4,955,535</u>	<u>5,263,436</u>
\$	<u>12,700,727</u>	<u>12,729,320</u>	<u>12,271,022</u>	<u>13,827,008</u>	<u>14,078,926</u>
\$	(13,994,152)	\$ (17,294,054)	\$ (18,044,898)	\$ (11,627,986)	\$ (16,283,229)
	77,495	478,686	(127,688)	306,613	546,160
\$	<u>(13,916,657)</u>	<u>(16,815,368)</u>	<u>(18,172,586)</u>	<u>(11,321,373)</u>	<u>(15,737,069)</u>
\$	1,275,653	\$ 1,289,362	\$ 1,332,753	\$ 1,360,445	\$ 1,380,389
	14,247,899	13,897,814	15,237,654	15,797,423	16,732,440
	345,958	615,526	720,412	406,388	673,470
	115,268	104,572	75,798	72,214	91,376
	119,752	273,681	351,588	755,855	678,910
	7,906	-	-	39,962	484,880
	39,115	7,405	48,425	12,803	29,944
	<u>16,151,551</u>	<u>16,188,360</u>	<u>17,766,630</u>	<u>18,445,090</u>	<u>20,071,409</u>
	-	-	-	-	-
	<u>16,151,551</u>	<u>16,188,360</u>	<u>17,766,630</u>	<u>18,445,090</u>	<u>20,071,409</u>
\$	2,147,544	\$ (1,346,354)	\$ (363,431)	\$ 6,972,184	\$ 3,850,638
	87,350	719,346	(42,525)	151,533	483,702
\$	<u>2,234,894</u>	<u>(627,008)</u>	<u>(405,956)</u>	<u>7,123,717</u>	<u>4,334,340</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 (1)</u>	<u>2015</u>
General Fund					
Nonspendable	\$ 42,034	\$ 50,022	\$ 39,372	\$ 34,636	\$ 27,552
Committed	360,215	442,531	542,531	642,531	281,103
Assigned	2,287,384	1,348,736	1,549,018	683,527	708,434
Unassigned	<u>10,756,154</u>	<u>11,307,767</u>	<u>10,402,258</u>	<u>11,068,945</u>	<u>12,284,198</u>
Total general fund	<u>\$ 13,445,787</u>	<u>\$ 13,149,056</u>	<u>\$ 12,533,179</u>	<u>\$ 12,429,639</u>	<u>\$ 13,301,287</u>
All Other Governmental Funds					
Nonspendable	\$ 3,340,482	\$ 2,849,291	\$ 95,238	\$ 115,829	\$ 115,167
Restricted	1,788,921	1,937,880	2,822,178	3,207,520	3,495,329
Committed	2,536,378	2,073,419	2,012,467	2,057,468	2,083,166
Unassigned	<u>(3,755,190)</u>	<u>(2,074,380)</u>	<u>-</u>	<u>(5,675,573)</u>	<u>(5,070,761)</u>
Total all other governmental funds	<u>\$ 3,910,591</u>	<u>\$ 4,786,210</u>	<u>\$ 4,929,883</u>	<u>\$ (294,756)</u>	<u>\$ 622,901</u>

