

City of Vandalia, Ohio



Comprehensive Annual Financial Report
For the year ended
December 31, 2015



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Vandalia, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

July 12, 2016

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CITY OF VANDALIA
Montgomery County, Ohio

Comprehensive Annual Financial Report

Year Ended December 31, 2015

Issued by:
Director of Finance

City of Vandalia, Ohio
 Comprehensive Annual Financial Report
 Year Ended December 31, 2015

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INTRODUCTORY SECTION

333 James E. Bohanan Memorial Drive
Vandalia, Ohio 45377

PHONE (937) 898-5891
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June 6, 2016

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, 2015 is hereby submitted for your review. I am pleased to report that this is the twenty seventh CAFR the City has prepared.

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

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

Plattenburg & Associates, Inc., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Vandalia's financial statements for the year ended December 31, 2015. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and an 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., pay roll 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 15.

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

The City is also a member of the Economic Development/Government Equity Program (ED/GE), a jointly governed organization which promotes developing plans and programs designed to assure that County resources are efficiently used, economic growth is properly balanced, and that county economic development is coordinated with that of the State of Ohio and other local governments. This organization is presented in Note 16.

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

Calendar year 2015 was another solid year for the City of Vandalia from a development standpoint. As a whole, the City received commitments for more than 500 new FTE's, and has several projects that are under construction and/or close to opening.

The City created more momentum, in Stonequarry Crossings, with the sale of 12 acres of land to Superior Abrasives. The company will be relocating 85 FTE's from Harrison Township upon the completion of an 84,000 square foot light manufacturing and office facility on Fieldstone Way next door to the Fire Station, and across the street from Manufactured Assemblies Corp (MAC).

Superior is a German owned company that focuses on the manufacturing and distribution of specialty abrasive products such as cartridge rolls, square pads, round pads, and flap wheels. The company has basically outgrown its current space, and has searched rigorously to find a location that would suit its needs.

Thankfully, management decided to invest in a new design build facility, and broke ground during the Spring of 2015. The goal is to open its doors in the Spring of 2016, and the building has come quite a long way in the past 6 months.

In addition to a very nice capital investment from Superior, the City was able to leverage the project toward obtaining two different state grants that were applied toward the extension of the existing Fieldstone Way. This 650' extension was completed in the Fall, and the new cul-de-sac has opened up an additional 18+/- acres of developable land. Quite a nice bonus to the site, and should help enable the City to continue finding new development opportunities heading into 2016.

Also noteworthy in Stonequarry Crossings along Capstone Way, Independent Can Company (ICC), headquartered in Belcamp, Maryland near Baltimore, was in its 1st full year of operations. ICC is a family owned and operated 4th generation business. The company is very well known for the manufacturing of decorative canisters that are utilized all across the U.S. The company also manufactures nostalgic signage and produces 100% of the Zippo Lighter Fluid Canister business in the world. During 2015, City Council also agreed to extend an existing option for a 5.5 acre lot to the south of the existing facility through the end of 2016.

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

Manufactured Assemblies Corp (MAC) also expanded again along Fieldstone Way in Stonequarry Crossings during 2015. The company is in the process of completing a 15,000 square foot high bay addition to the west side of the facility. This expansion will provide additional space for storage of inventory and finished goods which will support the diversification of product lines and revenue opportunities.

Management has also been negotiating with the City to potentially buy additional land to the west of the new high bay area. With over 100 FTE's now, MAC was the first private business to construct in the park, and has been a great supporter of the City for a number of years.

From a manufacturing industry perspective, the City was able to assist two existing businesses with expansion projects.

Saia-Burgess dba Johnson Electric committed to a multi-phase addition to the facility located on Scholz Dr. The first phase which broke ground in the fall is a 14,000 square foot addition to the south side of the plant. The new addition has included a major increase to power the site due to the investment in capital equipment for a plastic injection molding line. All told, the company has committed to hiring another 100 employees in a 3 year period. Very exciting, pushing employment totals over 300 FTE's.

Stolle Machinery is also expanding at its current Innovation Center facility located on Webster St. The company has committed to relocating 40 FTE's from Miami Township, and hiring another 40 FTE's in a two or three year timeframe. Stolle Machinery's additional space will be primarily to assist with engineering and research and development toward the canning industry. Stolle has business locations in Sidney, and Canton, Ohio, as well as the North American Headquarters near Denver, CO. The committed jobs are very solid paying positions. Management is also committed to continue growing existing client relationships in the Dayton Region and assisting with a strengthening economy.

On a disappointing note for the City in the manufacturing industry, Delphi located on Northwoods Blvd. was purchased by Mahle in July, 2015. Mahle announced in September that the company will be transitioning the existing operations to a site in the City of Dayton.

Office building vacancy has been the one of the biggest challenges for the City from a development standpoint in recent years, but the City received great news during the latter part of 2014 with a commitment from One Call Now. The company signed a long term lease at the Sandlake Building located at 6450 Poe Ave. One Call Now is a high-tech message notification provider and a seven-time honoree on the Inc. Magazine list of fastest growing companies, and has seen tremendous growth in North America, the United Kingdom, Europe and Africa. The company celebrated its grand opening in April, 2015.

Other recent development news includes the opening of a Red Robin restaurant during the late Summer of 2015. This project has helped the City continue to gain momentum on an area that was very stagnant for a number of years. The company has committed to 25 FTE's, and an additional 15 part-time employees over the next five years. This project has also spurred interest from additional retailers on the corner of Miller Lane and Benchwood in the Overlay District. Red Robin constructed next door to Longhorn Steakhouse which opened in 2014.

A few other noteworthy new businesses that have relocated to the City include Haibegger Corp, Ameriwater, and Ohio Medical Transport. The combination of those businesses will add another 100+ FTE's which will help boost income tax revenue.

Looking forward to an even better 2016.

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, 2014. This was the twenty sixth year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report was made possible by the efforts of the Finance Department staff. My sincere appreciation is extended to all members of the City of Vandalia staff, whose efforts have made this report possible. I am especially grateful to Assistant City Manager Greg Shackelford for his economic development input for this report. I would also like to express appreciation to W. Michael Lennon, CPA, and Lorrie Miller for their time spent in preparing this report. This report contains an expanded Statistical Section and a significant amount of work from members of all city departments was necessary to complete the tables. I am extremely grateful for those individuals who gathered the data to complete those statistical tables. Finally, credit must also be given to the City Manager, Mayor and to City Council for their support in maintaining the highest standards of professionalism in the management of the City of Vandalia's finances.



Bridgette M. Leiter
Director of Finance



Government Finance Officers Association

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

Presented to

**City of Vandalia
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

City of Vandalia
Montgomery County, Ohio
List of Principal Officials
December 31, 2015

Elected Officials

Mayor

Arlene Setzer

Vice Mayor

Candice Farst

Council Members

Bob Ahlers

Dave Gerhard

Mike Blakesly

David Lewis

H. David Brusman Jr.

Appointed Officials

City Manager

Jon Crusey

Director of Finance

Bridgette Leiter

City Attorney

Gerald McDonald

Assistant City Manager

Greg Shackelford

Chief of Police

Douglas Knight

Fire Chief

Chad Follick

Parks and Recreation Director

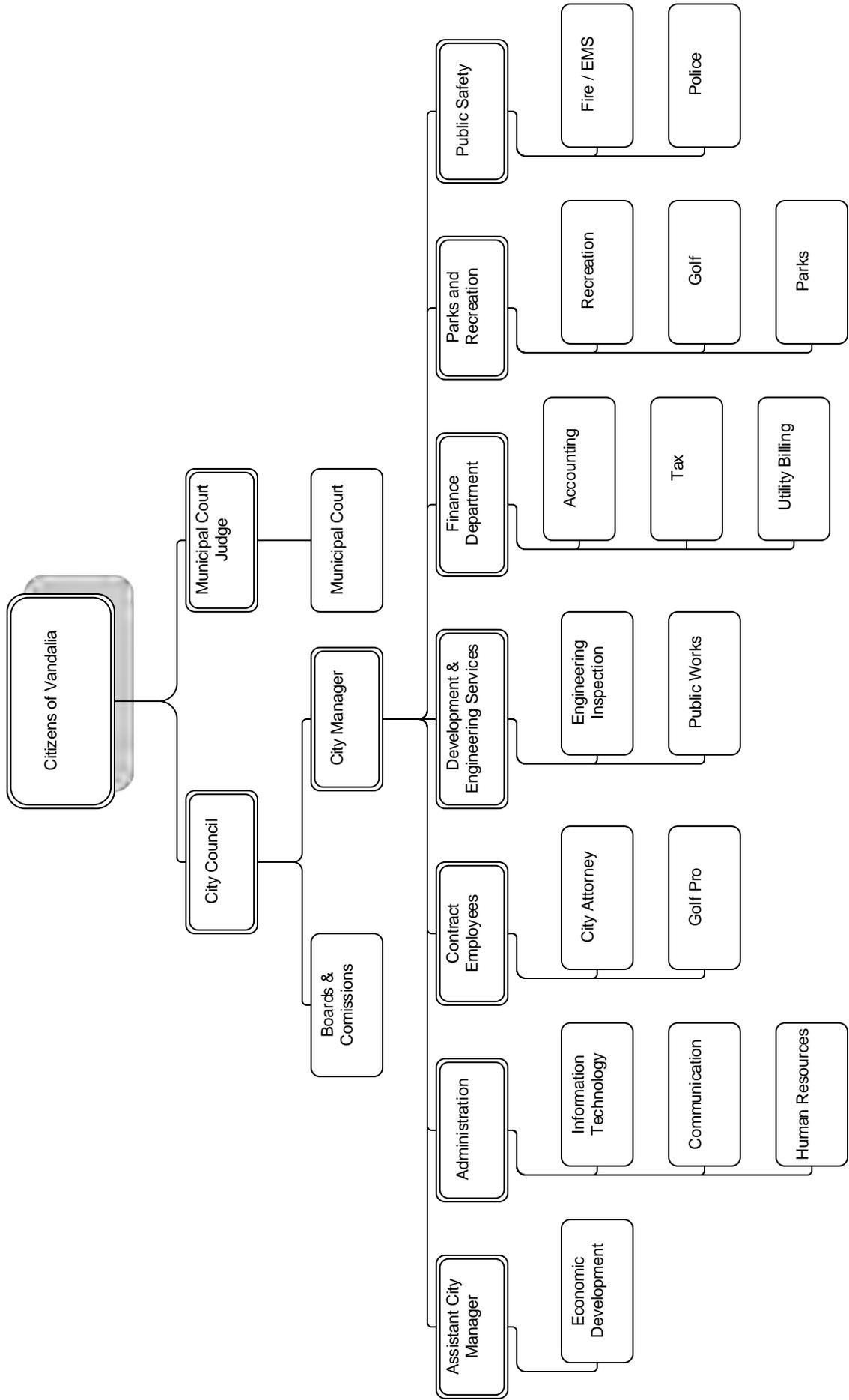
Steve Clark

Director of Public Service

Rob Cron

City of Vandalia

Organizational Responsibilities



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Vandalia, Ohio (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Dayton, Ohio
June 6, 2016



City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2015
(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, 2015. 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 \$4,423,233 during 2015. The net position of the governmental activities increased \$3,899,815, while the net position of business-type activities increased by \$523,418.
- General revenues, for governmental activities, accounted for \$15,618,978, or 61.1% of total governmental activities revenue. Program specific revenues accounted for \$9,948,534 or 38.9% of total governmental activities revenue.
- Governmental activities net capital assets increased \$2,734,363, due to current year additions exceeding current year depreciation expense.
- The City had \$21,486,069 in expenses related to governmental activities; \$9,948,534 of these expenses was offset by program specific charges for services, grants, contributions, or interest. General revenues (primarily taxes) of \$15,618,978 were sufficient to offset these program expenses.
- The general fund, the City's largest major governmental fund, had revenues of \$21,218,786 in 2015, or 84.8% of total governmental funds. Expenditures of the general fund were \$16,808,218, or 70.4% of total governmental funds. The general fund balance increased \$871,648 or 7.0% in 2015.
- Business-type operations reflected an operating loss of \$105,606 during 2015, and the business-type unrestricted net position was \$12,465,906.
- During the year the City issued new bond anticipation notes in the amount of \$525,000 with an interest rate of 1.75% and matures on June 16, 2016.

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, 2015
(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, 2015
(Unaudited)

Reporting the City's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 20. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Finance Director, with approval of council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for use of grants. The City's major funds are general, capital improvement, general obligation bond retirement, water, sewer and golf.

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2015
(Unaudited)

Government-Wide Financial Analysis

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

Table 1 below provides a summary of the City's net position for 2015 compared to 2014:

Table 1
Net Position

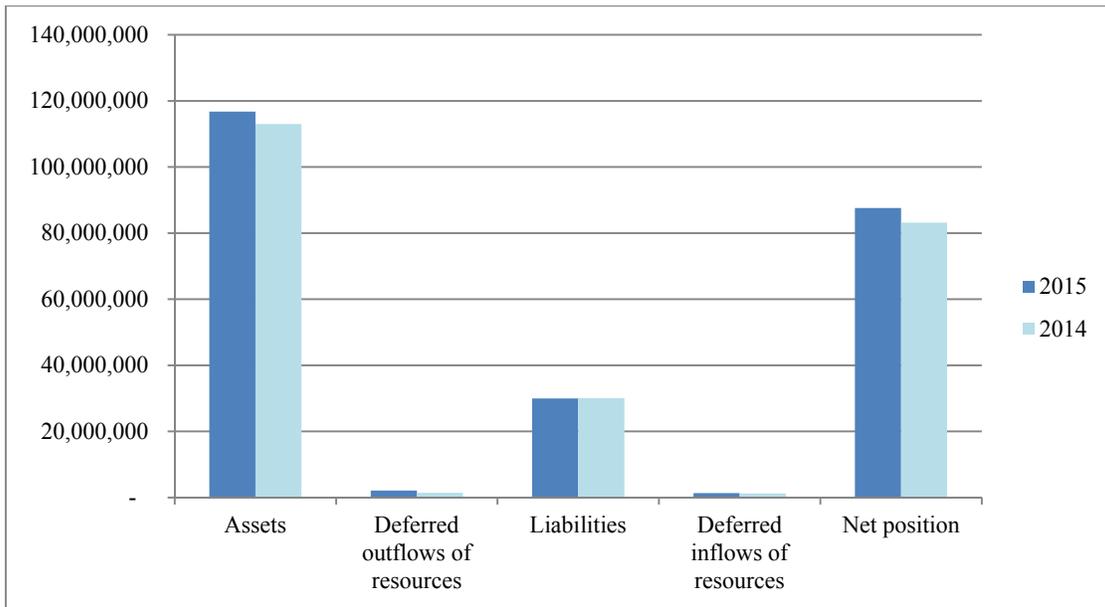
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>Restated 2014</u>	<u>2015</u>	<u>Restated 2014</u>	<u>2015</u>	<u>Restated 2014</u>
<u>Assets</u>						
Current and other assets	\$ 26,804,028	\$ 26,549,164	\$ 5,270,483	\$ 4,909,095	\$ 32,074,511	\$ 31,458,259
Capital assets	57,273,202	54,538,839	18,714,320	18,585,891	75,987,522	73,124,730
Investment in joint venture	-	-	8,683,121	8,439,672	8,683,121	8,439,672
Total assets	<u>84,077,230</u>	<u>81,088,003</u>	<u>32,667,924</u>	<u>31,934,658</u>	<u>116,745,154</u>	<u>113,022,661</u>
<u>Deferred outflows of resources</u>						
Pension	<u>1,980,393</u>	<u>1,343,748</u>	<u>137,107</u>	<u>97,920</u>	<u>2,117,500</u>	<u>1,441,668</u>
<u>Liabilities</u>						
Other liabilities	8,748,751	9,972,613	565,295	328,010	9,314,046	10,300,623
Long-term liabilities:						
Due within one year	1,384,486	1,452,227	122,032	117,065	1,506,518	1,569,292
Due in more than one year:						
Net pension liability	13,628,664	13,038,702	795,131	777,172	14,423,795	13,815,874
Other amounts	<u>4,500,629</u>	<u>4,173,731</u>	<u>206,705</u>	<u>231,850</u>	<u>4,707,334</u>	<u>4,405,581</u>
Total liabilities	<u>28,262,530</u>	<u>28,637,273</u>	<u>1,689,163</u>	<u>1,454,097</u>	<u>29,951,693</u>	<u>30,091,370</u>
<u>Deferred inflows of resources</u>						
Property taxes	1,144,707	1,149,954	-	-	1,144,707	1,149,954
Payments in lieu of taxes	73,891	74,296	-	-	73,891	74,296
Pension	<u>106,452</u>	<u>-</u>	<u>13,969</u>	<u>-</u>	<u>120,421</u>	<u>-</u>
Total deferred inflows of resources	<u>1,325,050</u>	<u>1,224,250</u>	<u>13,969</u>	<u>-</u>	<u>1,339,019</u>	<u>1,224,250</u>
<u>Net position</u>						
Net investment in capital assets	47,900,553	45,004,853	18,584,910	18,585,891	66,485,463	63,590,744
Restricted	3,929,597	3,895,737	-	-	3,929,597	3,895,737
Unrestricted	<u>4,639,893</u>	<u>3,669,638</u>	<u>12,516,989</u>	<u>11,992,590</u>	<u>17,156,882</u>	<u>15,662,228</u>
Total net position	<u>\$ 56,470,043</u>	<u>\$ 52,570,228</u>	<u>\$ 31,101,899</u>	<u>\$ 30,578,481</u>	<u>\$ 87,571,942</u>	<u>\$ 83,148,709</u>

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As displayed in Table 1, total net position of the City as a whole, increased \$4,423,233 from 2014 to 2015. This was due to an increase in capital assets, an increase in cash and a decrease in liabilities from the prior year.