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	61,808	\$ 58,110	\$ 58,792	\$ 8,950	\$ 13,555
	793,528	778,590	696,807	387,644	475,177
	593,417	1,289,226	1,099,521	2,164,088	1,818,743
	<u>13,978,050</u>	<u>13,952,840</u>	<u>15,248,811</u>	<u>17,272,807</u>	<u>20,931,405</u>
\$	<u>15,426,803</u>	<u>16,078,766</u>	<u>17,103,931</u>	<u>19,833,489</u>	<u>23,238,880</u>
\$	94,393	\$ 93,705	\$ 125,025	\$ 100,764	\$ 87,618
	3,515,142	3,193,409	3,277,645	3,103,273	4,424,189
	2,160,426	1,818,386	1,751,744	1,653,686	1,602,631
	<u>(4,251,864)</u>	<u>(3,619,658)</u>	<u>(2,741,890)</u>	<u>(1,918,590)</u>	<u>(1,052,282)</u>
\$	<u>1,518,097</u>	<u>1,485,842</u>	<u>2,412,524</u>	<u>2,939,133</u>	<u>5,062,156</u>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>REVENUES</u>										
Municipal income taxes	\$ 11,811,152	\$ 12,554,400	\$ 12,667,627	\$ 13,019,647	\$ 13,873,876	\$ 14,553,185	\$ 13,714,997	\$ 14,671,269	\$ 16,497,181	\$ 16,016,008
Property and other taxes	1,614,735	1,533,779	1,232,843	1,281,724	1,276,849	1,275,898	1,295,864	1,333,297	1,361,361	1,363,804
Charges for services	3,685,674	3,485,052	3,463,040	3,669,349	3,750,556	3,592,620	3,638,049	3,657,390	3,643,948	2,747,971
Fines, licenses and permits	1,560,665	1,639,877	1,828,789	1,796,072	1,866,756	1,911,822	1,968,089	1,931,816	2,150,193	1,828,027
Intergovernmental revenues	3,669,156	3,544,825	2,712,119	3,562,887	3,817,380	2,284,559	2,097,904	2,162,961	2,722,275	4,170,705
Special assessments	7,862	10,231	7,757	6,018	24,246	10,088	28,095	9,971	2,478	-
Investment income	492,580	208,984	20,362	215,329	129,436	119,752	282,336	368,536	779,369	699,854
Payments in lieu of taxes	107,720	43,956	84,136	196,368	105,453	106,688	99,979	88,971	72,214	91,376
Other	76,244	103,708	545,020	309,685	164,552	282,277	377,171	451,166	372,175	897,980
Total revenues	23,025,788	23,124,812	22,561,693	24,057,079	25,009,104	24,136,889	23,502,484	24,675,377	27,601,194	27,815,725
<u>EXPENDITURES</u>										
General government	5,410,595	5,496,187	5,276,604	5,252,837	4,894,718	4,527,753	4,981,109	5,131,291	5,255,036	5,515,153
Public safety	6,308,866	6,187,676	6,822,655	6,832,743	6,813,125	6,952,097	7,408,236	7,672,943	8,130,967	8,220,851
Public works	3,745,331	4,884,241	3,844,621	3,433,779	3,419,534	3,386,391	3,670,307	3,911,640	3,675,176	3,442,202
Recreation	3,500,732	3,349,081	3,389,173	3,731,450	3,623,674	3,280,416	3,581,667	3,727,179	3,727,938	2,908,181
Capital outlay	3,042,512	1,190,438	2,135,887	3,589,683	4,407,748	2,263,170	2,694,434	1,498,176	2,896,470	1,962,263
Debt service:										
Principal retirement	963,819	997,791	1,021,931	6,847,216	520,306	563,031	545,311	584,591	572,785	561,090
Interest and fiscal charges	615,444	580,937	543,026	359,838	201,615	238,849	237,742	233,004	219,578	158,621
Bond issuance costs	-	-	-	-	5,500	2,750	-	-	-	-
Current refunding	-	-	-	149,300	-	-	-	-	-	-
Total expenditures	23,587,299	22,686,351	23,033,897	30,196,846	23,886,220	21,214,457	23,118,806	22,758,824	24,477,950	22,768,361
Excess of revenues over (under) expenditures	(561,511)	438,461	(472,204)	(6,139,767)	1,122,884	2,922,432	383,678	1,916,553	3,123,244	5,047,364
<u>OTHER FINANCING SOURCES (USES)</u>										
Issuance of loans	-	-	-	308,334	866,421	161,775	110,899	240,294	167,961	-
Inception of capital lease	-	-	-	461,016	-	-	-	-	-	-
Sale of capital assets	-	140,427	-	42,238	-	24,889	485,131	-	39,962	631,050
Transfers in	2,561,151	3,855,648	4,047,930	3,456,840	3,338,920	1,793,157	2,718,775	2,006,201	1,542,000	1,611,081
Transfer out	(2,561,151)	(3,855,648)	(4,047,930)	(3,456,840)	(3,538,920)	(1,881,541)	(3,078,775)	(2,211,201)	(1,617,000)	(1,761,081)
Total other financing sources (uses)	-	140,427	-	811,588	666,421	98,280	236,030	35,294	132,923	481,050
Net change in fund balance	\$ (561,511)	\$ 578,888	\$ (472,204)	\$ (5,328,179)	\$ 1,789,305	\$ 3,020,712	\$ 619,708	\$ 1,951,847	\$ 3,256,167	\$ 5,528,414
Debt service as a percentage of noncapital expenditures	7.7%	7.3%	7.5%	27.1%	3.7%	4.2%	3.8%	3.8%	3.7%	3.5%

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

Collection Year	Real Property (1)		Public Utility (2)		Tangible Personal Property (3)		Total		Weighted Average Tax Rate	Total City Direct Rate	
	Assessed Value	Commercial/Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value			Estimated Actual Value
2020	\$ 385,041,570	\$ 49,830	\$ 1,100,261,143	\$ 9,171,630	\$ 23,554,413	\$ -	\$ -	\$ 394,263,030	\$ 1,123,815,556	35.98%	\$ 4.14
2019	344,708,230	40,100	984,995,229	8,466,060	21,742,381	-	-	353,214,390	1,006,737,610	35.98%	4.14
2018	343,319,660	38,580	981,023,543	8,088,620	20,773,047	-	-	351,446,860	1,001,796,590	35.98%	4.14
2017	328,119,460	38,830	937,595,114	7,829,300	20,107,066	-	-	335,987,590	957,702,180	35.98%	4.14
2016	323,668,040	40,210	924,880,714	7,364,480	18,913,324	-	-	331,072,730	943,794,038	35.98%	4.14
2015	326,292,560	39,830	932,378,257	7,254,310	18,630,387	-	-	333,586,700	951,008,644	35.98%	4.14
2014	335,503,500	39,180	958,693,371	7,037,090	18,072,527	-	-	342,579,770	976,765,898	35.98%	4.14
2013	332,400,670	37,770	949,824,114	6,375,710	16,373,983	-	-	338,814,150	966,198,097	35.90%	4.14
2012	334,185,190	45,420	954,944,600	5,995,890	15,398,536	-	-	340,226,500	970,343,136	35.84%	4.14
2011	358,924,870	40,320	1,025,614,829	5,873,700	15,084,730	-	-	364,838,890	1,040,699,558	35.77%	4.14

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Source: Montgomery County Auditor

- (1) Real estate value is assessed at 35% of appraised market value.
- (2) Public utility personal property is assessed at 88% of true value for half of 2009-2019, the other half at 25% of true value.
- (3) Tangible personal property is assessed at 0% for 2009-2019.

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

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Deliquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Outstanding Delinquent Taxes to Current Tax Levy</u>	<u>Total Direct Tax Rate</u>
2020	\$ 1,468,336	\$ 1,443,477	\$ 42,019	\$ 1,485,496	98.31%	\$ 42,350	2.88%	\$ 96.14
2019	1,462,307	1,428,459	43,975	1,472,434	97.69%	25,527	1.75%	96.23
2018	1,454,990	1,414,516	42,743	1,457,259	97.22%	26,968	1.85%	96.05
2017	1,390,989	1,354,172	30,666	1,384,838	97.35%	27,446	1.97%	95.37
2016	1,370,641	1,346,397	35,325	1,381,722	98.23%	33,702	2.46%	95.45
2015	1,381,049	1,332,247	44,994	1,377,241	99.72%	33,976	2.46%	94.53
2014	1,418,280	1,357,528	10,260	1,367,788	96.44%	37,865	2.67%	93.50
2013	1,402,691	1,367,332	32,882	1,400,214	99.82%	33,275	2.37%	86.54
2012	1,408,538	1,363,912	42,503	1,406,415	99.85%	30,429	2.16%	84.92
2011	1,510,433	1,454,051	44,039	1,498,090	99.18%	39,136	2.59%	84.02

Source: Montgomery County Auditor

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

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

Collection Year	City Direct Rates				Overlapping Rates					Total Levy
	General Fund	Charter	Police Pension	Total City	County Levy	Vandalia-Butler City Schools	Miami Valley Career Technology Center	Library		
2020	\$ 1.54	\$ 2.30	\$ 0.30	\$ 4.14	\$ 23.14	\$ 61.05	\$ 3.96	\$ 3.15	\$ 95.44	
2019	1.54	2.30	0.30	4.14	23.14	61.63	4.01	3.31	96.23	
2018	1.54	2.30	0.30	4.14	22.94	61.65	4.01	3.31	96.05	
2017	1.54	2.30	0.30	4.14	22.94	62.40	2.58	3.31	95.37	
2016	1.54	2.30	0.30	4.14	22.94	62.48	2.58	3.31	95.45	
2015	1.54	2.30	0.30	4.14	21.94	62.56	2.58	3.31	94.53	
2014	1.54	2.30	0.30	4.14	20.94	62.53	2.58	3.31	93.50	
2013	1.54	2.30	0.30	4.14	20.94	55.57	2.58	3.31	86.54	
2012	1.54	2.30	0.30	4.14	20.94	55.51	2.58	1.75	84.92	
2011	1.54	2.30	0.30	4.14	20.94	54.61	2.58	1.75	84.02	

Source: Montgomery County Auditor

CITY OF VANDALIA, OHIO
Schedules of Principal Taxpayers - Real Property
2020 and 2011

	2011			2020		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Taxpayer						
Sand Lake Plaza LLC	\$ 2,126,040	2	0.64%	\$ 2,975,000	1	0.77%
Mo Northwoods LLC	3,006,970	1	0.00%	2,497,230	2	0.65%
Anchor Ph Vandalia LLC	-		0.00%	2,467,500	3	0.64%
DABA LLC	-		0.00%	2,257,500	4	0.59%
Realty Income Properties 6 LLC	-		0.00%	2,084,950	5	0.54%
Garrett-Ryan LLC	1,871,280	3	0.52%	1,936,960	6	0.50%
Ddc Hotels Inc	-		0.00%	1,811,570	7	0.47%
3920 Space Dr Bldg 47 LLC	-		0.00%	1,551,620	8	0.40%
Adare Pharmaceuticals Inc	-		0.00%	1,543,920	9	0.40%
Eagele Dayton Properties LLC	-		0.00%	1,454,070	10	0.38%
Floriday LLC	1,705,850	4	0.48%	-		0.00%
Timberlake Limited Partners	1,643,470	5	0.46%	-		0.00%
3920 Space Drive Building	1,583,660	6	0.44%	-		0.00%
Delphi Properties Management	1,314,270	7	0.37%	-		0.00%
Vandalia CG LLC	1,277,510	8	0.36%	-		0.00%
The Khoshbin Tower LP	1,191,240	9	0.33%	-		0.00%
303 Corporate Center LLC	1,133,250	10	0.32%	-		0.00%
Total of above	<u>\$ 16,853,540</u>		<u>4.71%</u>	<u>\$ 20,580,320</u>		<u>5.35%</u>
Total City	<u>\$ 358,965,190</u>			<u>\$ 385,091,400</u>		

Source: Montgomery County Auditor.

CITY OF VANDALIA, OHIO
 Schedules of Principal Taxpayers - Public Utility
 2020 and 2011

	2011			2020		
	Taxable Assessed Value (1)	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Taxpayer						
Dayton Power	\$ 5,611,020	1	95.53%	\$ 7,899,670	1	86.13%
Vectren Energy Delivery of Ohio	383,870	2	6.54%	1,166,880	2	12.72%
Buckeye Power Inc.	870	3	0.01%	-	3	0.00%
Ohio Bell Telephone Co.	-		0.00%	-		0.00%
Total of above	<u>\$ 5,995,760</u>		<u>102.08%</u>	<u>\$ 9,066,550</u>		<u>98.85%</u>
Total City	<u>\$ 5,873,700</u>			<u>\$ 9,171,630</u>		

Source: Montgomery County Auditor.