Total net position of the City’s governmental activities increased by \$3,899,815, and the unrestricted net position increased \$970,255 from 2014 to 2015. The increase in governmental net position as mentioned above is due to an increase in current year capital assets for City projects, equipment and vehicles as well as an increase in equity in pooled cash and investments.

The net position of the City’s business type activities increased by \$523,418. Only one of the three enterprise funds reported operating income during 2015. Overall, program expenses decreased \$24,844 from the prior year and had an increase of \$57,016 in charges for services during 2015. The City strives to control operation expenses for business-type activities in order to maintain stability in charges for services rates.



During 2015, the City adopted GASB Statement 68, “Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27,” which significantly revises accounting for pension costs and liabilities. Users of this financial statement will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension. This implementation also had the effect of restating net position at December 31, 2014, from \$64,265,182 to \$52,570,228 for governmental activities and from \$31,257,733 to \$30,578,481 for business-type activities. See Note 2 to the basic financial statements for further discussion on the implementation of GASB 68.

The City’s statement of activities prepared on an accrual basis of accounting includes an annual pension expense for their proportionate share of each plan’s change in net pension liability not accounted for as deferred inflows/outflows. The City is also reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting in the statement of net position.

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Table 2 shows the changes in net position for the year ended December 31, 2015, and revenue and expense comparisons to 2014.

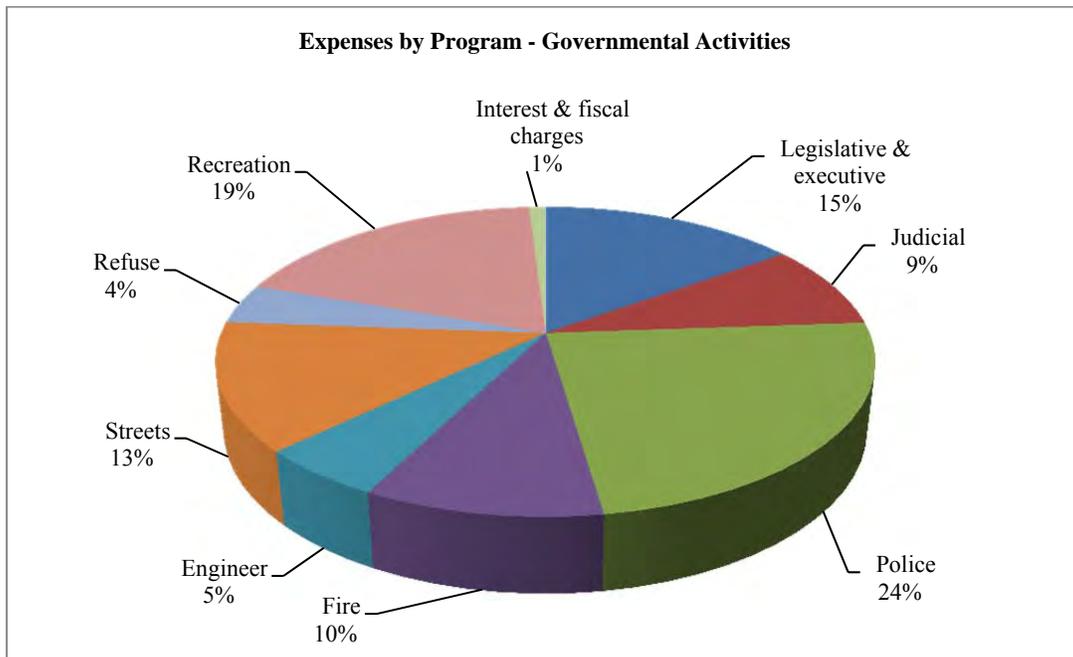
	Table 2					
	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	Total
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program revenues:						
Charges for services	\$ 6,090,637	\$ 5,876,225	\$ 4,853,439	\$ 4,796,423	\$ 10,944,076	\$ 10,672,648
Operating grants, contributions, and interest	1,458,405	1,177,845	-	-	1,458,405	1,177,845
Capital grants and contributions	2,399,492	1,623,771	369,115	2,960	2,768,607	1,626,731
General revenues:						
Property taxes	1,272,611	1,283,417	-	-	1,272,611	1,283,417
Income taxes	13,682,940	13,021,106	-	-	13,682,940	13,021,106
Grants and entitlements	408,435	761,023	-	-	408,435	761,023
Payment in lieu of taxes	105,453	196,368	-	-	105,453	196,368
Investment earnings	129,436	215,329	-	-	129,436	215,329
Other	20,103	11,046	-	-	20,103	11,046
Total revenues	<u>25,567,512</u>	<u>24,166,130</u>	<u>5,222,554</u>	<u>4,799,383</u>	<u>30,790,066</u>	<u>28,965,513</u>
Program Expenses						
Governmental Activities:						
General government						
Legislative and executive	3,239,364	3,649,178	-	-	3,239,364	3,649,178
Judicial system	1,891,403	1,871,773	-	-	1,891,403	1,871,773
Public safety						
Police	5,106,902	4,909,476	-	-	5,106,902	4,909,476
Fire	2,129,483	2,214,827	-	-	2,129,483	2,214,827
Public works						
Engineer	1,135,423	1,042,219	-	-	1,135,423	1,042,219
Streets	2,864,846	2,733,633	-	-	2,864,846	2,733,633
Refuse	900,291	961,017	-	-	900,291	961,017
Recreation	4,008,981	4,147,571	-	-	4,008,981	4,147,571
Interest and fiscal charges	209,376	569,379	-	-	209,376	569,379
Business-Type Activities:						
Water	-	-	2,151,550	2,072,336	2,151,550	2,072,336
Sewer	-	-	1,694,090	1,814,270	1,694,090	1,814,270
Golf	-	-	1,035,124	1,019,002	1,035,124	1,019,002
Total program expenses	<u>21,486,069</u>	<u>22,099,073</u>	<u>4,880,764</u>	<u>4,905,608</u>	<u>26,366,833</u>	<u>27,004,681</u>
Increase in net position						
before transfers	4,081,443	2,067,057	341,790	(106,225)	4,423,233	1,960,832
Transfers	<u>(181,628)</u>	<u>197,578</u>	<u>181,628</u>	<u>(197,578)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 3,899,815</u>	<u>\$ 2,264,635</u>	<u>\$ 523,418</u>	<u>\$ (303,803)</u>	<u>\$ 4,423,233</u>	<u>\$ 1,960,832</u>

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Governmental Activities

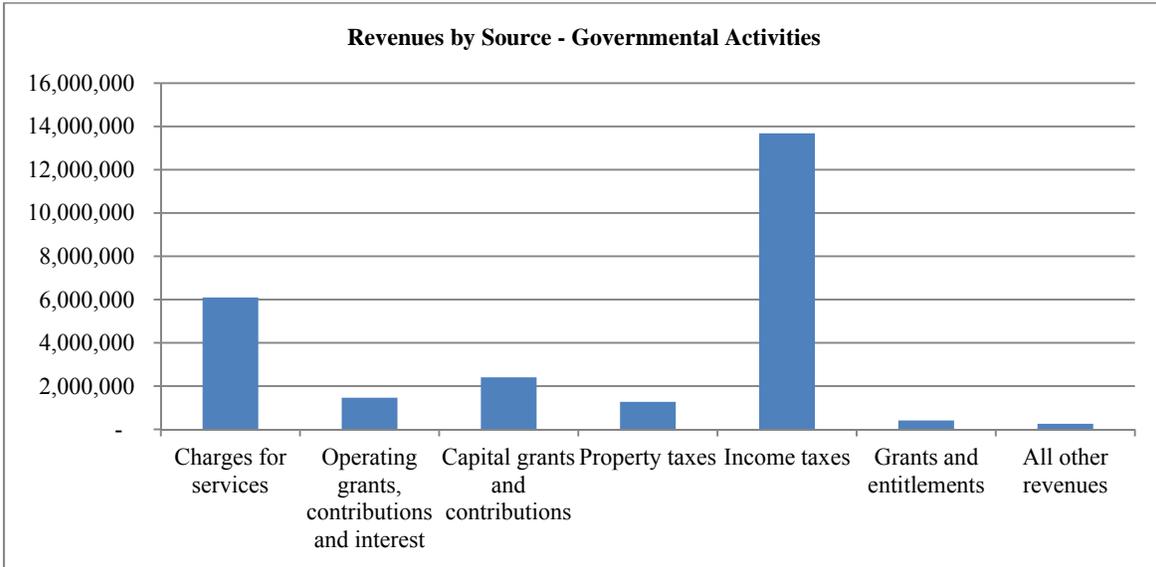
The City 2% income tax effective January 1, 2006, is the largest source of revenue for the City of Vandalia. The above table reflects that income tax receipts increased from the prior year.

Charges for services increased \$214,412 and income tax revenues increased \$661,834 during 2015. Governmental activities program expenses decreased \$613,004 during 2015 due to a decrease in interest and fiscal charges from the prior year debt refunding. Expenses related to income tax collections for the municipalities of Brookville, Clayton, Union and West Milton also continue to be reflected in the general government program expenses.



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

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When looking at the sources of income used to support governmental activities, it should be noted that charges for services of \$6,090,637 represent 23.8% of revenue. Revenues provided by sources other than city residents in the form of operating and capital grants comprise another \$3,857,897, or 15.1%, and unrestricted grants and entitlements accounted for \$408,435, which is another 1.6%. The remaining revenues are primarily generated locally through property taxes, \$1,272,611 or 5% and income taxes, \$13,682,490 at 53.5%. 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.

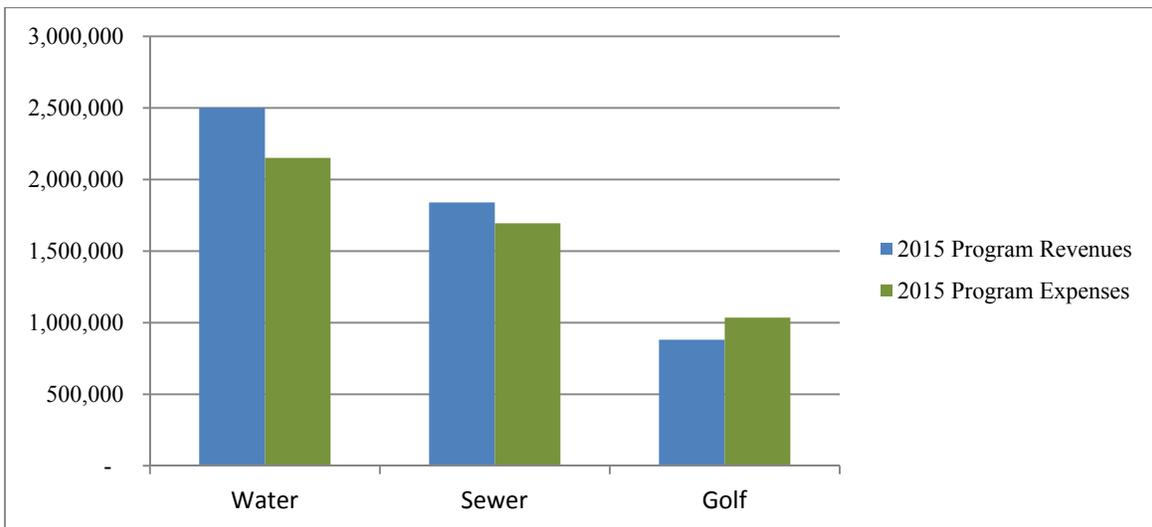
The water treatment plant became fully operational in June of 2007. The City of Dayton implemented water rate increases of 22% in 2005, 34% in January 2006 and 8% in January 2007. The City of Vandalia abandoned the final two years of its rate increases and passed a new ordinance to increase water rates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

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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 wastewater 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 upkeep of enterprise infrastructure, Council decided to implement a 9% sewer rate increase for 2008 and 2009. For 2015, 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 \$5.22 million in program revenues during 2015, program expenses were \$4.8 million. Operating expenses in the business-type activities had a slight increase from the prior year due to the close monitoring of expenses. Charges for services in the sewer department increased slightly in 2015.



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The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$1,441,668 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$1,478,044. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Total 2015 program expenses under GASB 68	\$ 21,486,069	\$ 4,880,764	\$ 26,366,833
Pension expense under GASB 68	(1,390,622)	(87,422)	(1,478,044)
2015 contractually required contribution	<u>1,330,853</u>	<u>94,681</u>	<u>1,425,534</u>
Adjusted 2015 program expenses	21,426,300	4,888,023	26,314,323
Total 2014 program expenses under GASB 27	<u>22,099,073</u>	<u>4,905,608</u>	<u>27,004,681</u>
Decrease in program expenses not related to pension	<u>\$ (672,773)</u>	<u>\$ (17,585)</u>	<u>\$ (690,358)</u>

As a result of GASB 68, the City is reporting a significant net pension liability and related deferred inflows of resources which have a negative effect on net position. In addition, the City is reporting deferred outflows of resources and a reduction of expenses related to pension for this fiscal year, which have a positive consequence on net position. This expense amount is the difference between the contractually required contributions and the pension expense resulting from the change in the net pension liability that is not reported as deferred inflows or outflows. These two 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 this new accounting standard on the City's net position, additional information is presented below.

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Net position	\$ 56,470,043	\$ 31,101,899	\$ 87,571,942
Deferred outflows - pension	(1,980,393)	(137,107)	(2,117,500)
Deferred inflows - pension	106,452	13,969	120,421
Net pension liability	<u>13,628,664</u>	<u>795,131</u>	<u>14,423,795</u>
Net position without new standard	<u>\$ 68,224,766</u>	<u>\$ 31,773,892</u>	<u>\$ 99,998,658</u>
Impact of GASB 68 on net position end of year	\$(11,754,723)	\$ (671,993)	\$(12,426,716)
Pension expense under GASB 68	1,390,622	87,422	1,478,044
Contractually required contribution	<u>(1,330,853)</u>	<u>(94,681)</u>	<u>(1,425,534)</u>
Impact of GASB 68 on net position beginning of year	<u>\$(11,694,954)</u>	<u>\$ (679,252)</u>	<u>\$(12,374,206)</u>

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Financial Analysis of the Government's Funds

Information about the City's major governmental funds begins on page 20. These funds are reported using the modified accrual basis of accounting. Governmental funds reported revenues of \$25 million and expenditures of \$23 million. The general fund net change in fund balance from 2014 to 2015 was an increase of \$871,648. Within the general fund, revenues exceeded expenditures by \$4,410,568. The total revenues of the general fund increased from 2014 by \$628,727 with income tax increasing \$854,229. However, expenditures decreased from 2014 by \$428,541. This decrease in expenditures is not due to any one single event. Transfers to other funds such as the police, fire and street capital improvement fund, capital improvement fund, the general obligation debt service fund and the golf fund equaled \$3.53 million. The funds transferred were used for capital assets, improvements, repairs, and debt.

The capital improvement fund balance decreased by \$744,328. Fund balance at December 31, 2015, was a deficit fund balance of \$153,324. The general obligation bond retirement fund balance increased \$829,144 from 2014 to an ending deficit fund balance of \$4,846,429. All other governmental funds fund balance increased by \$832,841 during 2015.