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

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2020	2.00%	\$ 16,594,510	\$ 13,010,482	78.40%	\$ 2,200,535	13.26%	\$ 1,383,494	8.34%
2019	2.00	17,229,572	12,800,411	74.29	2,969,873	17.24	1,459,287	8.47
2018	2.00	15,563,249	12,227,785	78.57	1,961,737	12.60	1,373,727	8.83
2017	2.00	14,471,223	11,571,527	79.96	1,545,989	10.68	1,353,708	9.35
2016	2.00	15,434,555	11,575,620	75.00	2,291,415	14.85	1,567,520	10.16
2015	2.00	14,449,582	10,791,743	74.69	2,226,693	15.41	1,431,146	9.90
2014	2.00	13,873,413	10,518,990	75.82	1,953,374	14.08	1,401,049	10.10
2013	2.00	13,234,807	10,015,750	75.68	1,826,881	13.80	1,392,176	10.52
2012	2.00	12,947,429	9,590,711	74.07	1,978,254	15.28	1,378,464	10.65
2011	2.00	12,086,039	9,108,148	75.36	1,594,969	13.20	1,382,922	11.44

Source: City income tax records.

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

Fiscal Year	Governmental Activities (1)				Business-Type Activities		Total Primary Government	Percentage of Personal Income	Total Debt Per Capita
	General Obligation Bonds	OPWC Loans	Loan Payable	Capital Leases	OPWC Loans	Capital Leases			
2020	\$ 1,132,870	\$ 185,714	\$ 795,766	\$ -	\$ 290,555	\$ -	\$ 2,404,905	0.46%	\$ 160
2019	1,479,724	189,265	1,008,305	-	158,236	-	2,835,530	0.68%	186
2018	1,816,999	28,406	1,214,609	24,379	137,410	10,448	3,232,251	0.78%	212
2017	2,144,682	35,508	1,130,750	120,433	67,061	51,614	3,550,048	0.85%	233
2016	2,457,755	-	1,196,910	214,193	-	91,797	3,960,655	0.95%	260
2015	2,761,205	-	1,149,528	362,831	-	131,020	4,404,584	1.06%	289
2014	3,060,025	-	308,334	562,910	-	169,306	4,100,575	0.99%	269
2013	9,644,015	-	-	274,110	-	-	9,918,125	2.39%	651
2012	10,543,316	-	-	376,041	-	-	10,919,357	2.63%	716
2011	11,420,417	-	-	473,832	-	-	11,894,249	2.86%	780

(1) Details regarding the City's outstanding debt can be found in Note 10 & 11 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
2020	\$ 1,132,870	0.29%	\$ 76
2019	\$ 1,479,724	0.42%	\$ 97
2018	1,816,999	0.52%	119
2017	2,144,682	0.64%	141
2016	2,457,755	0.74%	161
2015	2,761,205	0.83%	181
2014	3,060,025	0.89%	201
2013	9,644,015	2.85%	633
2012	10,543,316	3.10%	692
2011	11,420,417	3.13%	749

(1) Details regarding the City's outstanding debt can be found in Note 10 & 11 in the current financial statements.

CITY OF VANDALIA, OHIO
 Direct and Overlapping Governmental Activities Debt
 December 31, 2020

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	\$ 39,601,570	56.93%	\$ 22,545,174
Montgomery County	28,054,030	3.67%	<u>1,029,583</u>
Subtotal, overlapping debt			23,574,757
City of Vandalia governmental activities direct debt			<u>2,114,350</u>
Total direct and overlapping debt			<u><u>\$ 25,689,107</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, 2020, except for Vandalia-Butler School District which is reported as of June 30, 2020.

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

Legal Debt Margin Calculation for Year Ending December 31, 2020	<u>Unvoted</u>	<u>Overall</u>								
Total assessed valuation	\$ 394,263,030	\$ 394,263,030								
Debt limitation - 5.5% of assessed valuation	<u>21,684,467</u>									
Debt limitation - 10.5% of assessed valuation		<u>41,397,618</u>								
Debt applicable to limitation:										
Gross indebtedness	4,899,905	4,899,905								
Exempt debt:										
Bond anticipation notes	(2,495,000)	(2,495,000)								
State infrastructure bank loan	(795,766)	(795,766)								
OPWC loans	(476,269)	(476,269)								
Amount available in debt service fund	<u>(118,239)</u>	<u>(118,239)</u>								
Total debt applicable to limitation	<u>1,014,631</u>	<u>1,014,631</u>								
Legal debt margin	<u>\$ 20,669,836</u>	<u>\$ 40,382,987</u>								
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$ 38,308,083	\$ 35,723,783	\$ 35,575,486	\$ 35,970,876	\$ 35,026,604	\$ 34,762,637	\$ 35,278,697	\$ 36,901,920	\$ 37,087,511	\$ 41,397,618
Total net debt applicable to limit	11,279,512	10,627,927	9,695,024	9,450,099	3,185,511	2,681,210	2,221,667	1,742,098	1,361,029	1,014,631
Legal debt margin	\$ 27,028,571	\$ 25,095,856	\$ 25,880,462	\$ 26,520,777	\$ 31,841,093	\$ 32,081,427	\$ 33,057,030	\$ 35,159,822	\$ 35,726,482	\$ 40,382,987
Total net debt applicable to limit as a percentage of debt limit	29.44%	29.75%	27.25%	26.27%	9.09%	7.71%	6.30%	4.72%	3.67%	2.45%

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>GENERAL BONDED DEBT</u>										
Debt service	1,409,648	1,414,384	1,406,946	1,245,640	409,615	405,765	406,015	410,165	407,977	404,577
General governmental expenditures	23,587,299	22,686,351	23,033,897	30,196,846	23,886,220	21,214,457	23,118,806	22,758,824	24,477,950	22,768,361
Ratio of debt service to general governmental expenditures	5.98%	6.23%	6.11%	4.13%	1.71%	1.91%	1.76%	1.80%	1.67%	1.78%

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

CITY OF VANDALIA, OHIO
 Schedule of Principal Employers
 2020 and 2011

Employer (1)	Industry	2020			2011		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Staffmark Investment LLC (formerly CBS Personnel)	Employment Agency	711	1	1.70%	-		0.00%
GE Aviation (formerly Smiths Aerospace)	Aerospace Engineering & Manufacturing	637	2	1.37%	474	4	0.79%
All Service Plastic Molding	Injection Molding	545	3	1.24%	-		0.00%
Vandalia - Butler Schools	Schools	519	4	1.17%	608	2	1.20%
City of Vandalia	Local Government	408	5	1.00%	494	3	1.00%
SAIA Burgess, Inc. (formerly Johnson Controls)	Electronics Manufacturing	299	8	0.78%	272	6	0.47%
Beau Townsend Ford/Nissan	Car Dealership	318	7	0.67%	194	10	0.34%
Dayton Freight Lines, Inc.	Trucking Company	292	9	0.64%	-		0.27%
Kroger Limited Partnership	Grocery Retail	343	6	0.64%	216	8	0.00%
Adare Pharmaceuticals Inc. (formerly Aptalis Pharmatech)	Specialty Pharmaceutical Company	232	10	0.49%	-		0.00%
CBS Personnel Services	Employment Agency	-		0.00%	827	1	0.67%
Delphi Automotive System	Automotive Manufacturing & Engineering	-		0.00%	277	5	0.67%
Leis Medical	Medical Device Design & Manufacturing	-		0.00%	263	7	0.67%
Projects Unlimited	Transportation	-		0.00%	206	9	0.67%
		<u>4,304</u>		<u>9.68%</u>	<u>4,034</u>		<u>7.44%</u>

Source: City Income Tax Department W2 Audit Listing.

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

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	City of Vandalia Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2020	14,997	\$ 517,636,452	\$ 34,516	\$ 58,277	41	3,719	2,933	5.0%	143,200	\$ 394,263,030
2019	15,246	\$ 415,514,484	\$ 27,254	\$ 49,539	41.3	3,095	2,935	4.2%	\$ 149,125	\$ 353,214,390
2018	15,246	415,514,484	27,254	49,539	41.3	3,095	2,912	4.5%	158,630	351,446,860
2017	15,246	415,514,484	27,254	49,539	41.3	3,095	3,065	4.4%	155,762	335,987,590
2016	15,246	415,514,484	27,254	49,539	41.3	3,095	3,071	4.6%	156,896	331,072,730
2015	15,246	415,514,484	27,254	49,539	41.3	3,095	2,999	4.7%	136,890	333,586,700
2014	15,246	415,514,484	27,254	49,539	41.3	3,095	3,156	4.6%	133,490	342,579,770
2013	15,246	415,514,484	27,254	49,539	41.3	3,095	3,324	7.0%	135,048	338,814,150
2012	15,246	415,514,484	27,254	49,539	41.3	3,095	3,325	7.0%	119,712	340,226,500
2011	15,246	415,514,484	27,254	49,539	41.3	3,095	3,331	8.5%	166,450	364,838,890

- (1) Source: U. S. Census
 - (a) Years 2010 through 2020 - 2010 Federal Census
- (2) Source: Ohio Department of Education
- (3) Source: Ohio Department of Job and Family Services
- (4) Source: Montgomery County Auditor
- (5) Computation of per capita personal income multiplied by population

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

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
Council	9.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Finance	7.00	8.00	7.00	6.50	6.00	5.00	5.50	5.50	6.50	6.00
Tax	4.50	5.00	5.00	9.00	4.50	8.00	8.50	8.50	8.50	9.50
City Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Law	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	8.00	8.00	9.00	7.00	7.00	6.50	6.50	6.50	8.00	6.50
Engineer	6.50	6.50	8.00	9.00	7.50	9.50	9.50	9.50	9.50	8.50
Planning	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Court	21.50	24.50	24.00	27.50	24.50	26.00	26.00	26.00	26.00	26.00
Public Building	15.00	18.50	18.00	19.00	7.00	7.50	7.50	7.50	8.50	18.00
Security of Persons and Property										
Police	35.00	30.00	28.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00
Police - Auxiliary/Guards	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Police - Dispatchers/Office/Other	12.50	15.50	17.50	12.00	9.00	9.00	9.00	9.00	9.00	10.50
Fire	43.00	42.50	43.50	44.00	46.50	37.50	37.50	37.50	37.50	40.50
Fire - Secretary - Other	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Leisure Time Activities										
Recreation	92.50	125.50	111.50	118.00	126.00	119.00	119.00	119.00	123.50	103.50
Municipal Pool	0.00	0.50	2.00	6.00	3.00	4.50	4.50	4.50	8.50	5.50
Golf Course	18.00	28.00	26.00	32.50	24.00	21.50	21.50	21.50	22.50	20.00
Transportation										
Service	20.00	21.00	20.50	19.00	18.00	18.00	18.00	18.00	20.00	20.50
Basic Utility Services										
Water	0.00	0.00	1.00	2.00	1.00	1.00	1.00	1.00	1.00	2.00
Wastewater	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	0.00
Totals:	<u>296.50</u>	<u>344.50</u>	<u>332.00</u>	<u>354.50</u>	<u>328.00</u>	<u>317.00</u>	<u>318.00</u>	<u>318.00</u>	<u>333.00</u>	<u>320.00</u>