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, sewer showed an increase in cash during 2015.

The golf activity's operating loss of \$157,041 is attributable to continually increasing costs for contractual services related to repair and maintenance of the facility with only small increases in fees charged. The Golf course is intended to be operated as a business-type activity, however, historically; Council has not set fees adequate to cover all operating expenses. Even though this operation periodically receives governmental support, it is reflected as a business-type activity.

General fund budgeting highlights

The City's budget is adopted on a fund basis. Before the budget is adopted council reviews the detailed work papers of each function within the general fund, and then adopts the budget on a fund basis. During 2015, 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 24. Within each departmental function, a department head may make small line item adjustments within their budget, as long as the total operation and maintenance amount does not exceed their original budget allowance.

Original and final general fund budgeted revenues and other financing sources were \$22,217,366 for the fiscal year end December 31, 2015. Municipal income taxes final budget was consistent with actual income tax revenue for the prior year. At the end of the year, actual municipal income revenues were more than the final budget by \$274,582.

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Original general fund expenditures and other financing uses increased \$500,520, from \$23,030,062 to the final budgeted amount of \$23,530,582. This increase was due to increases in transfers out and an increase in legislative and executive appropriations. Actual expenditures were \$1,965,625 below final budget expenditures for 2015 due to the close monitoring of expenditures.

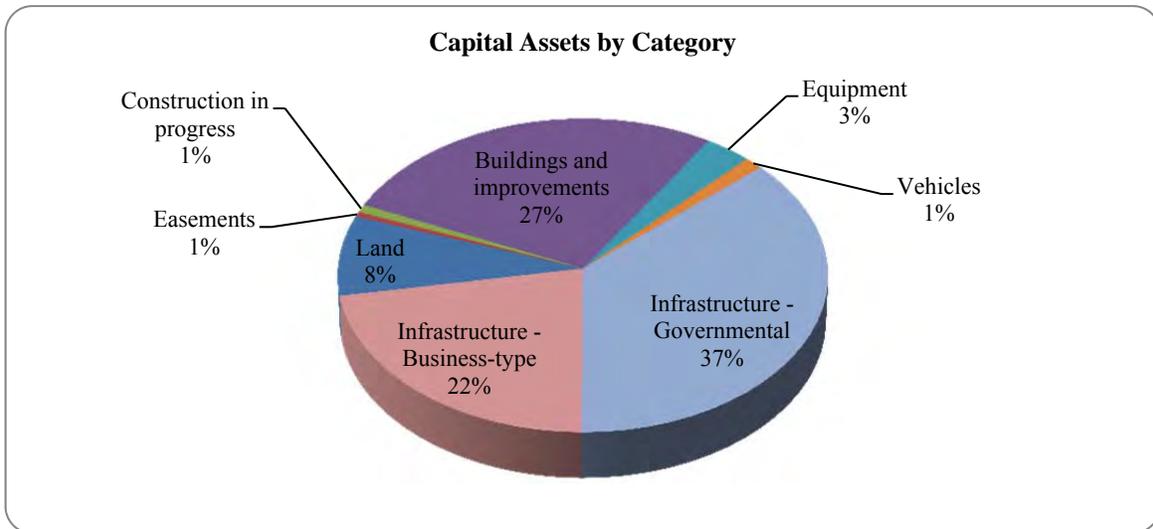
Capital Assets and Debt Administration

Capital Assets

(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 6,104,043	\$ 5,894,937	\$ 167,369	\$ 167,369	\$ 6,271,412	\$ 6,062,306
Easements	376,999	376,999	500	500	377,499	377,499
Construction in progress	609,892	3,084,088	-	7,884	609,892	3,091,972
Buildings and improvements	19,345,045	19,970,400	1,293,322	1,222,456	20,638,367	21,192,856
Equipment	2,009,550	2,114,513	430,329	490,930	2,439,879	2,605,443
Vehicles	955,638	978,810	11,333	33,747	966,971	1,012,557
Infrastructure	<u>27,872,035</u>	<u>22,119,092</u>	<u>16,811,467</u>	<u>16,663,005</u>	<u>44,683,502</u>	<u>38,782,097</u>
Total	<u>\$ 57,273,202</u>	<u>\$ 54,538,839</u>	<u>\$ 18,714,320</u>	<u>\$ 18,585,891</u>	<u>\$ 75,987,522</u>	<u>\$ 73,124,730</u>

Capital assets, net of depreciation, in governmental activities increased from the prior year. Increases were primarily due to several completed street projects, and the purchase of new equipment and vehicles during the year. Capital assets, net of depreciation, for the business-type activities also increased by \$128,429, primarily due to the completion of new water and sewer lines. See Note 8 of the notes to the basic financial statements for more detailed information on capital assets.



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(Unaudited)

Debt

At December 31, 2015, the City of Vandalia had \$11,861,584 in bonds, notes, loans and capital leases.

Table 4
Outstanding Debt, at Year End

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Unvoted general obligation bonds						
Various purpose limited tax	\$ 2,761,205	\$ 3,060,025	\$ -	\$ -	\$ 2,761,205	\$ 3,060,025
State infrastructure bank loan	1,149,528	308,334	-	-	1,149,528	308,334
Capital leases	<u>362,831</u>	<u>562,910</u>	<u>131,020</u>	<u>169,306</u>	<u>493,851</u>	<u>732,216</u>
	<u>\$ 4,273,564</u>	<u>\$ 3,931,269</u>	<u>\$ 131,020</u>	<u>\$ 169,306</u>	<u>\$ 4,404,584</u>	<u>\$ 4,100,575</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 services fund in the amounts of \$2,039,000 and \$4,893,000, respectively. Revenues for payment of interest and principal on the bond anticipation notes will result from proceeds from new notes to be issued in 2016. The general obligation debt service fund will retire the debt. During 2015, the City also issued a \$525,000 short term note obligation being reported in the Fieldstone Way construction capital project fund, the water fund and the sewer fund in the amounts of \$395,590, \$48,957 and \$80,453, respectively.

The City's overall legal debt margin was \$31,841,093 at December 31, 2015. See Note 10, 11 and 12 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, 2015

	Governmental Activities	Business-Type Activities	Total
<u>Assets:</u>			
Equity in pooled cash and investments	\$ 19,600,620	\$ 4,767,744	\$ 24,368,364
Receivables:			
Income tax	2,613,661	-	2,613,661
Property and other taxes	1,231,294	-	1,231,294
Accounts	524,185	374,848	899,033
Revenue in lieu of taxes receivable	73,891	-	73,891
Special assessments	15,453	-	15,453
Accrued interest	28,534	-	28,534
Due from other governments	897,057	-	897,057
Materials and supplies inventory	124,094	22,101	146,195
Prepaid items	32,045	-	32,045
Restricted: equity in pooled cash and cash equivalents	-	54,707	54,707
Investment in joint venture	-	8,683,121	8,683,121
Internal balances	(51,083)	51,083	-
Land held for resale	1,714,277	-	1,714,277
Nondepreciable capital assets	7,090,934	167,869	7,258,803
Depreciable capital assets, net	50,182,268	18,546,451	68,728,719
Total assets	<u>84,077,230</u>	<u>32,667,924</u>	<u>116,745,154</u>
<u>Deferred outflows of resources:</u>			
Pension	<u>1,980,393</u>	<u>137,107</u>	<u>2,117,500</u>
<u>Liabilities:</u>			
Accounts payable	318,511	143,525	462,036
Contracts payable	201,822	32,997	234,819
Accrued wages and benefits	98,642	5,462	104,104
Matured compensated absences payable	46,934	4,001	50,935
Due to other governments	108,665	8,982	117,647
Due to related parties	-	182,280	182,280
Unearned revenue	2,820	2,178	4,998
Income tax refunds payable	386,410	-	386,410
Bond anticipation notes payable	7,327,590	129,410	7,457,000
Accrued interest payable	65,137	1,753	66,890
Claims payable	192,220	-	192,220
Refundable deposits	-	54,707	54,707
Long-term liabilities:			
Due within one year	1,384,486	122,032	1,506,518
Due in more than one year:			
Net pension liability	13,628,664	795,131	14,423,795
Other amounts due in more than one year	4,500,629	206,705	4,707,334
Total liabilities	<u>28,262,530</u>	<u>1,689,163</u>	<u>29,951,693</u>
<u>Deferred inflows of resources:</u>			
Property taxes	1,144,707	-	1,144,707
Payments in lieu of taxes	73,891	-	73,891
Pension	106,452	13,969	120,421
Total deferred inflows or resources	<u>1,325,050</u>	<u>13,969</u>	<u>1,339,019</u>
<u>Net position:</u>			
Net investment in capital assets	47,900,553	18,584,910	66,485,463
Restricted for capital projects	1,943,383	-	1,943,383
Restricted for streets and highways	1,534,663	-	1,534,663
Restricted for other purposes	451,551	-	451,551
Unrestricted	4,639,893	12,516,989	17,156,882
Total net position	<u>\$ 56,470,043</u>	<u>\$ 31,101,899</u>	<u>\$ 87,571,942</u>

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Activities
For the Year Ended December 31, 2015

	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	\$ 3,239,364	\$ 1,086,670	\$ -	\$ -
Judicial system	1,891,403	1,492,856	-	-
Public safety				
Police	5,106,902	27,006	2,560	-
Fire	2,129,483	462,846	2,750	15,000
Public works				
Engineer	1,135,423	477,278	-	-
Streets	2,864,846	77,026	1,419,123	2,370,992
Refuse	900,291	990,316	-	-
Recreation	4,008,981	1,476,639	33,972	13,500
Interest and fiscal charges	209,376	-	-	-
Total governmental activities	<u>21,486,069</u>	<u>6,090,637</u>	<u>1,458,405</u>	<u>2,399,492</u>
<u>Business-Type Activities:</u>				
Water	2,151,550	2,149,396	-	353,331
Sewer	1,694,090	1,823,665	-	15,784
Golf	1,035,124	880,378	-	-
Total business-type activities	<u>4,880,764</u>	<u>4,853,439</u>	<u>-</u>	<u>369,115</u>
Total primary government	<u>\$ 26,366,833</u>	<u>\$ 10,944,076</u>	<u>\$ 1,458,405</u>	<u>\$ 2,768,607</u>

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

Change in net position

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

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (2,152,694)	\$ -	\$ (2,152,694)
(398,547)	-	(398,547)
(5,077,336)	-	(5,077,336)
(1,648,887)	-	(1,648,887)
(658,145)	-	(658,145)
1,002,295	-	1,002,295
90,025	-	90,025
(2,484,870)	-	(2,484,870)
(209,376)	-	(209,376)
<u>(11,537,535)</u>	<u>-</u>	<u>(11,537,535)</u>
-	351,177	351,177
-	145,359	145,359
-	<u>(154,746)</u>	<u>(154,746)</u>
-	341,790	341,790
<u>\$ (11,537,535)</u>	<u>\$ 341,790</u>	<u>\$ (11,195,745)</u>
1,272,611	-	1,272,611
13,682,940	-	13,682,940
408,435	-	408,435
105,453	-	105,453
129,436	-	129,436
20,103	-	20,103
<u>(181,628)</u>	<u>181,628</u>	<u>-</u>
<u>15,437,350</u>	<u>181,628</u>	<u>15,618,978</u>
3,899,815	523,418	4,423,233
<u>52,570,228</u>	<u>30,578,481</u>	<u>83,148,709</u>
<u>\$ 56,470,043</u>	<u>\$ 31,101,899</u>	<u>\$ 87,571,942</u>

City of Vandalia, Ohio
Balance Sheet
Governmental Funds
December 31, 2015

	General	Capital Improvement	General Obligation Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 12,576,764	\$ 455,544	\$ 69,545	5,906,393	\$ 19,008,246
Receivables:					
Income tax	2,613,661	-	-	-	2,613,661
Property and other taxes	1,231,294	-	-	-	1,231,294
Accounts	409,022	-	-	28,546	437,568
Revenue in lieu of taxes	-	-	-	73,891	73,891
Special assessments	-	15,453	-	-	15,453
Accrued interest	28,534	-	-	-	28,534
Restricted assets:					
Equity in pooled cash and cash equivalents	18,625	-	-	-	18,625
Due from other governments	236,190	147,930	-	512,937	897,057
Materials and supplies inventory	8,927	-	-	115,167	124,094
Land held for resale	-	1,714,277	-	-	1,714,277
Total assets	\$ 17,123,017	\$ 2,333,204	\$ 69,545	\$ 6,636,934	\$ 26,162,700
Liabilities:					
Accounts payable	\$ 180,418	\$ 101,600	\$ -	\$ 36,271	\$ 318,289
Contracts payable	-	170,514	-	31,308	201,822
Accrued wages and benefits	92,417	-	-	6,225	98,642
Matured compensated absences payable	46,855	-	-	79	46,934
Due to other governments	101,283	-	-	7,382	108,665
Unearned revenue	2,820	-	-	-	2,820
Income tax refunds payable	386,410	-	-	-	386,410
Accrued interest payable	-	12,031	22,974	3,286	38,291
Bond anticipation notes payable	-	2,039,000	4,893,000	395,590	7,327,590
Total liabilities	810,203	2,323,145	4,915,974	480,141	8,529,463
Deferred inflows of resources:					
Property taxes	1,144,707	-	-	-	1,144,707
Payments in lieu of taxes	-	-	-	73,891	73,891
Unavailable revenue - delinquent property taxes	68,977	-	-	-	68,977
Unavailable revenue - other	1,797,843	163,383	-	460,248	2,421,474
Total deferred inflows of resources	3,011,527	163,383	-	534,139	3,709,049
Fund balances:					
Nonspendable	27,552	-	-	115,167	142,719
Restricted	-	-	-	3,495,329	3,495,329
Committed	281,103	-	-	2,083,166	2,364,269
Assigned	708,434	-	-	-	708,434
Unassigned	12,284,198	(153,324)	(4,846,429)	(71,008)	7,213,437
Total fund balances	13,301,287	(153,324)	(4,846,429)	5,622,654	13,924,188
Total liabilities, deferred inflows of resources and fund balances	\$ 17,123,017	\$ 2,333,204	\$ 69,545	\$ 6,636,934	\$ 26,162,700

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
 Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2015

Total governmental fund balances		\$ 13,924,188
<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.		57,273,202
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.		499,969
The internal balance represents the portion of the internal service fund's assets and liabilities that are allocated to the proprietary funds.		(51,083)
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	\$ 68,977	
Income taxes	1,284,867	
Fines and forfeitures	8,508	
Intergovernmental	787,290	
Special assessments	15,453	
Charges for services	324,111	
Other	1,245	
Total	2,490,451	2,490,451
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the funds:		
Deferred outflows - pension	\$ 1,980,393	
Deferred inflows - pension	(106,452)	
Net pension liability	(13,628,664)	
Total	(11,754,723)	(11,754,723)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(26,846)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	\$ (2,745,000)	
Premium on bonds	(16,205)	
State infrastructure bank loan	(1,149,528)	
Capital lease payable	(362,831)	
Compensated absences	(1,611,551)	
Total	(5,885,115)	(5,885,115)
Net position of governmental activities		\$ 56,470,043