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

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

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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	4	4	4	3	3	3	3	3	2	2
Inspection Vehicles	5	4	5	5	7	7	7	7	8	8
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	26	26	26	25	25	21	21	21	21
Fire										
Stations	2	3	3	3	3	3	3	3	3	3
Number of fire hydrants	802	802	802	802	802	802	770	770	770	770
Square Footage of Building	30,056	33,443	33,443	33,443	33,443	33,443	33,443	33,443	33,443	33,443
Vehicles	14	18	17	14	15	15	17	17	17	16
Recreation										
Number of Parks	11	11	11	11	11	11	11	11	11	11
Number of Pools	1	1	1	1	1	1	1	1	1	1
Number of Golf Courses	1	1	1	1	1	1	1	1	1	1
Number of Tennis Courts	11	11	11	11	11	11	11	11	11	11
Number of Baseball Fields	15	15	15	15	15	15	15	15	15	15
Number of Senior Centers	1	1	1	1	1	1	1	1	1	1
Number of Soccer Fields	12	12	12	12	12	12	12	12	12	12
Square Footage of Recreation Center	58,357	58,357	58,357	58,357	58,357	58,357	58,357	58,357	58,357	58,357
Vehicles	23	23	21	21	21	21	20	20	20	20
Other Public Works										
Streets (miles)	86	86	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0
Service Vehicles	23	26	28	28	26	26	24	24	24	29
Wastewater										
Sanitary Sewers (miles)	74	74	74	74	74	74	74	74	73	73
Storm Sewers (miles)	79	79	78	78	78	78	78	77	76	76
Water Department										
Water Lines (miles)	87	87	87	87	87	87	87	87	85	85
Vehicles	1	1	1	1	1	1	1	1	1	1

Source: City of Vandalia

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

Function/Program	2020	2019	2018	2017	2016
General Government					
<i>Council and Clerk</i>					
Number of Ordinances Passed	40	34	26	33	36
Number of Resolutions Passed	78	60	77	93	103
Number of Planning Commission docket items	10	15	24	33	44
Zoning Board of Appeals docket items	25	1	23	16	17
<i>Finance Department</i>					
Number of payroll checks issued	44	128	81	74	87
Number of payroll direct deposits issued	6,869	9,070	9,283	9,619	9,161
Number of checks/ vouchers issued	2,454	2,923	3,143	3,665	3,988
Amount of checks written (\$000 omitted)	14,617	\$15,130	\$39,859	\$16,129	\$15,231
Interest earnings for fiscal year (cash basis)	\$ 365,776	\$599,852	\$448,460	\$201,158	\$146,071
Number of Budget Adjustments issued	8	6	6	6	3
Agency Ratings - Moody's Financial Services	Aa2	Aa2	Aa2	Aa2	Aa2
Health Insurance Costs vs General Fund Expenditures %	10.25%	8.21%	6.31%	6.31%	7.02%
General Fund Receipts (cash basis, \$000 omitted)	\$ 24,819	\$25,501	\$23,795	\$23,592	\$22,808
General Fund Expenditures (cash basis, \$000 omitted)	\$ 22,124	\$23,743	\$22,681	\$22,261	\$21,673
General Fund Cash Balances (\$000 omitted)	\$ 21,368	\$18,647	\$15,710	\$14,595	\$13,263
<i>Income Tax Department</i>					
Number of Individual/Business Returns	10,993	9,194	12,060	12,291	12,949
Number of business withholding accounts	1,771	\$1,763	1,768	2,520	2,649
Amount of Penalties and Interest Collected	93,049	\$ 131,099	\$ 88,198	\$ 101,284	\$ 122,520
Annual number of withholding forms processed	17,986	17,291	16,435	22,603	21,906
Annual number of balance due statements forms processed	2,799	3,315	3,809	4,811	6,257
Annual number of estimated payment forms processed	2,483	2,661	2,592	3,023	3,508
Annual number of reconciliations of withholdings processed	1,771	1,763	1,768	2,520	2,649
<i>Engineer Contracted Services</i>					
Dollar amount of Construction overseen by Engineer	\$ 1,350,622	\$1,705,723	\$1,724,536	\$1,325,899	\$1,531,693
<i>Municipal Court</i>					
Number of Civil Cases	1,940	2,639	2,143	1,996	1,807
Number of Criminal/Traffic cases	10,460	14,070	13,954	14,533	14,471
<i>Civil Service</i>					
Number of police entry tests administered	16	103	17	2	1
Number of fire entry tests administered	5	14	7	4	1
Number of police promotional tests administered	0	1	5	0	0
Number of hires of Police Officers from certified lists	2	4	2	3	2
Number of hires of Fire/Medics from certified lists	2	1	4	2	2
Number of promotions from police certified lists	0	1	0	0	1
<i>Building Department Indicators</i>					
Construction Permits Issued	73	68	72	67	72
Estimated Value of Construction	\$34,943,369	\$27,602,410	\$10,699,597	\$7,543,900	\$4,680,457
Number of permits issued	727	788	756	741	739
Amount of Revenue generated from permits	\$277,282	\$241,913	\$205,138	\$177,673	\$138,914
Revenue generated from above 1,2,3,4	\$277,282	\$241,913	\$205,138	\$177,673	\$138,914

2015	2014	2013	2012	2011
26	33	18	16	23
111	74	64	45	59
1	1	14	8	9
5	12	13	6	12
104	116	117	212	152
9,854	9,571	9,580	9,061	9,072
4,426	4,917	4,774	4,339	4,994
\$18,278	\$20,342	\$19,613	\$16,016	\$24,159
\$137,269	\$138,696	\$161,018	\$231,689	\$302,177
4	7	6	6	5
Aa2	Aa2	Aa2	Aa2	Aa2
7.94%	6.68%	7.67%	8.55%	6.82%
\$21,971	\$20,829	\$20,856	\$20,496	\$20,059
\$21,131	\$21,980	\$21,885	\$21,111	\$19,467
\$12,128	\$11,288	\$12,439	\$13,468	\$14,083
22,605	24,212	23,466	14,984	22,614
2,331	3,604	3,604	3,296	2,520
\$ 113,693	\$ 118,174	\$ 109,648	\$ 112,041	\$ 106,639
32,757	36,703	44,153	26,641	38,118
10,626	10,431	8,759	6,252	9,808
5,613	5,779	5,397	3,564	5,325
4,617	4,360	4,321	2,640	3,446
\$1,047,864	\$512,644	\$831,792	\$1,266,695	\$1,157,591
1,628	2,065	2,040	2,040	3,029
14,293	14,000	12,398	11,754	14,269
1	0	1	1	0
1	0	0	0	0
0	0	0	0	0
0	1	0	0	0
0	0	0	0	0
0	0	0	0	0
71	69	85	83	78
\$21,137,691	\$8,783,595	\$31,879,840	\$12,735,073	\$17,119,415
815	754	750	750	761
\$202,980	\$110,652	\$162,512	\$166,082	\$140,656
\$202,980	\$110,652	\$162,512	\$166,082	\$140,656

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

Function/Program	2020	2019	2018	2017	2016
Security of Persons & Property					
<i>Police</i>					
Total Calls for Services	12,506	12,996	13,048	14,405	13,545
Number of traffic citations issued	470	1,061	1,210	1,394	1,213
Number of parking citations issued	21	48	61	57	103
Number of criminal arrests	428	559	596	607	626
Number of accident reports completed	230	257	271	358	339
Part 1 Offenses (major offenses)	378	397	379	376	400
Reserve officers hours worked	0	0	0	0	320
DUI Arrests	41	42	38	77	75
Prisoners Processed - Temporary Holdings	27	38	41	55	67
Property damage accidents	153	196	229	286	263
Fatalities from Motor Vehicle Accidents	0	1	0	0	0
Gasoline costs of fleet	\$36,978	\$53,780	\$56,566	\$44,659	\$42,436
DARE youth program	0	0	0	0	0
Community Diversion Program Youths (Be Proud)	0	0	0	0	0
Volunteer Service Program	0	0	0	0	207
<i>Fire</i>					
EMS Calls	2,138	2,293	2,369	2,554	2,526
Ambulance Billing Collections (net)	\$444,190	\$509,340	\$485,275	\$530,308	\$451,399
Fire Calls	1,151	1,177	963	898	1,066
Fires with Loss	24	24	12	15	11
Fires with Losses exceeding \$10K	7	3	3	1	5
Fire Losses \$	\$228,650	\$214,625	\$159,300	\$50,275	\$408,852
Fire Safety Inspections	125	358	215	339	332
Number of times Mutual Aid given to Fire and EMS	442	427	149	174	121
Number of times Mutual Aid received for Fire and EMS	371	455	110	117	83
Public Health and Welfare					
Cemetery burials	32	31	28	22	29
Cemetery cremations	14	5	9	15	11
Cemetery sale of lots	48	28	48	32	30
Cemetery receipts	\$38,567	\$29,099	\$35,515	\$31,883	\$27,267
Leisure Time Activities					
<i>Recreation</i>					
Recreation Swimming pool receipts	\$0	\$54,465	\$53,230	\$50,196	\$49,242
Recreation Mens & Womens Leagues receipts	\$0	33,420	34,710	38,270	39,781
Recreation Programs	\$20,779	111,483	109,377	95,371	108,290
Youth Soccer League	\$20,791	27,080	29,015	30,129	32,674
Youth Baseball League	\$9,453	49,230	61,522	55,395	37,729
Facilities rentals	\$7,871	38,164	34,537	44,631	58,113
Total Recreation Department receipts	\$58,894	\$313,842	\$322,391	\$313,992	\$325,829
Community Development					
Grant amounts received due to Economic Development Dept.	\$ 256,226	\$96,000	\$290,000	\$282,500	\$0
Basic Utility Services					
Refuse disposal per year (in tons) January through December	6,030	5,950	5,603	5,920	5,615
Refuse disposal costs per year January through December	\$988,564	\$984,848	\$981,035	\$940,552	\$862,134
Annual recycling tonnage (excluding leaf, and compost items)	717	726	773	810	718