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, 2015

	General	Capital Improvement	General Obligation Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Municipal income tax	\$ 13,873,876	\$ -	\$ -	\$ -	\$ 13,873,876
Property and other taxes	1,276,849	-	-	-	1,276,849
Charges for services	3,410,420	-	-	340,136	3,750,556
Licenses and permits	410,147	-	-	-	410,147
Fines and forfeitures	1,204,408	-	-	252,201	1,456,609
Intergovernmental	821,218	19,824	-	2,976,338	3,817,380
Special assessments	-	24,246	-	-	24,246
Interest	129,436	-	-	-	129,436
Payments in lieu of taxes	-	-	-	105,453	105,453
Other	92,432	17,923	-	54,197	164,552
Total revenue	<u>21,218,786</u>	<u>61,993</u>	<u>-</u>	<u>3,728,325</u>	<u>25,009,104</u>
Expenditures:					
Current:					
General government					
Legislative and executive	2,927,880	26,577	-	133,881	3,088,338
Judicial system	1,708,787	-	-	97,593	1,806,380
Public safety					
Police	4,612,140	-	-	265,344	4,877,484
Fire	1,862,694	-	-	72,947	1,935,641
Public works					
Engineer	985,485	600	-	172,931	1,159,016
Streets	518,517	4,291	-	837,419	1,360,227
Refuse	900,291	-	-	-	900,291
Recreation	3,291,496	198,405	-	133,773	3,623,674
Capital outlay	928	1,082,910	-	3,323,910	4,407,748
Debt service:					
Principal retirement	-	31,905	110,745	377,656	520,306
Interest and fiscal charges	-	31,710	38,739	131,166	201,615
Issuance costs	-	-	5,500	-	5,500
Total expenditures	<u>16,808,218</u>	<u>1,376,398</u>	<u>154,984</u>	<u>5,546,620</u>	<u>23,886,220</u>
Excess of revenues over (under) expenditures	<u>4,410,568</u>	<u>(1,314,405)</u>	<u>(154,984)</u>	<u>(1,818,295)</u>	<u>1,122,884</u>
Other financing sources (uses):					
Issuance of loans	-	-	-	866,421	866,421
Transfers - in	-	570,077	984,128	1,784,715	3,338,920
Transfers - out	<u>(3,538,920)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,538,920)</u>
Total other financing sources (uses)	<u>(3,538,920)</u>	<u>570,077</u>	<u>984,128</u>	<u>2,651,136</u>	<u>666,421</u>
Net change in fund balance	871,648	(744,328)	829,144	832,841	1,789,305
Fund balances at beginning of year	<u>12,429,639</u>	<u>591,004</u>	<u>(5,675,573)</u>	<u>4,789,813</u>	<u>12,134,883</u>
Fund balances at end of year	<u>\$ 13,301,287</u>	<u>\$ (153,324)</u>	<u>\$ (4,846,429)</u>	<u>\$ 5,622,654</u>	<u>\$ 13,924,188</u>

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2015

Net change in fund balances - Total governmental funds		\$ 1,789,305
<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	\$ 4,407,748	
Capital contributions from enterprise fund	18,372	
Capital contributions	908,124	
Depreciation expense	<u>(2,566,214)</u>	
Excess of capital asset additions and contributions over depreciation expense		2,768,030
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.		
		(33,667)
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	\$ (4,238)	
Income taxes	(190,936)	
Fines and forfeitures	(3,775)	
Intergovernmental	(72,440)	
Special assessments	(5,729)	
Charges for services	(51,131)	
Other	<u>(21,467)</u>	
Net change in deferred inflows of resources during the year		(349,716)
Contractually required pension contributions are reported as expenditures in the governmental funds however, the statement of activities reports these amounts as deferred outflows.		
		1,330,853
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(1,390,622)
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:		
Decrease in compensated absences	\$ 83,138	
Increase in accrued interest	<u>(6,081)</u>	
Total additional expenditures		77,057
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.		
		50,870
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.		
		320,227
Payment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		200,079
Loans are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.		
		(866,421)
The amortization of bond premium is reflected as an expense in the statement of activities.		
		<u>3,820</u>
Change in net position of governmental activities		<u>\$ 3,899,815</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income tax	\$ 14,175,000	\$ 14,175,000	\$ 14,449,582	\$ 274,582
Property and other taxes	1,226,996	1,226,996	1,283,741	56,745
Charges for services	3,271,166	3,271,166	3,414,966	143,800
Licenses and permits	347,000	347,000	411,024	64,024
Fines and forfeitures	1,248,500	1,248,500	1,210,063	(38,437)
Intergovernmental	1,162,204	1,162,204	848,199	(314,005)
Interest	150,000	150,000	137,269	(12,731)
Other	50,500	50,500	93,538	43,038
Total revenues	21,631,366	21,631,366	21,848,382	217,016
Expenditures:				
Current:				
General government				
Legislative and executive	4,023,960	4,420,161	3,807,667	612,494
Judicial system	1,849,198	1,839,198	1,726,042	113,156
Public safety				
Police	4,878,029	4,878,028	4,648,253	229,775
Fire	2,061,951	2,072,171	1,892,024	180,147
Public works				
Engineer	1,032,725	1,032,724	954,705	78,019
Streets	561,776	561,776	525,269	36,507
Refuse	1,093,097	1,093,097	1,009,603	83,494
Recreation	3,566,774	3,566,775	3,362,474	204,301
Total expenditures	19,067,510	19,463,930	17,926,037	1,537,893
Excess of revenues over expenditures	2,563,856	2,167,436	3,922,345	1,754,909
Other financing sources (uses):				
Sale of capital assets	1,000	1,000	69	(931)
Advances - in	50,000	50,000	125,000	75,000
Advances - out	(50,000)	(50,000)	-	50,000
Transfers - in	535,000	535,000	-	(535,000)
Transfers - out	(3,912,552)	(4,016,652)	(3,638,920)	377,732
Total other financing sources (uses)	(3,376,552)	(3,480,652)	(3,513,851)	(33,199)
Net change in fund balance	(812,696)	(1,313,216)	408,494	1,721,710
Fund balance at beginning of year	11,032,729	11,032,729	11,032,729	-
Prior year encumbrances appropriated	338,927	338,927	338,927	-
Fund balance at end of year	\$ 10,558,960	\$ 10,058,440	\$ 11,780,150	\$ 1,721,710

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2015

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Golf	Total	Internal Service
<u>Assets:</u>					
Current assets:					
Equity in pooled cash and investments	\$ 2,456,534	\$ 2,101,955	\$ 209,255	\$ 4,767,744	\$ 573,749
Receivables:					
Accounts	170,980	203,868	-	374,848	86,617
Materials and supplies inventory	6,363	-	15,738	22,101	-
Prepaid items	-	-	-	-	32,045
Restricted: equity in pooled cash and cash equivalents	36,654	18,053	-	54,707	-
Total current assets	<u>2,670,531</u>	<u>2,323,876</u>	<u>224,993</u>	<u>5,219,400</u>	<u>692,411</u>
Noncurrent assets:					
Investment in joint venture	503,237	8,179,884	-	8,683,121	-
Capital assets:					
Land and easements	58,424	500	108,945	167,869	-
Depreciable capital assets, net	8,158,931	9,364,747	1,022,773	18,546,451	-
Total noncurrent assets	<u>8,720,592</u>	<u>17,545,131</u>	<u>1,131,718</u>	<u>27,397,441</u>	<u>-</u>
Total assets	<u><u>11,391,123</u></u>	<u><u>19,869,007</u></u>	<u><u>1,356,711</u></u>	<u><u>32,616,841</u></u>	<u><u>692,411</u></u>
<u>Deferred outflows of resources:</u>					
Pension	44,914	42,551	49,642	137,107	-
<u>Liabilities:</u>					
Current liabilities:					
Accounts payable	8,626	125,184	9,715	143,525	222
Contracts payable	16,220	4,858	11,919	32,997	-
Accrued wages and benefits	1,997	1,957	1,508	5,462	-
Matured compensated absences payable	1,604	-	2,397	4,001	-
Due to other governments	2,639	2,492	3,851	8,982	-
Due to related parties	102,669	79,611	-	182,280	-
Unearned revenue	-	-	2,178	2,178	-
Capital leases payable	19,612	19,611	-	39,223	-
Compensated absences payable	35,857	35,857	11,095	82,809	-
Bond anticipation notes payable	48,957	80,453	-	129,410	-
Accrued interest payable	663	1,090	-	1,753	-
Claims payable	-	-	-	-	192,220
Refundable deposits	36,654	18,053	-	54,707	-
Total current liabilities	<u>275,498</u>	<u>369,166</u>	<u>42,663</u>	<u>687,327</u>	<u>192,442</u>
Long-term liabilities:					
Capital leases payable, net of current portion	45,898	45,899	-	91,797	-
Compensated absences payable	48,704	48,704	17,500	114,908	-
Net pension liability	260,474	246,765	287,892	795,131	-
Total long-term liabilities	<u>355,076</u>	<u>341,368</u>	<u>305,392</u>	<u>1,001,836</u>	<u>-</u>
Total liabilities	<u><u>630,574</u></u>	<u><u>710,534</u></u>	<u><u>348,055</u></u>	<u><u>1,689,163</u></u>	<u><u>192,442</u></u>
<u>Deferred inflows of resources:</u>					
Pension	4,576	4,335	5,058	13,969	-
<u>Net position:</u>					
Invested in capital assets	8,168,398	9,284,794	1,131,718	18,584,910	-
Unrestricted	2,632,489	9,911,895	(78,478)	12,465,906	499,969
Total net position	<u><u>\$ 10,800,887</u></u>	<u><u>\$ 19,196,689</u></u>	<u><u>\$ 1,053,240</u></u>	<u><u>31,050,816</u></u>	<u><u>\$ 499,969</u></u>

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

	51,083
Net position of business-type activities	\$ 31,101,899

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, 2015

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service
	Water	Sewer	Golf	Total	
<u>Operating revenues:</u>					
Charges for services	\$ 2,063,537	\$ 1,721,588	\$ 878,338	\$ 4,663,463	\$ 2,047,567
Tap-in fees	2,291	2,897	-	5,188	-
Other	48,406	61,772	2,040	112,218	384,528
Total operating revenue	<u>2,114,234</u>	<u>1,786,257</u>	<u>880,378</u>	<u>4,780,869</u>	<u>2,432,095</u>
<u>Operating expenses:</u>					
Personal services	390,063	370,779	445,338	1,206,180	-
Contractual services	1,475,116	1,044,685	325,402	2,845,203	433,686
Supplies and materials	41,590	21,272	166,162	229,024	-
Claims	-	-	-	-	1,941,874
Depreciation	243,091	261,205	71,758	576,054	-
Utility deposits returned	-	355	-	355	-
Other	875	25	28,759	29,659	-
Total operating expenses	<u>2,150,735</u>	<u>1,698,321</u>	<u>1,037,419</u>	<u>4,886,475</u>	<u>2,375,560</u>
Operating income (loss)	<u>(36,501)</u>	<u>87,936</u>	<u>(157,041)</u>	<u>(105,606)</u>	<u>56,535</u>
<u>Nonoperating revenue (expenses):</u>					
Federal and state subsidies	8,705	14,731	-	23,436	-
Investment in joint venture	35,162	37,408	-	72,570	-
Loss on sale of capital assets	(9,186)	(3,713)	-	(12,899)	-
Interest and fiscal charges	(2,500)	(2,927)	-	(5,427)	-
Total nonoperating revenue (expense)	<u>32,181</u>	<u>45,499</u>	<u>-</u>	<u>77,680</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>(4,320)</u>	<u>133,435</u>	<u>(157,041)</u>	<u>(27,926)</u>	<u>56,535</u>
Capital contributions	344,626	1,053	-	345,679	-
Transfers in	-	-	200,000	200,000	-
Total capital contributions and transfers	<u>344,626</u>	<u>1,053</u>	<u>200,000</u>	<u>545,679</u>	<u>-</u>
Change in net position	340,306	134,488	42,959	517,753	56,535
Net position at beginning of year, restated	10,460,581	19,062,201	1,010,281		443,434
Net position at end of year	<u>\$ 10,800,887</u>	<u>\$ 19,196,689</u>	<u>\$ 1,053,240</u>		<u>\$ 499,969</u>

Some amounts reported for the business-type activities in the statement of activities are different because a proportionate share of the net expense of the internal service fund is reported with the business-type activities. 5,665

Change in net position of business-type activities \$ 523,418

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Golf	Total	Internal Service
Cash flows from operating activities:					
Cash received from customers	\$ 2,128,795	\$ 1,728,563	\$ 878,888	\$ 4,736,246	\$ -
Cash received from interfund services provided	-	-	-	-	2,553,664
Cash payments for employee services and benefits	(396,092)	(376,954)	(462,209)	(1,235,255)	-
Cash payments to suppliers for goods and services	(1,510,794)	(939,786)	(501,158)	(2,951,738)	(433,896)
Cash payments for claims	-	-	-	-	(1,949,463)
Utility deposits received	8,043	3,962	-	12,005	-
Utility deposits returned	(6,837)	(3,723)	-	(10,560)	-
Net cash provided by (used) for operating activities	223,115	412,062	(84,479)	550,698	170,305
Cash flows from noncapital financing activities:					
Transfers from other funds	-	-	200,000	200,000	-
Net cash provided by noncapital financing activities	-	-	200,000	200,000	-
Cash flows from capital and related financing activities:					
Subsidy from state and federal grants	8,705	14,731	-	23,436	-
Notes issued	48,957	80,453	-	129,410	-
Capital lease	-	-	-	-	-
Interest paid on capital lease	(1,837)	(1,837)	-	(3,674)	-
Principal payment on capital lease	(19,143)	(19,143)	-	(38,286)	-
Proceeds from sale of capital assets	-	7,909	-	7,909	-
Tap in fees	259	1,053	-	1,312	-
Acquisition of capital assets	(172,097)	(89,639)	(119,188)	(380,924)	-
Net cash used for capital and related financing activities	(135,156)	(6,473)	(119,188)	(260,817)	-
Cash flows from investing activities:					
Investment in joint venture	(170,879)	-	-	(170,879)	-
Net cash used for investing activities	(170,879)	-	-	(170,879)	-
Net increase (decrease) in cash and cash equivalents	(82,920)	405,589	(3,667)	319,002	170,305
Cash and cash equivalents at beginning of year	2,576,108	1,714,419	212,922	4,503,449	403,444
Cash and cash equivalents at end of year	\$ 2,493,188	\$ 2,120,008	\$ 209,255	\$ 4,822,451	\$ 573,749
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (36,501)	\$ 87,936	\$ (157,041)	\$ (105,606)	\$ 56,535
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	243,091	261,205	71,758	576,054	-
Change in assets and liabilities:					
(Increase) decrease in assets:					
Accounts receivable	14,561	(57,694)	-	(43,133)	121,569
Materials and supplies inventory	1,427	-	4,985	6,412	-
Prepaid items	-	-	-	-	(162)
(Increase) in deferred outflows of resources - pension	(12,837)	(12,162)	(14,188)	(39,187)	-

(Continued)

City of Vandalia, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Golf	Total	Activities Internal Service
Increase (decrease) in liabilities:					
Accounts payable	(1,137)	120,077	1,588	120,528	(48)
Contracts payable	16,220	4,858	11,919	32,997	-
Refundable deposits	1,206	594	-	1,800	-
Claims payable	-	-	-	-	(7,589)
Unearned revenue	-	-	(1,490)	(1,490)	-
Accrued wages and benefits	(9,913)	(8,853)	(8,018)	(26,784)	-
Compensated absences	10,117	8,512	(1,441)	17,188	-
Due to related parties	(9,723)	1,261	-	(8,462)	-
Due to other governments	(3,855)	(3,581)	(4,111)	(11,547)	-
Net pension liability	5,883	5,574	6,502	17,959	-
Decrease in deferred inflows of resources - pension	4,576	4,335	5,058	13,969	-
Net cash provided by (used for) operating activities	\$ 223,115	\$ 412,062	\$ (84,479)	\$ 550,698	\$ 170,305
Noncash capital and related financing activities:					
Capital contributions received from contractors	\$ 344,367	\$ -	\$ -	\$ 344,367	\$ -
Total noncash capital and related financing activities	\$ 344,367	\$ -	\$ -	\$ 344,367	\$ -

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Fiduciary Assets and Liabilities
December 31, 2015

	Agency
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 4,779,997
Cash and cash equivalents in segregated accounts	152,385
Investments	1,997,312
Total assets	\$ 6,929,694
 <u>Liabilities:</u>	
Due to other governments	\$ 66,395
Due to employees	8,576
Undistributed monies	406,434
Due to others	6,448,289
Total liabilities	\$ 6,929,694

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 15.

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, 2015

The City is associated with the Economic Development/Government Equity Program (ED/GE), which is defined as a jointly governed organization. A jointly governed organization is an organization that is governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility on the part of the participating governments. This organization is presented in Note 16.

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, 2015

Governmental Funds

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

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

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

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

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

Proprietary Funds

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

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

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

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

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

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The City's agency funds account for building permit fees collected on behalf of the State, municipal court collections that are distributed to various local governments, the collection of income taxes for other subdivisions, performance bonds pledged by contractors, the activities of the Northern Area Water Authority and Tri-Cities North Regional Wastewater Authority and collection and distribution of employee health care expenses.

D. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

E. Basis of Accounting

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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 6). Revenue from grants, entitlements, shared revenues and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statements of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenues. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance year 2016 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported on the government wide statement of net position and the governmental funds balance sheet, and represents receivables/revenues which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, franchise taxes, intergovernmental grants, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 13)

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Expenses/Expenditures

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

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

F. Equity in Pooled Cash and Investments

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

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

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

During the year, the City invested in STAR Ohio, an investment pool managed by the State Treasurer's Office. STAR Ohio, which allows governments within the State to pool their funds for investment purposes, is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2015.

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 2015 amounted to \$129,436 which includes \$65,706 assigned from other City funds.

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

G. Inventory

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

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

Inventory consists of expendable supplies held for consumption.

H. Restricted Assets

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

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

I. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "Interfund Loan Receivables/Payables." Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts, not services provided and used, are eliminated in the statement of net 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, 2015 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure or expense is reported in the year in which services are consumed.

K. Capital Assets

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

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

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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

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

L. Net pension liability and pension expense

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

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

Pension 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. 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 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 plan.

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

M. 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.

N. 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 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.

O. Fund Balance

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

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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.

P. Net Position

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

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Net position restricted for other purposes include 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.

Q. 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.

R. Contributions of Capital

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

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.

City of Vandalia, Ohio
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V. Budgetary Process

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

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

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

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

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

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

	Governmental Activities	Business -Type Activities	Total
Net position December 31, 2014	\$ 64,265,182	\$ 31,257,733	\$ 95,522,915
Adjustments:			
Net pension liability	(13,038,702)	(777,172)	(13,815,874)
Deferred outflow - payments subsequent to measurement date	<u>1,343,748</u>	<u>97,920</u>	<u>1,441,668</u>
Restated net position January 1, 2015	<u>\$ 52,570,228</u>	<u>\$ 30,578,481</u>	<u>\$ 83,148,709</u>

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	<u>Water</u>	<u>Sewer</u>	<u>Golf</u>	<u>Total Enterprise</u>
Net position December 31, 2014	\$ 10,683,095	\$ 19,273,003	\$ 1,256,217	\$ 31,212,315
Adjustments:				
Net pension liability	(254,591)	(241,191)	(281,390)	(777,172)
Deferred outflow - payments Subsequent to measurement date	<u>32,077</u>	<u>30,389</u>	<u>35,454</u>	<u>97,920</u>
Restated net position January 1, 2015	<u>\$ 10,460,581</u>	<u>\$ 19,062,201</u>	<u>\$ 1,010,281</u>	<u>\$ 30,533,063</u>
Net position reported for business-type activities in the statement of net position is different because they include a proportionate share of the balance of the internal service fund.				<u>45,418</u>
Net position of business-type activities				<u>\$ 30,578,481</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Advances in and advances out ("repayment of advances") are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. The change in fair value of investments is not included on the budget operating statement. This amount is included as revenue on the GAAP basis operating statement.

City of Vandalia, Ohio
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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	\$ 871,648
Revenue accruals	755,575
Expenditure accruals	(684,462)
Change in fair value of investments - 2014	9,765
Change in fair value of investments - 2015	(10,675)
Perspective differences from funds budgeted as special revenue funds:	
Other financing sources	(100,000)
Encumbrances (Budget Basis) outstanding at year end	<u>(433,357)</u>
Budget Basis	<u>\$ 408,494</u>

City of Vandalia, Ohio
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NOTE 4 – 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>General Obligation Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Nonspendable</u>					
Materials and supplies inventory	\$ 8,927	\$ -	\$ -	\$ 115,167	\$ 124,094
Unclaimed monies	18,625	-	-	-	18,625
Total nonspendable	<u>27,552</u>	<u>-</u>	<u>-</u>	<u>115,167</u>	<u>142,719</u>
<u>Restricted for</u>					
Streets and highways	-	-	-	1,130,887	1,130,887
Court activities	-	-	-	257,825	257,825
Police services	-	-	-	200,887	200,887
Capital improvements	-	-	-	1,905,730	1,905,730
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,495,329</u>	<u>3,495,329</u>
<u>Committed</u>					
Employee retirements	281,103	-	-	-	281,103
Capital improvements	-	-	-	1,661,615	1,661,615
Recreation	-	-	-	9,393	9,393
Stormwater system	-	-	-	412,158	412,158
Total committed	<u>281,103</u>	<u>-</u>	<u>-</u>	<u>2,083,166</u>	<u>2,364,269</u>
<u>Assigned</u>					
Encumbrances	303,834	-	-	-	303,834
Next year's budget	404,600	-	-	-	404,600
Total assigned	<u>708,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>708,434</u>
Unassigned (deficit)	<u>12,284,198</u>	<u>(153,324)</u>	<u>(4,846,429)</u>	<u>(71,008)</u>	<u>7,213,437</u>
Total fund balances	<u>\$ 13,301,287</u>	<u>\$ (153,324)</u>	<u>\$ (4,846,429)</u>	<u>\$ 5,622,654</u>	<u>\$ 13,924,188</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

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7. Prime Commercial Paper issued with a credit rating of P-1 by Standard & Poors Corporation or A-1 by Moody's rating service.
8. Obligations of corporate entities having debt rating of Aa or better by Standard & Poors Corporation or Moody's rating service.

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

Cash on hand At year-end, the City had \$9,950 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 \$15,018,923 and the bank balance was \$15,609,573. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", none of the City's bank balance was exposed to custodial risk as described above.

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

Investment Type	Fair Value	Percentage of Investments	Investment Maturities (in years)	
			Less Than 1	1-5
Federal Home Loan Mortgage Corporation Bonds	\$ 10,542,838	64.59%	\$ -	\$ 10,542,838
Federal National Mortgage Association Bonds	2,993,720	18.34%	-	2,993,720
STAR Ohio	27,911	0.17%	27,911	-
Investments recorded in agency fund:				
Federal Home Loan Mortgage Corporation Bonds	1,498,678	9.18%	-	1,498,678
Federal National Mortgage Association Bonds	498,635	3.05%	-	498,635
Open-ended mutual fund	<u>762,110</u>	<u>4.67%</u>	<u>762,110</u>	<u>-</u>
Total investments recorded in agency fund	<u>2,759,423</u>	<u>16.90%</u>	<u>762,110</u>	<u>1,997,313</u>
Total investments	<u>\$ 16,323,892</u>	<u>100.00%</u>	<u>\$ 790,021</u>	<u>\$ 15,533,871</u>

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

City of Vandalia, Ohio
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Interest Rate Risk – The City’s investment policy states that the maximum maturity for any investment is limited to a final stated maturity of seven years, an expected call of seven years, or an expected average life of seven years, where the average life is estimated by nationally recognized firms independent of the dealer selling the security to the City. The City holds various agency securities of which some are callable in fiscal year 2016. In addition, some of the agency securities have coupon rates that step-up over the lives of the security.

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

Concentration of Credit Risk – The City’s investment policy states that the portfolio shall be diversified so as to avoid concentrations of credit risk from any rated issuer: (1) At the time of purchase, aggregate collateralized investments in the obligations of any financial institution are limited to the greater of \$1,000,000 or 20% of the portfolio, where eligible collateral is defined by the Ohio Revised Code; (2) At the time of purchase, aggregate investments in the obligations of any U.S. corporation and non-collateralized investments in the obligations of any financial institution are limited to the greater of \$500,000 or 10% of the portfolio. Investments in eligible short term investments which can be readily converted to cash within 48 hours are limited to the greater of \$ 2,500,000 or 30% of the portfolio. More than 5% of the City’s investments are in FHLMC and FNMA bonds. The table above is the City’s allocation as of December 31, 2015.

NOTE 6 – RECEIVABLES

Receivables at December 31, 2015, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments and accounts (billings for ambulance service and utility service). No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected amount to \$15,453 in the capital improvement fund. As of December 31, 2015, the City had less than \$1,000 in delinquent special assessments outstanding.

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2015 for real and public utility property taxes represents collections of the 2014 taxes. Property tax payments received during 2015 for tangible personal property (other than public utility property) is for 2015 taxes.

City of Vandalia, Ohio
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2015 real property taxes are levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35% of appraised market value. 2015 real property taxes are collected in and intended to finance 2016.

Public utility property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2015 public utility property taxes became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2015, was \$4.14 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2014 property tax receipts were based are as follows:

<u>Property Category</u>	<u>Assessed Value</u>
<u>Real Property</u>	
Residential and agricultural	\$ 221,033,640
Commercial and industrial	105,258,920
Public utilities	39,830
<u>Personal Property</u>	
Public utilities	<u>7,254,310</u>
Total	<u>\$ 333,586,700</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, 2015, 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 2015 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been recorded as a deferred inflow of resources.

Income Taxes

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

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

All income tax proceeds are being allocated to the general fund.

City of Vandalia, Ohio
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For The Year Ended December 31, 2015

Due from Other Governments

A summary of due from other governments follows:

	<u>Amounts</u>
<u>Governmental Activities</u>	
Local Government and Local Government	
Revenue Assistance	\$ 105,402
Homestead and Rollback	77,851
Gasoline and Excise Tax	212,796
Motor Vehicle License Fees	235,589
Permissive Motor Vehicle License Tax	56,044
Grants	147,930
Other	<u>61,445</u>
Total	<u>\$ 897,057</u>

NOTE 7 - RISK MANAGEMENT

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

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

The deductible per occurrence for all types is \$2,500. Pool coverage is \$10,000 - \$350,000 for boiler and machinery, \$250,000 for property, and \$500,000 for liability. Excess insurance coverage, provided by commercial companies, is the amount in excess of pool coverage to the limits stated above.

The City pays an annual premium to MVRMA that is intended to cover administrative expenses and any claims covered by the pool. MVRMA has the ability to require member cities to make supplemental payments in the event reserves are not adequate to cover claims. An actuarial opinion issued as of December 31, 2015, indicates reserves in excess of anticipated claims.

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

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The City has elected to provide employee healthcare benefits for its employees through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan provides medical, dental, vision and prescription drug coverage with a \$400 deductible for single and \$800 deductible for families who use providers within the City's preferred provider organization (PPO). The City contracts with Medical Mutual of Ohio for network discounts. Deductibles are higher and vary for out-of-network claims. A third party administrator, Underwriters Services Corp, processes and pays the claims. The City is paying self-insurance claims and administrative costs from its hospital care internal service fund. An excess coverage insurance (stop loss) policy covers claims in excess of \$40,000 per employee, per year. During 2015, a total of \$2,375,560 was paid in benefits and administrative costs. The liability for unpaid claims cost of \$192,220, reported in the hospital care internal service fund at December 31, 2015, is based on the requirements of Governmental Accounting Standards Board Statement No. 30 and will be processed and paid in 2016. 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 2016, which were incurred in 2015 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>
2014 \$	380,336	1,896,148	2,076,675	199,809
2015 \$	199,809	1,941,874	1,949,463	192,220

City of Vandalia, Ohio
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NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows:

	<u>Balance</u> <u>12/31/2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2015</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 5,894,937	\$ 209,106	\$ -	\$ 6,104,043
Easements	376,999	-	-	376,999
Construction in progress	<u>3,084,088</u>	<u>2,810,538</u>	<u>(5,284,734)</u>	<u>609,892</u>
Total capital assets, not being depreciated	<u>9,356,024</u>	<u>3,019,644</u>	<u>(5,284,734)</u>	<u>7,090,934</u>
Capital assets, being depreciated				
Buildings and improvements	31,105,941	52,054	-	31,157,995
Equipment	5,809,098	212,967	(123,618)	5,898,447
Vehicles	4,700,742	241,023	(87,046)	4,854,719
Infrastructure				
Storm sewers, bridges and culverts	11,456,882	1,038,914	-	12,495,796
Streets, sidewalks and curbs	31,353,321	5,278,196	-	36,631,517
Traffic signals	2,270,809	210,268	-	2,481,077
Street lighting	<u>1,001,908</u>	<u>564,463</u>	<u>-</u>	<u>1,566,371</u>
Total capital assets, being depreciated	<u>87,698,701</u>	<u>7,597,885</u>	<u>(210,664)</u>	<u>95,085,922</u>
Less: accumulated depreciation				
Buildings and improvements	(11,135,541)	(677,409)	-	(11,812,950)
Equipment	(3,694,585)	(286,820)	92,508	(3,888,897)
Vehicles	(3,721,932)	(263,087)	85,938	(3,899,081)
Infrastructure				
Storm sewers, bridges and culverts	(5,321,729)	(228,449)	-	(5,550,178)
Streets, sidewalks and curbs	(17,615,922)	(945,465)	-	(18,561,387)
Traffic signals	(788,909)	(114,889)	-	(903,798)
Street lighting	<u>(237,268)</u>	<u>(50,095)</u>	<u>-</u>	<u>(287,363)</u>
Total accumulated depreciation	<u>(42,515,886)</u>	<u>(2,566,214)</u>	<u>178,446</u>	<u>(44,903,654)</u>
Total capital assets, being depreciated, net	<u>45,182,815</u>	<u>5,031,671</u>	<u>(32,218)</u>	<u>50,182,268</u>
Governmental activities capital assets, net	<u>\$ 54,538,839</u>	<u>\$ 8,051,315</u>	<u>\$ (5,316,952)</u>	<u>\$ 57,273,202</u>

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Depreciation expense was charged to governmental functions as follows:

General government	
Legislative and executive	\$ 165,201
Judicial system	88,517
Public safety	
Police	182,594
Fire	173,206
Public works	
Engineer	19,272
Streets	1,508,693
Recreation	<u>428,731</u>
Total depreciation expense	<u><u>\$ 2,566,214</u></u>

	Balance <u>12/31/2014</u>	Increases	Decreases	Balance <u>12/31/2015</u>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 167,369	\$ -	\$ -	\$ 167,369
Easements	500	-	-	500
Construction in progress	<u>7,884</u>	<u>507,278</u>	<u>(515,162)</u>	<u>-</u>
Total assets not being depreciated	<u>175,753</u>	<u>507,278</u>	<u>(515,162)</u>	<u>167,869</u>
Capital assets, being depreciated				
Buildings and improvements	2,861,679	119,188	-	2,980,867
Equipment	1,111,024	-	(25,795)	1,085,229
Vehicles	472,349	18,372	(18,372)	472,349
Infrastructure				
Water lines	11,816,728	515,162	-	12,331,890
Sewer lines	16,528,933	80,453	-	16,609,386
Golf cart paths and sprinkler systems	<u>364,253</u>	<u>-</u>	<u>-</u>	<u>364,253</u>
Total capital assets, being depreciated	<u>33,154,966</u>	<u>733,175</u>	<u>(44,167)</u>	<u>33,843,974</u>
Less: accumulated depreciation				
Buildings and improvements	(1,639,223)	(48,322)	-	(1,687,545)
Equipment	(620,094)	(58,165)	23,359	(654,900)
Vehicles	(438,602)	(22,414)	-	(461,016)
Infrastructure				
Water lines	(4,783,642)	(188,273)	-	(4,971,915)
Sewer lines	(7,091,861)	(252,978)	-	(7,344,839)
Golf cart paths and sprinkler systems	<u>(171,406)</u>	<u>(5,902)</u>	<u>-</u>	<u>(177,308)</u>
Total accumulated depreciation	<u>(14,744,828)</u>	<u>(576,054)</u>	<u>23,359</u>	<u>(15,297,523)</u>
Total capital assets, being depreciated, net	<u>18,410,138</u>	<u>157,121</u>	<u>(20,808)</u>	<u>18,546,451</u>
Business-type activities capital assets, net	<u><u>\$ 18,585,891</u></u>	<u><u>\$ 664,399</u></u>	<u><u>\$ (535,970)</u></u>	<u><u>\$ 18,714,320</u></u>

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

The vehicles acquired in the water and sewer funds were subsequently transferred to governmental activities in the amount of \$9,186 each.

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

Water	\$ 243,091
Sewer	261,205
Golf	<u>71,758</u>
Total depreciation expense	<u>\$ 576,054</u>

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.

NOTE 10 – SHORT TERM OBLIGATIONS

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

City of Vandalia, Ohio
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For The Year Ended December 31, 2015

	<u>Balance</u> <u>12/31/2014</u>	<u>Increase</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2015</u>
Capital projects fund:				
Capital improvement, 1.25%	\$ 2,381,000	\$ -	\$ (2,381,000)	\$ -
Capital improvement, 1.50%	-	2,039,000	-	2,039,000
Capital facilities, 1.75%	-	395,590	-	395,590
Debt service fund:				
Refunding various purpose, 1.00%	\$ 5,710,000		\$ (5,710,000)	-
Refunding various purpose, 1.50%	-	<u>4,893,000</u>	-	<u>4,893,000</u>
Total governmental activities	<u>\$ 8,091,000</u>	<u>\$ 7,327,590</u>	<u>\$ (8,091,000)</u>	<u>\$ 7,327,590</u>
Water fund:				
Capital facilities, 1.75%	\$ -	\$ 48,957	\$ -	\$ 48,957
Sewer fund:				
Capital facilities, 1.75%	-	<u>80,453</u>	-	<u>80,453</u>
Total business-type activities	<u>\$ -</u>	<u>\$ 129,410</u>	<u>\$ -</u>	<u>\$ 129,410</u>

In June of 2015, the City issued \$525,000 in bond anticipation notes. The bond anticipation notes were issued for the Fieldstone way capital project. The capital facilities bond anticipation notes will be paid off when due in June 2016.

In August of 2015, the City paid off \$2,381,600 in bond anticipation notes and issued \$2,039,000 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 2016.

In September of 2015, the City paid off \$5,710,000 in bond anticipation notes and issued \$4,893,000 in bond anticipation notes. The bond anticipation notes were issued for a current refunding of the 2004 Refunding Various Purpose bonds during 2014. The general obligation bond retirement debt service fund will retire these debts.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

NOTE 11 - LONG-TERM DEBT

A schedule of changes in bonds and other long-term obligations of the City during 2015 follows:

	Restated Amount Outstanding <u>12/31/2014</u>	<u>Increases</u>	<u>Decreases</u>	Amount Outstanding <u>12/31/2015</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%	\$ 3,040,000	\$ -	\$ (295,000)	\$ 2,745,000	\$ 300,000
Premium on bonds	<u>20,025</u>	<u>-</u>	<u>(3,820)</u>	<u>16,205</u>	<u>-</u>
Total unvoted general obligation bonds	<u>3,060,025</u>	<u>-</u>	<u>(298,820)</u>	<u>2,761,205</u>	<u>300,000</u>
Loans:					
2014 State infrastructure bank loan	<u>308,334</u>	<u>866,421</u>	<u>(25,227)</u>	<u>1,149,528</u>	<u>114,393</u>
Other long-term obligations:					
Capital lease	562,910	-	(200,079)	362,831	148,638
Compensated absences	<u>1,694,689</u>	<u>787,331</u>	<u>(870,469)</u>	<u>1,611,551</u>	<u>821,455</u>
Total other long-term obligations	<u>2,257,599</u>	<u>787,331</u>	<u>(1,070,548)</u>	<u>1,974,382</u>	<u>970,093</u>
Net pension liability:					
OPERS	5,922,580	136,863	-	6,059,443	-
OP&F	<u>7,116,122</u>	<u>453,099</u>	<u>-</u>	<u>7,569,221</u>	<u>-</u>
Total net pension liability	<u>13,038,702</u>	<u>589,962</u>	<u>-</u>	<u>13,628,664</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$ 18,664,660</u>	<u>\$ 2,243,714</u>	<u>\$ (1,394,595)</u>	<u>\$ 19,513,779</u>	<u>\$ 1,384,486</u>
Business-type activities					
Other long-term obligations:					
Capital lease	\$ 169,306	\$ -	\$ (38,286)	\$ 131,020	\$ 39,223
Compensated absences	<u>179,609</u>	<u>96,887</u>	<u>(78,779)</u>	<u>197,717</u>	<u>82,809</u>
Total other long-term obligations	<u>348,915</u>	<u>96,887</u>	<u>(117,065)</u>	<u>328,737</u>	<u>122,032</u>
Net pension liability:					
OPERS	<u>777,172</u>	<u>17,959</u>	<u>-</u>	<u>795,131</u>	<u>-</u>
Total business-type activities long-term liabilities	<u>\$ 1,126,087</u>	<u>\$ 114,846</u>	<u>\$ (117,065)</u>	<u>\$ 1,123,868</u>	<u>\$ 122,032</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.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

During 2014, the City entered into a State Infrastructure Bank (SIB) direct loan with the Ohio Department of Transportation (ODOT) in the amount of \$1,776,000 of which \$308,334 and 866,421 were received in 2014 and 2015, respectively. The remaining amount is anticipated to be received in 2016.

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 liability obligations from the fund benefitting from employee services.

Capital lease obligations will be paid from the debt service fund, the street fund, stormwater fund, the capital improvement fund, the water fund and the sewer fund.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2015, are as follows:

Year ending December 31,	General Obligation Bonds		
	Principal	Interest	Total
2016	\$ 300,000	\$ 105,765	\$ 405,765
2017	310,000	96,015	406,015
2018	325,000	85,165	410,165
2019	335,000	72,978	407,978
2020	345,000	59,577	404,577
2021-2023	1,130,000	92,945	1,222,945
Total	\$ 2,745,000	\$ 512,445	\$ 3,257,445

Year ending December 31,	State SIB Loan		
	Principal	Interest	Total
2016	\$ 114,393	\$ 31,784	\$ 146,177
2017	125,032	30,123	155,155
2018	128,811	26,344	155,155
2019	132,704	22,451	155,155
2020	136,715	18,440	155,155
2021-2023	511,873	31,170	543,043
Total	\$ 1,149,528	\$ 160,312	\$ 1,309,840

NOTE 12 – CAPITALIZED LEASE

During a previous year, the City entered into a capital lease. From the lease proceeds, governmental activities and business-type activities acquired four vehicles and a front loader for the public works department. These assets were capitalized and reported as additions to capital assets in the amount of \$461,016 in the governmental activities and \$197,578 in the business-type activities. The City entered into a capital lease for the acquisition of energy savings equipment. These assets consisting of equipment have been capitalized in the amount of \$340,993 in the governmental activities. These capital assets are being depreciated over their estimated useful lives.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Capital lease payments are reflected as debt service payments in the basic financial statements for the governmental funds. These expenditures are reflected as function expenditures on a budgetary basis. The capitalized amount equals a portion of the present value of the future minimum lease payments and the down payment respectively, at the time of acquisition.

Following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2015:

<u>Year</u>	Lease Payments Governmental <u>Activities</u>	Lease Payments Business-type <u>Activities</u>
2016	\$ 156,222	\$ 41,961
2017	97,908	41,961
2018	97,908	41,960
2019	<u>24,478</u>	<u>10,490</u>
Total minimum lease payments	376,516	136,372
Less: amount representing interest	<u>(13,685)</u>	<u>(5,352)</u>
Total	<u>\$ 362,831</u>	<u>\$ 131,020</u>

NOTE 13 - 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
Notes to the Basic Financial Statements
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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 *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional 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 CAFR referenced above for additional information):

City of Vandalia, Ohio
Notes to the Basic Financial Statements
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Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after <u>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 uneducated benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. 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.

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

	<u>State and Local</u>
2015 Statutory maximum contribution rates	
Employer	14.00 %
Employee	10.00 %
2015 Actual contribution rates	
Employer:	
Pension	12.00 %
Post-employment health care benefits	<u>2.00</u>
Total employer	<u>14.00 %</u>
Employee	<u>10.00 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$816,219 for 2015. Of this amount, \$7,713 is reported as an intergovernmental payable.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
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Ohio Police and Fire 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 East Town Street, 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.

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 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.

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

City of Vandalia, Ohio
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	<u>Police</u>	<u>Firefighters</u>
2015 Statutory maximum contribution rates		
Employer	19.50%	24.00%
Employee:		
January 1, 2015 through July 1, 2015	11.50%	11.50%
July 2, 2015 through December 31, 2015	12.25%	12.25%
2015 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:		
January 1, 2015 through July 1, 2015	11.50%	11.50%
July 2, 2015 through December 31, 2015	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 \$609,315 for 2015. Of this amount \$3,435 is reported as an intergovernmental payable.

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, 2014, 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, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. 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>
Proportionate share of the net pension liability	\$6,854,574	\$7,569,221	\$14,423,795
Proportion of the net pension liability	0.056832%	0.146112%	
Pension expense	\$753,638	\$724,406	\$1,478,044

City of Vandalia, Ohio
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At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
Deferred outflows of resources			
Net difference between projected and actual earnings on pension plan investments	\$ 365,739	\$ 326,227	\$ 691,966
City contributions subsequent to the measurement date	816,219	609,315	1,425,534
Total deferred outflows of resources	\$ 1,181,958	\$ 935,542	\$ 2,117,500
Deferred inflows of resources			
Differences between expected and actual experience	\$ 120,421	\$ -	\$ 120,421

\$1,425,534 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F	Total
Year ending December 31:			
2016	\$ 35,872	\$ 81,557	\$ 117,429
2017	35,872	81,557	117,429
2018	82,139	81,557	163,696
2019	91,435	81,556	172,991
Total	\$ 245,318	\$ 326,227	\$ 571,545

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, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.75 percent
Future salary increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment rate of return	8 percent
Actuarial cost method	Individual entry age

City of Vandalia, Ohio
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Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

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.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. 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 money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

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 2014 and the long-term expected real rates of return:

<u>Asset class</u>	<u>Target allocation</u>	<u>Weighted average long-term expected real rate of return (arithmetic)</u>
Fixed income	23.00%	2.31%
Domestic equities	19.90%	5.84%
Real estate	10.00%	4.25%
Private equity	10.00%	9.25%
International equities	19.10%	7.40%
Other investments	<u>18.00%</u>	<u>4.59%</u>
Total	<u>100.00%</u>	<u>5.28%</u>

Discount Rate The discount rate used to measure the total pension liability was 8 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.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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 8 percent, 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 (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	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	\$ 12,610,452	\$ 6,854,574	\$ 2,006,738

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, 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.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation date	January 1, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8.25 percent
Projected salary increases	4.25 percent to 11 percent
Payroll increases	3.75 percent
Inflation assumptions	3.25 percent
Cost of living adjustments	2.60 percent and 3.00 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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 average 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, 2014 are summarized below:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Cash and cash equivalents	- %	(0.25) %
Domestic equity	16.00	4.47
Non-US equity	16.00	4.47
Core fixed income *	20.00	1.62
Global inflation protected *	20.00	1.33
High yield	15.00	3.39
Real estate	12.00	3.93
Private markets	8.00	6.98
Timber	5.00	4.92
Master limited partnerships	<u>8.00</u>	7.03
Total	<u>120.00</u> %	

* 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 8.25 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 earnings were calculated using the longer-term assumed investment rate of return 8.25 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 8.25 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 (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

	1% Decrease <u>(7.25%)</u>	Current discount rate <u>(8.25%)</u>	1% Increase <u>(9.25%)</u>
City's proportionate share of the net pension liability	\$ 10,469,378	\$ 7,569,221	\$ 5,113,671

NOTE 14 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage, commonly referred to as OPEB (other postemployment benefits). OPERS administers three separate pension plans, the Traditional Pension Plan (TP), the Member-Directed Plan (MD) and the Combined Plan (CP), all of which are described in Note 13.

OPERS maintains two cost-sharing multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 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 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

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. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority requiring employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, the City contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees 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 2.0% during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The 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 to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

Actual employer contributions which were used to fund postemployment benefits for the years ended December 31, 2015, 2014, and 2013 were \$140,244, \$145,040 and \$69,364 respectively; 99.1% has been contributed for 2015 and 100% for 2014 and 2013. \$1,286 representing the unpaid contribution for fiscal year 2015 is recorded as an intergovernmental payable. The actual contribution and the actuarially required contribution amounts are the same.

Ohio Police and Firemen's Disability and Pension Fund

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

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to healthcare was 0.5% of covered payroll from January 1, 2015 through December 31, 2015. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's total contributions to OP&F for police and fire healthcare for the years ending December 31, 2015, 2014 and 2013 were \$15,446, \$15,088 and \$74,835 respectively, 99.4 percent has been contributed, for 2015 with the remainder being reported as a liability. \$87 representing the unpaid contribution for fiscal year 2015 is recorded as an intergovernmental payable.

NOTE 15 - 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 waste water treatment services. The Miami Conservancy District expressed the intent to no longer provide these services to the cities and gave them the option to acquire and operate the facility themselves. In order to do so, the three cities established the Tri-Cities North Regional Wastewater Authority. In June of 1996, the Miami Conservancy District deeded the wastewater facility and all of the assets associated with the facility to the joint venture at no cost to the joint venture.

The Tri-Cities North Regional Wastewater Authority (Tri-Cities) is a joint venture among the cities of Vandalia, Huber Heights and Tipp City. Tri-Cities is governed by a management board consisting of the city managers of the three cities. The board has complete authority over all aspects of the operation. Tri-Cities supplies all participating residents of the member cities with sewer services. Each city owns the sewage lines located in its city and bills its residents for usage. Continued existence of Tri-Cities is dependent on the City's continued participation and the City does have an equity interest. The percentage of equity interest for each City is based on annual usage and is adjusted each year accordingly. The City's equity interest is \$8,179,884 which represents 26.63% 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 \$868,687 for services provided in 2015. Tri-Cities had three OWDA Loans outstanding at December 31, 2015, in the amounts of \$648,691, \$2,070,252 and \$5,382,546 for a total of \$8,101,489. Complete financial statements can be obtained from the Tri-Cities North Regional Wastewater Authority, c/o City of Vandalia, 333 J.E. Bohanan Drive, Vandalia, Ohio 45377.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Northern Area Water Authority

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

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

The Northern Area Water Authority (NAWA) is a joint venture among the cities of Vandalia and Tipp City. NAWA is governed by a management board consisting of the city managers of the two cities. The board has complete authority over all aspects of the operation. NAWA supply the participating residents of the member cities with water services. Each city will own the water lines located in its city and bill its residents for usage. Continued existence of NAWA is dependent on the City's continued participation and the City will have an equity interest in NAWA. During 2015, the City's equity interest is \$503,237 which represents 50% of the total equity of NAWA as of December 31, 2015.

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, 2012, NAWA has two outstanding loans with OWDA in the amount of \$20,072,445 and 552,912 for the water treatment plant construction. The City of Vandalia paid \$1,380,597 for services provided in 2015. 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 16 - JOINTLY GOVERNED ORGANIZATION

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

The ED/GE Advisory Committee, made up of alternating member entities' representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute to or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those communities experiencing less economic growth. The City has agreed to be a member for ten years, ending December 31, 2019. Members in default of paying contributions will be liable for the contribution, any interest accrued, and penalties. The member will not be entitled to any allocations from ED/GE. The City has did not make any contributions to ED/GE during 2015. Financial information may be obtained by writing to Linda Gum, Administrative Assistant, 451 West Third Street, Dayton, Ohio, 45402.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

NOTE 17 - 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, 2015, 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 18 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers and Due to/from other funds for the year ended December 31, 2015, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>
	<u>General</u>
<u>Governmental activities:</u>	
Capital improvement fund	\$ 570,077
General obligation bond retirement fund	984,128
Other governmental funds	<u>1,784,715</u>
	<u>3,338,920</u>
<u>Business-Type activities:</u>	
Golf fund	<u>200,000</u>
Total	<u>\$ 3,538,920</u>

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

NOTE 19 – OPERATING LEASE

On October 15, 2015, the City entered into an operating lease to lease computers and software. The lease agreement begins on January 11, 2016 and is in effect until December 11, 2018 with an option to purchase the equipment anytime during the life of the lease. Total payments for the use of this equipment are \$136,085, payable in monthly installments on the eleventh day of each month.

The following is a schedule of the future minimum lease payments as of December 31, 2015:

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

<u>Year</u>	<u>Lease Payments</u>
2016	\$ 45,365
2017	45,355
2018	<u>45,365</u>
Total minimum lease payments	136,085
Less: amount representing interest	<u>(6,806)</u>
Total	<u>\$ 129,279</u>

NOTE 20 – ACCOUNTABILITY

At December 31, 2015, the following funds had a deficit fund balance:

<u>Fund</u>	<u>Deficit fund balance</u>
Capital improvement fund	\$ 153,324
General obligation bond retirement fund	4,846,429
<u>Other governmental funds:</u>	
Fieldstone way construction fund	71,008

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.

NOTE 21 – CONSTRUCTION COMMITMENTS

At December 31, 2015, the City has a construction commitment for the police communication center renovation. This commitment is in the police, fire, and street capital improvements capital project fund for \$685,215.

Required Supplementary Information

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

	<u>2014</u>	<u>2013</u>
Ohio Public Employees Retirement System (OPERS) - Traditional Plan		
City's proportion of the net pension liability	0.056832%	0.056832%
City's proportionate share of the net pension liability	\$ 6,854,574	\$ 6,699,752
City's covered employee payroll	\$ 7,034,450	\$ 7,245,408
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	97.44%	92.47%
Plan fiduciary net position as a percentage of total pension liability	86.45%	86.36%
	<u>2014</u>	<u>2013</u>
Ohio Police and Fire Pension Fund		
City's proportion of the net pension liability	0.146112%	0.146112%
City's proportionate share of the net pension liability	\$ 7,569,221	\$ 7,116,122
City's covered employee payroll	\$ 2,934,843	\$ 2,300,410
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	257.91%	309.34%
Plan fiduciary net position as a percentage of total pension liability	72.20%	73.00%

(1) Information prior to 2013 is not available and the amounts presented are as of the City's measurement date which is the prior fiscal year end.

City of Vandalia, Ohio
Required Supplementary Information
Schedule of City Contributions
Last Three Years (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Ohio Public Employees Retirement System (OPERS) - Traditional Plan			
Contractually required contribution	\$ 816,219	\$ 844,134	\$ 941,903
Contributions in relation to contractually required contribution	<u>(816,219)</u>	<u>(844,134)</u>	<u>(941,903)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered employee payroll	\$ 6,801,825	\$ 7,034,450	\$ 7,245,408
Contributions as a percentage of covered employee payroll	12.00%	12.00%	13.00%

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Ohio Police and Fire Pension Fund			
Contractually required contribution	\$ 609,315	\$ 597,534	\$ 392,910
Contributions in relation to contractually required contribution	<u>(609,315)</u>	<u>(597,534)</u>	<u>(392,910)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered employee payroll	\$ 3,032,927	\$ 2,934,843	\$ 2,300,410
Contributions as a percentage of covered employee payroll	20.09%	20.36%	17.08%

(1) Information prior to 2013 is not available.

City of Vandalia, Ohio
Notes to Required Supplementary Information
For the Year Ended December 31, 2015

Ohio Public Employees Retirement System (OPERS) - Traditional Plan

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for year 2014 and 2015.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for year 2014 and 2015. 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 changes in benefit terms from the amounts reported for year 2014 and 2015.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for year 2014 and 2015. See the notes to the basic financials 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

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

State Highway

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

Permissive Motor Vehicle Tax

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

Law Enforcement

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

Drug Law Enforcement

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

OMVI Education and Enforcement

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

OMVI Indigent

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

Computer Legal Research

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

Indigent Drivers Interlock and Alcohol Monitoring (IAM)

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

Baseball Recreation

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

Combining Statements – Nonmajor Governmental Funds (Continued)

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Soccer Recreation

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

Police Continuous Professional Training

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

Stormwater

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

Chuck Gabbard Memorial

To account for donations restricted for the police department.

Magistrate

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

NONMAJOR CAPITAL PROJECTS FUNDS

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

Police, Fire and Street Capital Improvements

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

Tax Increment Financing (TIF)

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

Dixie Drive Phase 3 Widening Project

To account for the receipt and dispersal of all resources restricted for the Dixie Drive Phase 3 widening project.

Stonequarry Crossings Tax Increment Financing (TIF)

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

Community Development Block Grant

To account for the receipt and dispersal of all restricted federal grant monies under the Community Development Block Grant.

Fieldstone Way Construction

To account for the receipt and dispersal of all resources restricted for the extension of Fieldstone Way.

Capital Improvement Reserve

To account for the receipt and dispersal of all resources committed for future capital expenses.

Facilities Improvement & Maintenance Reserve

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

City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in pooled cash and investments	\$ 1,983,821	\$ 3,922,572	\$ 5,906,393
Receivables:			
Accounts	28,546	-	28,546
Revenue in lieu of taxes	-	73,891	73,891
Due from other governments	481,662	31,275	512,937
Materials and supplies inventory	115,167	-	115,167
Total assets	<u>\$ 2,609,196</u>	<u>\$ 4,027,738</u>	<u>\$ 6,636,934</u>
Liabilities:			
Accounts payable	\$ 28,484	\$ 7,787	\$ 36,271
Contracts payable	14,572	16,736	31,308
Accrued wages and benefits	4,946	1,279	6,225
Matured compensated absences payable	-	79	79
Due to other governments	5,904	1,478	7,382
Accrued interest payable	-	3,286	3,286
Bond anticipation notes payable	-	395,590	395,590
Total liabilities	<u>53,906</u>	<u>426,235</u>	<u>480,141</u>
Deferred inflows of resources:			
Payments in lieu of taxes	-	73,891	73,891
Unavailable revenue - other	428,973	31,275	460,248
Total deferred inflows of resources	<u>428,973</u>	<u>105,166</u>	<u>534,139</u>
Fund balances:			
Nonspendable	115,167	-	115,167
Restricted	1,589,599	1,905,730	3,495,329
Committed	421,551	1,661,615	2,083,166
Unassigned	-	(71,008)	(71,008)
Total fund balances	<u>2,126,317</u>	<u>3,496,337</u>	<u>5,622,654</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,609,196</u>	<u>\$ 4,027,738</u>	<u>\$ 6,636,934</u>

City of Vandalia, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Charges for services	\$ 340,136	\$ -	\$ 340,136
Fines and forfeitures	252,201	-	252,201
Intergovernmental	1,126,549	1,849,789	2,976,338
Payments in lieu of taxes	-	105,453	105,453
Other	54,172	25	54,197
Total revenue	<u>1,773,058</u>	<u>1,955,267</u>	<u>3,728,325</u>
Expenditures:			
Current:			
General government			
Legislative and executive	106,716	27,165	133,881
Judicial system	97,593	-	97,593
Public safety			
Police	37,039	228,305	265,344
Fire	-	72,947	72,947
Public works			
Engineer	172,931	-	172,931
Streets	837,419	-	837,419
Recreation	133,773	-	133,773
Capital outlay	173,512	3,150,398	3,323,910
Debt service:			
Principal retirement	57,429	320,227	377,656
Interest and fiscal charges	5,512	125,654	131,166
Total expenditures	<u>1,621,924</u>	<u>3,924,696</u>	<u>5,546,620</u>
Excess of revenues over (under) expenditures	<u>151,134</u>	<u>(1,969,429)</u>	<u>(1,818,295)</u>
Other financing sources:			
Issuance of loans	-	866,421	866,421
Transfers - in	-	1,784,715	1,784,715
Total other financing sources	<u>-</u>	<u>2,651,136</u>	<u>2,651,136</u>
Net change in fund balance	151,134	681,707	832,841
Fund balances at beginning of year	<u>1,975,183</u>	<u>2,814,630</u>	<u>4,789,813</u>
Fund balances at end of year	<u>\$ 2,126,317</u>	<u>\$ 3,496,337</u>	<u>\$ 5,622,654</u>

City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Street Fund	State Highway Fund	Permissive Motor Vehicle Tax Fund	Law Enforcement Fund	Drug Law Enforcement Fund
Assets:					
Equity in pooled cash and investments	\$ 980,698	\$ 73,533	\$ 36,442	\$ 10,305	\$ 2,095
Receivables:					
Accounts	163	-	-	-	-
Due from other governments	414,756	33,629	24,769	-	-
Materials and supplies inventory	115,167	-	-	-	-
Total assets	\$ 1,510,784	\$ 107,162	\$ 61,211	\$ 10,305	\$ 2,095
Liabilities:					
Accounts payable	\$ 19,140	\$ 1,241	\$ 2,375	\$ -	\$ -
Contracts payable	11,334	-	-	-	-
Accrued wages and benefits	3,264	-	-	-	-
Due to other governments	3,667	-	-	-	-
Total liabilities	37,405	1,241	2,375	-	-
Deferred inflows of resources:					
Unavailable revenue - other	343,129	27,821	21,132	-	-
Fund balances:					
Nonspendable	115,167	-	-	-	-
Restricted	1,015,083	78,100	37,704	10,305	2,095
Committed	-	-	-	-	-
Total fund balances	1,130,250	78,100	37,704	10,305	2,095
Total liabilities, deferred inflows of resources and fund balances	\$ 1,510,784	\$ 107,162	\$ 61,211	\$ 10,305	\$ 2,095

OMVI Education and Enforcement Fund	OMVI Indigent Fund	Computer Legal Research Fund	Indigent Drivers IAM Fund	Baseball Recreation Fund	Soccer Recreation Fund	Police Continuous Professional Training Fund
\$ 6,107	\$ 178,647	\$ 121,342	\$ 130,124	\$ -	\$ 9,393	\$ 2,560
-	-	-	-	-	-	-
-	7,640	-	868	-	-	-
-	-	-	-	-	-	-
<u>\$ 6,107</u>	<u>\$ 186,287</u>	<u>\$ 121,342</u>	<u>\$ 130,992</u>	<u>\$ -</u>	<u>\$ 9,393</u>	<u>\$ 2,560</u>
\$ -	\$ -	\$ 4,703	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	438	-	-	-	-
-	-	517	-	-	-	-
-	-	<u>5,658</u>	-	-	-	-
-	7,640	-	868	-	-	-
-	-	-	-	-	-	-
6,107	178,647	115,684	130,124	-	-	2,560
-	-	-	-	-	9,393	-
<u>6,107</u>	<u>178,647</u>	<u>115,684</u>	<u>130,124</u>	<u>-</u>	<u>9,393</u>	<u>2,560</u>
<u>\$ 6,107</u>	<u>\$ 186,287</u>	<u>\$ 121,342</u>	<u>\$ 130,992</u>	<u>\$ -</u>	<u>\$ 9,393</u>	<u>\$ 2,560</u>

(Continued)

City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Stormwater Fund	Chuck Gabbard Memorial Fund	Magistrate Fund	Total Nonmajor Special Revenue Funds
Assets:				
Equity in pooled cash and investments	\$ 418,232	\$ 1,173	\$ 13,170	\$ 1,983,821
Receivables:				
Accounts	28,383	-	-	28,546
Due from other governments	-	-	-	481,662
Materials and supplies inventory	-	-	-	115,167
Total assets	<u>\$ 446,615</u>	<u>\$ 1,173</u>	<u>\$ 13,170</u>	<u>\$ 2,609,196</u>
Liabilities:				
Accounts payable	\$ 1,025	\$ -	\$ -	\$ 28,484
Contracts payable	3,238	-	-	14,572
Accrued wages	782	-	462	4,946
Due to other governments	1,029	-	691	5,904
Total liabilities	<u>6,074</u>	<u>-</u>	<u>1,153</u>	<u>53,906</u>
Deferred inflows of resources:				
Unavailable revenue	<u>28,383</u>	<u>-</u>	<u>-</u>	<u>428,973</u>
Fund balances:				
Nonspendable	-	-	-	115,167
Restricted	-	1,173	12,017	1,589,599
Committed	412,158	-	-	421,551
Total fund balances	<u>412,158</u>	<u>1,173</u>	<u>12,017</u>	<u>2,126,317</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 446,615</u>	<u>\$ 1,173</u>	<u>\$ 13,170</u>	<u>\$ 2,609,196</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, 2015

	Street Fund	State Highway Fund	Permissive Motor Vehicle Tax Fund	Law Enforcement Fund	Drug Law Enforcement Fund
Revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	287	175
Intergovernmental	998,164	80,933	44,892	-	-
Other	35,665	6,630	-	-	-
Total revenue	<u>1,033,829</u>	<u>87,563</u>	<u>44,892</u>	<u>287</u>	<u>175</u>
Expenditures:					
Current:					
General government					
Legislative and executive	-	-	-	-	54
Judicial system	-	-	-	-	-
Public safety					
Police	-	-	-	-	-
Public works					
Engineer	-	-	-	-	-
Streets	724,075	73,969	39,375	-	-
Recreation	-	-	-	-	-
Capital outlay	167,189	-	-	-	-
Debt service:					
Principal retirement	44,667	-	-	-	-
Interest and fiscal charges	4,287	-	-	-	-
Total expenditures	<u>940,218</u>	<u>73,969</u>	<u>39,375</u>	<u>-</u>	<u>54</u>
Net change in fund balance	93,611	13,594	5,517	287	121
Fund balances at beginning of year	<u>1,036,639</u>	<u>64,506</u>	<u>32,187</u>	<u>10,018</u>	<u>1,974</u>
Fund balances at end of year	<u>\$ 1,130,250</u>	<u>\$ 78,100</u>	<u>\$ 37,704</u>	<u>\$ 10,305</u>	<u>\$ 2,095</u>

OMVI Education and Enforcement Fund	OMVI Indigent Fund	Computer Legal Research Fund	Indigent Drivers IAM Fund	Baseball Recreation Fund	Soccer Recreation Fund	Continuous Professional Training Fund
\$ -	\$ -	\$ -	\$ -	\$ 56,855	\$ -	\$ -
919	9,659	134,618	19,778	-	-	-
-	-	-	-	-	-	2,560
-	-	25	-	10,769	-	-
<u>919</u>	<u>9,659</u>	<u>134,643</u>	<u>19,778</u>	<u>67,624</u>	<u>-</u>	<u>2,560</u>
-	-	106,662	-	-	-	-
-	-	-	-	-	-	-
-	29,739	-	6,215	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	94,215	39,558	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>29,739</u>	<u>106,662</u>	<u>6,215</u>	<u>94,215</u>	<u>39,558</u>	<u>-</u>
919	(20,080)	27,981	13,563	(26,591)	(39,558)	2,560
5,188	198,727	87,703	116,561	26,591	48,951	-
<u>\$ 6,107</u>	<u>\$ 178,647</u>	<u>\$ 115,684</u>	<u>\$ 130,124</u>	<u>\$ -</u>	<u>\$ 9,393</u>	<u>\$ 2,560</u>

(Continued)

City of Vandalia, Ohio
Statement of Revenues, Expenditures and Changes in Fu
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015

	Stormwater Fund	Chuck Gabbard Memorial Fund	Magistrate Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Charges for services	\$ 283,281	\$ -	\$ -	\$ 340,136
Fines and forfeitures	-	-	86,765	252,201
Intergovernmental	-	-	-	1,126,549
Other	1,061	-	22	54,172
Total revenue	<u>284,342</u>	<u>-</u>	<u>86,787</u>	<u>1,773,058</u>
Expenditures:				
Current:				
General government				
Legislative and executive	-	-	-	106,716
Judicial system	-	-	97,593	97,593
Public safety				
Police	-	1,085	-	37,039
Public works				
Engineer	172,931	-	-	172,931
Streets	-	-	-	837,419
Recreation	-	-	-	133,773
Capital outlay	6,323	-	-	173,512
Debt service:				
Principal retirement	12,762	-	-	57,429
Interest and fiscal charges	1,225	-	-	5,512
Total expenditures	<u>193,241</u>	<u>1,085</u>	<u>97,593</u>	<u>1,621,924</u>
Net change in fund balance	91,101	(1,085)	(10,806)	151,134
Fund balances at beginning of year	<u>321,057</u>	<u>2,258</u>	<u>22,823</u>	<u>1,975,183</u>
Fund balances at end of year	<u>\$ 412,158</u>	<u>\$ 1,173</u>	<u>\$ 12,017</u>	<u>\$ 2,126,317</u>



City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2015

	Police, Fire and Street Capital Improvements Fund	TIF Fund	Dixie Drive Phase 3 Widening Project Fund	Stonequarry Crossings TIF Fund	Community Development Block Grant Fund
Assets:					
Equity in pooled cash and investments	\$ 1,551,898	\$ 85,052	\$ 278,725	\$ 17,414	\$ -
Receivables:					
Revenue in lieu of taxes	-	49,870	-	24,021	-
Due from other governments	-	-	31,275	-	-
Total assets	\$ 1,551,898	\$ 134,922	\$ 310,000	\$ 41,435	\$ -
Liabilities:					
Accounts payable	\$ 7,787	\$ -	\$ -	\$ -	\$ -
Contracts payable	16,736	-	-	-	-
Accrued wages and benefits	1,279	-	-	-	-
Matured compensated absences payable	79	-	-	-	-
Due to other governments	1,478	-	-	-	-
Accrued interest payable	-	-	-	-	-
Bond anticipation notes payable	-	-	-	-	-
Total liabilities	27,359	-	-	-	-
Deferred inflows of resources:					
Payments in lieu of taxes	-	49,870	-	24,021	-
Unavailable revenue - other	-	-	31,275	-	-
Total deferred inflows of resources	-	49,870	31,275	24,021	-
Fund balances:					
Restricted	1,524,539	85,052	278,725	17,414	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	1,524,539	85,052	278,725	17,414	-
Total liabilities, deferred inflows of resources and fund balances	\$ 1,551,898	\$ 134,922	\$ 310,000	\$ 41,435	\$ -

Fieldstone Way Construction Fund	Capital Improvement Reserve Fund	Facilities Improvement & Maintenance Reserve Fund	Total Nonmajor Capital Projects Funds
\$ 327,868	\$ 661,615	\$ 1,000,000	\$ 3,922,572
-	-	-	73,891
-	-	-	31,275
<u>\$ 327,868</u>	<u>\$ 661,615</u>	<u>\$ 1,000,000</u>	<u>\$ 4,027,738</u>
\$ -	\$ -	\$ -	\$ 7,787
-	-	-	16,736
-	-	-	1,279
-	-	-	79
-	-	-	1,478
3,286	-	-	3,286
395,590	-	-	395,590
<u>398,876</u>	<u>-</u>	<u>-</u>	<u>426,235</u>
-	-	-	73,891
-	-	-	31,275
<u>-</u>	<u>-</u>	<u>-</u>	<u>105,166</u>
-	-	-	1,905,730
-	661,615	1,000,000	1,661,615
<u>(71,008)</u>	<u>-</u>	<u>-</u>	<u>(71,008)</u>
<u>(71,008)</u>	<u>661,615</u>	<u>1,000,000</u>	<u>3,496,337</u>
<u>\$ 327,868</u>	<u>\$ 661,615</u>	<u>\$ 1,000,000</u>	<u>\$ 4,027,738</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, 2015

	Police, Fire and Street Capital Improvements Fund	TIF Fund	Dixie Drive Phase 3 Widening Project Fund	Stonequarry Crossings TIF Fund	Community Development Block Grant Fund
Revenues:					
Intergovernmental	\$ 15,000	\$ -	\$ 1,659,921	\$ -	\$ -
Payments in lieu of taxes	-	71,172	-	34,281	-
Other	25	-	-	-	-
Total revenue	<u>15,025</u>	<u>71,172</u>	<u>1,659,921</u>	<u>34,281</u>	<u>-</u>
Expenditures:					
Current:					
General government					
Legislative and executive	-	22,575	-	4,590	-
Public safety					
Police	228,305	-	-	-	-
Fire	72,947	-	-	-	-
Public works					
Capital outlay	603,726	56,465	2,247,617	-	-
Debt service:					
Principal retirement	250,227	-	-	70,000	-
Interest and fiscal charges	95,798	-	-	26,570	-
Total expenditures	<u>1,251,003</u>	<u>79,040</u>	<u>2,247,617</u>	<u>101,160</u>	<u>-</u>
Excess of revenues under expenditures	<u>(1,235,978)</u>	<u>(7,868)</u>	<u>(587,696)</u>	<u>(66,879)</u>	<u>-</u>
Other financing sources:					
Issuance of loans	-	-	866,421	-	-
Transfers - in	1,784,715	-	-	-	-
Total other financing sources	<u>1,784,715</u>	<u>-</u>	<u>866,421</u>	<u>-</u>	<u>-</u>
Net change in fund balance	548,737	(7,868)	278,725	(66,879)	-
Fund balances at					
beginning of year	975,802	92,920	-	84,293	-
Fund balances at end of year	<u>\$ 1,524,539</u>	<u>\$ 85,052</u>	<u>\$ 278,725</u>	<u>\$ 17,414</u>	<u>\$ -</u>

Fieldstone Way Construction Fund	Capital Improvement Reserve Fund	Facilities Improvement & Maintenance Reserve Fund	Total Nonmajor Capital Projects Funds
\$ 174,868	\$ -	\$ -	\$ 1,849,789
-	-	-	105,453
-	-	-	25
<u>174,868</u>	<u>-</u>	<u>-</u>	<u>1,955,267</u>
-	-	-	27,165
-	-	-	228,305
-	-	-	72,947
242,590	-	-	3,150,398
-	-	-	320,227
3,286	-	-	125,654
<u>245,876</u>	<u>-</u>	<u>-</u>	<u>3,924,696</u>
<u>(71,008)</u>	<u>-</u>	<u>-</u>	<u>(1,969,429)</u>
-	-	-	866,421
-	-	-	1,784,715
-	-	-	2,651,136
(71,008)	-	-	681,707
-	661,615	1,000,000	2,814,630
<u>\$ (71,008)</u>	<u>\$ 661,615</u>	<u>\$ 1,000,000</u>	<u>\$ 3,496,337</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Municipal income tax	\$ 14,175,000	\$ 14,175,000	\$ 14,449,582	\$ 274,582
Property and other taxes	1,226,996	1,226,996	1,283,741	56,745
Charges for services	3,271,166	3,271,166	3,414,966	143,800
Licenses and permits	347,000	347,000	411,024	64,024
Fines and forfeitures	1,248,500	1,248,500	1,210,063	(38,437)
Intergovernmental	1,162,204	1,162,204	848,199	(314,005)
Interest	150,000	150,000	137,269	(12,731)
Other	50,500	50,500	93,538	43,038
Total revenues	<u>21,631,366</u>	<u>21,631,366</u>	<u>21,848,382</u>	<u>217,016</u>
<u>Expenditures:</u>				
Current:				
General government				
Legislative and executive				
Personal services	2,048,194	2,048,196	1,924,399	123,797
Operations and maintenance	1,975,766	2,371,965	1,883,268	488,697
Total legislative and executive	<u>4,023,960</u>	<u>4,420,161</u>	<u>3,807,667</u>	<u>612,494</u>
Judicial system				
Personal services	1,624,325	1,624,325	1,554,809	69,516
Operations and maintenance	224,873	214,873	171,233	43,640
Total judicial system	<u>1,849,198</u>	<u>1,839,198</u>	<u>1,726,042</u>	<u>113,156</u>
Total general government	<u>5,873,158</u>	<u>6,259,359</u>	<u>5,533,709</u>	<u>725,650</u>
Public safety				
Police				
Personal services	4,440,473	4,440,473	4,298,840	141,633
Operations and maintenance	437,556	437,555	349,413	88,142
Total police	<u>4,878,029</u>	<u>4,878,028</u>	<u>4,648,253</u>	<u>229,775</u>
Fire				
Personal services	1,742,163	1,742,163	1,587,311	154,852
Operations and maintenance	319,788	330,008	304,713	25,295
Total fire	<u>2,061,951</u>	<u>2,072,171</u>	<u>1,892,024</u>	<u>180,147</u>
Total public safety	<u>6,939,980</u>	<u>6,950,199</u>	<u>6,540,277</u>	<u>409,922</u>
Public works				
Engineer				
Personal services	914,147	914,147	854,563	59,584
Operations and maintenance	118,578	118,577	100,142	18,435
Total engineer	<u>1,032,725</u>	<u>1,032,724</u>	<u>954,705</u>	<u>78,019</u>

(Continued)

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2015
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Streets				
Service department				
Operations and maintenance	-	-	75	(75)
Street lighting				
Operations and maintenance	175,236	175,236	159,848	15,388
Street maintenance				
Personal services	374,876	374,876	356,416	18,460
Operations and maintenance	11,664	11,664	8,930	2,734
Total streets	<u>561,776</u>	<u>561,776</u>	<u>525,269</u>	<u>36,507</u>
Refuse				
Operations and maintenance	1,093,097	1,093,097	1,009,603	83,494
Total public works	<u>2,687,598</u>	<u>2,687,597</u>	<u>2,489,577</u>	<u>198,020</u>
Recreation				
Parks				
Personal services	2,608,501	2,608,501	2,467,311	141,190
Operations and maintenance	958,273	958,274	895,163	63,111
Total recreation	<u>3,566,774</u>	<u>3,566,775</u>	<u>3,362,474</u>	<u>204,301</u>
Total expenditures	<u>19,067,510</u>	<u>19,463,930</u>	<u>17,926,037</u>	<u>1,537,893</u>
Excess of revenues over expenditures	<u>2,563,856</u>	<u>2,167,436</u>	<u>3,922,345</u>	<u>1,754,909</u>
Other financing sources (uses):				
Sale of capital assets	1,000	1,000	69	(931)
Advances - in	50,000	50,000	125,000	75,000
Advances - out	(50,000)	(50,000)	-	50,000
Transfers - in	535,000	535,000	-	(535,000)
Transfers - out	(3,912,552)	(4,016,652)	(3,638,920)	377,732
Total other financing sources (uses)	<u>(3,376,552)</u>	<u>(3,480,652)</u>	<u>(3,513,851)</u>	<u>(33,199)</u>
Net change in fund balance	(812,696)	(1,313,216)	408,494	1,721,710
Fund balance at beginning of year	11,032,729	11,032,729	11,032,729	-
Prior year encumbrances appropriated	338,927	338,927	338,927	-
Fund balance at end of year	<u>\$ 10,558,960</u>	<u>\$ 10,058,440</u>	<u>\$ 11,780,150</u>	<u>\$ 1,721,710</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, 2015

	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	-	70,632	78,514	(7,882)
Judicial system				
Personal services	-	77,265	50,524	26,741
Total general government	-	147,897	129,038	18,859
Public safety				
Police				
Personal services	-	174,554	129,197	45,357
Fire				
Personal services	-	97,042	47,454	49,588
Total public safety	-	271,596	176,651	94,945
Public works				
Engineer				
Personal services	-	41,888	69,312	(27,424)
Streets				
Street maintenance				
Personal services	-	66,763	10,719	56,044
Total public works	-	108,651	80,031	28,620
Recreation				
Parks				
Personal services	-	121,856	75,708	46,148
Total expenditures	-	650,000	461,428	188,572
Excess of revenues under expenditures	-	(650,000)	(461,428)	188,572
Other financing sources:				
Transfers - in	100,000	100,000	100,000	-
Net change in fund balance	100,000	(550,000)	(361,428)	188,572
Fund balance at beginning of year	642,531	642,531	642,531	-
Fund balance at end of year	\$ 742,531	\$ 92,531	\$ 281,103	\$ 188,572

(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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 395,000	\$ 395,000	\$ 19,824	\$ (375,176)
Special assessments	9,800	9,800	24,246	14,446
Other	23,000	43,000	39,997	(3,003)
Total revenues	<u>427,800</u>	<u>447,800</u>	<u>84,067</u>	<u>(363,733)</u>
<u>Expenditures:</u>				
Capital outlay	1,820,029	1,924,129	1,255,404	668,725
Debt service:				
Principal retirement	31,939	31,939	31,905	34
Interest and fiscal charges	3,039	3,039	3,062	(23)
Total expenditures	<u>1,855,007</u>	<u>1,959,107</u>	<u>1,290,371</u>	<u>668,736</u>
Excess of revenues under expenditures	<u>(1,427,207)</u>	<u>(1,511,307)</u>	<u>(1,206,304)</u>	<u>305,003</u>
<u>Other financing sources:</u>				
Sale of capital assets	-	280,000	293,503	13,503
Transfers - in	683,835	445,935	200,000	(245,935)
Total other financing sources	<u>683,835</u>	<u>725,935</u>	<u>493,503</u>	<u>(232,432)</u>
Net change in fund balance	(743,372)	(785,372)	(712,801)	72,571
Fund balance at beginning of year	578,283	578,283	578,283	-
Prior year encumbrances appropriated	302,928	302,928	302,928	-
Fund balance at end of year	<u>\$ 137,839</u>	<u>\$ 95,839</u>	<u>\$ 168,410</u>	<u>\$ 72,571</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Debt service:				
Principal retirement	8,201,745	8,201,745	8,201,745	-
Interest and fiscal charges	92,507	92,507	92,507	-
Bond issuance costs	50,000	50,000	41,952	8,048
Total expenditures	8,344,252	8,344,252	8,336,204	8,048
Excess of revenues under expenditures	(8,344,252)	(8,344,252)	(8,336,204)	8,048
Other financing sources:				
Bond anticipation notes issued	7,274,000	6,932,000	6,932,000	-
Premium on notes issued	50,000	50,000	67,402	17,402
Transfers - in	1,020,252	1,362,252	1,354,205	(8,047)
Total other financing sources	8,344,252	8,344,252	8,353,607	9,355
Net change in fund balance	-	-	17,403	17,403
Fund balance at beginning of year	52,142	52,142	52,142	-
Fund balance at end of year	\$ 52,142	\$ 52,142	\$ 69,545	\$ 17,403

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 950,000	\$ 950,000	\$ 993,801	\$ 43,801
Other	2,000	32,000	35,502	3,502
Total revenues	<u>952,000</u>	<u>982,000</u>	<u>1,029,303</u>	<u>47,303</u>
<u>Expenditures:</u>				
Current:				
Public works				
Streets				
Street maintenance				
Personal services	600,661	616,661	545,992	70,669
Operations and maintenance	187,025	237,025	197,016	40,009
Capital outlay	197,300	197,300	189,392	7,908
Total streets	<u>984,986</u>	<u>1,050,986</u>	<u>932,400</u>	<u>118,586</u>
Debt service:				
Principal retirement	44,715	44,715	44,667	48
Interest and fiscal charges	4,254	4,254	4,287	(33)
Total expenditures	<u>1,033,955</u>	<u>1,099,955</u>	<u>981,354</u>	<u>118,601</u>
Net change in fund balance	(81,955)	(117,955)	47,949	165,904
Fund balance at beginning of year	871,056	871,056	871,056	-
Prior year encumbrances appropriated	20,039	20,039	20,039	-
Fund balance at end of year	<u>\$ 809,140</u>	<u>\$ 773,140</u>	<u>\$ 939,044</u>	<u>\$ 165,904</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, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$ 75,000	\$ 75,000	\$ 80,579	\$ 5,579
Other	-	500	6,630	6,130
Total revenues	<u>75,000</u>	<u>75,500</u>	<u>87,209</u>	<u>11,709</u>
<u>Expenditures:</u>				
Current:				
Public works				
Streets				
Street maintenance				
Operations and maintenance	<u>86,045</u>	<u>86,045</u>	<u>81,033</u>	<u>5,012</u>
Net change in fund balance	(11,045)	(10,545)	6,176	16,721
Fund balance at beginning of year	52,662	52,662	52,662	-
Prior year encumbrances appropriated	<u>13,295</u>	<u>13,295</u>	<u>13,295</u>	<u>-</u>
Fund balance at end of year	<u>\$ 54,912</u>	<u>\$ 55,412</u>	<u>\$ 72,133</u>	<u>\$ 16,721</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Motor Vehicle Tax Fund
For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 44,942	\$ 4,942
<u>Expenditures:</u>				
Current:				
Streets				
Street maintenance				
Operations and maintenance	18,011	18,011	13,164	4,847
Capital outlay	30,000	30,000	30,000	-
Total expenditures	48,011	48,011	43,164	4,847
Net change in fund balance	(8,011)	(8,011)	1,778	9,789
Fund balance at beginning of year	25,918	25,918	25,918	-
Prior year encumbrances appropriated	6,371	6,371	6,371	-
Fund balance at end of year	\$ 24,278	\$ 24,278	\$ 34,067	\$ 9,789

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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Fines and forfeitures	\$ 500	\$ 500	\$ 287	\$ (213)
<u>Expenditures:</u>				
Current:				
General government				
Legislative and executive				
Operations and maintenance	9,569	9,569	9,069	500
Net change in fund balance	(9,069)	(9,069)	(8,782)	287
Fund balance at beginning of year	949	949	949	-
Prior year encumbrances appropriated	9,069	9,069	9,069	-
Fund balance at end of year	\$ 949	\$ 949	\$ 1,236	\$ 287

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, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Fines and forfeitures	\$ 100	\$ 100	\$ 196	\$ 96
<u>Expenditures:</u>				
Current:				
General government				
Legislative and executive				
Operations and maintenance	1,000	1,000	54	946
Net change in fund balance	(900)	(900)	142	1,042
Fund balance at beginning of year	1,954	1,954	1,954	-
Fund balance at end of year	<u>\$ 1,054</u>	<u>\$ 1,054</u>	<u>\$ 2,096</u>	<u>\$ 1,042</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, 2015

	<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	\$ 1,000	\$ 1,000	\$ 1,129	\$ 129
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Operations and maintenance	1,000	1,000	-	1,000
Net change in fund balance	-	-	1,129	1,129
Fund balance at beginning of year	4,924	4,924	4,924	-
Fund balance at end of year	<u>\$ 4,924</u>	<u>\$ 4,924</u>	<u>\$ 6,053</u>	<u>\$ 1,129</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Fines and forfeitures	\$ 26,000	\$ 26,000	\$ 9,650	\$ (16,350)
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Operations and maintenance	70,000	70,000	29,739	40,261
Net change in fund balance	(44,000)	(44,000)	(20,089)	23,911
Fund balance at beginning of year	197,114	197,114	197,114	-
Fund balance at end of year	<u>\$ 153,114</u>	<u>\$ 153,114</u>	<u>\$ 177,025</u>	<u>\$ 23,911</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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Fines and forfeitures	\$ 137,000	\$ 137,000	\$ 135,518	\$ (1,482)
Intergovernmental	-	-	3,993