2015	2014	2013	2012	2011
12,983	13,610	14,029	14,241	14,395
1,365	1,342	1,372	1,370	801
61	100	101	90	113
574	622	678	761	596
312	270	259	239	246
521	440	418	461	425
235	6	88	786	415
86	101	69	67	90
78	124	143	179	177
229	210	199	178	192
2	0	0	0	0
\$62,658	\$80,138	\$85,806	\$91,232	\$101,826
0	0	255	260	294
0	0	0	0	0
139	164	0	0	0
2,441	2,199	2,932	2,721	2,266
\$521,946	\$500,094	\$499,769	\$472,184	\$548,836
859	1,056	956	754	470
78	30	28	21	7
7	5	1	7	2
\$749,186	\$87,850	\$51,300	\$921,550	\$76,200
721	801	408	368	300
96	79	262	247	184
105	63	150	192	118
27	27	16	26	29
3	18	12	8	5
29	46	64	43	34
\$25,273	\$30,778	\$37,876	\$30,178	\$29,938
\$44,568	\$36,525	\$31,896	\$38,150	\$51,388
40,697	42,743	46,295	41,948	50,892
100,509	99,033	95,015	95,980	86,748
30,920	33,378	30,202	28,965	31,051
35,838	38,024	42,134	43,929	44,368
59,922	98,894	102,826	134,581	152,995
<u>\$312,454</u>	<u>\$348,597</u>	<u>\$348,368</u>	<u>\$383,553</u>	<u>\$417,442</u>
\$25,000	\$500,000	\$500,000	\$475,000	\$628,748
5,511	5,466	5,509	5,770	5,805
\$870,856	\$912,886	\$880,000	\$855,695	\$843,000
666	662	719	644	723

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

Function/Program	2020	2019	2018	2017	2016
Transportation					
Street Improvements - asphalt overlay (linear feet)	17,103	7,992	32,584	17,921	21,152
Rejuvenating Spray on Streets (Miles)	-	0	0	0	0
Crackseal Coating Program (Miles)	-	0	0	0	0
Street Repair (Concrete, asphalt, crack sealing) (hours)	2,926	3,178	3,916	2,886	3,361
Mowing (hours)	1,028	1,156	1,084	888	690
Paint Striping (hours)	5	12	240	1,098	1,180
Street Sweeper (hours)	1,225	1,225	592	915	1,084
Snow & Ice Removal regular hours	408	668	588	248	488
Sewer and Sanitary calls for service (hours)	666	400	636	1,382	124
Fire hydrants (hours)	284	118	140	184	244
Catch basin (hours)	2,798	2,669	1,616	2,762	1,932
Water and Water calls for service (hours)	2,596	2,216	2,724	2,337	2,044
Leaf collection (hours)	1,184	1,344	1,262	1,476	1,660
Holiday lights setup (hours)	354	275	424	241	240
Burial services (hours)	744	681	569	584	564
Equipment repair/body shop (hours)	3,412	3,168	2,524	3,557	3,528
Sign department (hours)	3,466	3,750	2,784	2,460	2,898
Building maintenance (hours)	1,018	651	963	758	1,242
Other (hours)	3,708	3,784	3,920	2,429	1,886
Water Department					
Water Rates per 1st 300 Cu ft of water used (2,250 gallons)	\$ 14.80	\$ 14.80	\$ 14.80	\$ 14.80	\$ 13.34
Avg. number of water accounts billed monthly (Cu. Ft.)	5,390	5,397	5,412	5,400	5,390
Total Water Collections Annually (Including P&I)	\$ 2,244,093	\$2,314,668	\$2,261,017	\$2,226,045	\$2,084,024
Wastewater Department					
Wastewater Rates per 1st 300 Cu ft of water used	\$ 4.40	\$4.40	\$4.40	\$4.40	\$4.86
Total flow of wastewater treatment plant (Millions of Gallons)	3,675	4,583	4,475	4,085	3,655
Average daily flow (Millions of gallons per day)	10	13	12	11	10

Source: City of Vandalia

2015	2014	2013	2012	2011
17,773	13,310	15,963	30,121	21,714
0	0	0	0	0
0	0	0	0	0
3,895	3,758	3,750	4,066	4,340
562	658	962	1,310	1,176
784	872	1,118	1,313	668
993	849	758	1,086	1,030
844	735	910	376	890
1,234	794	643	892	558
356	401	528	220	291
2,705	2,489	1,898	2,494	1,196
2,006	3,039	2,503	2,851	3,003
1,454	1,792	1,512	1,904	1,798
310	244	384	408	296
431	516	278	417	469
3,542	3,738	3,960	3,521	3,631
2,764	2,838	3,079	2,112	2,375
1,178	1,382	1,004	1,334	896
1,325	1,365	1,476	1,740	1,846
\$ 13.34	\$ 13.34	\$ 13.34	\$ 13.34	\$ 13.34
5,425	5,444	5,427	5,418	5,480
\$2,074,955	\$2,079,548	\$2,112,547	\$2,196,006	\$2,118,302
\$4.86	\$4.86	\$4.86	\$4.86	\$4.42
3,803	2,958	3,540	3,141	3,890
8	8	10	9	11

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF VANDALIA

MONTGOMERY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/14/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov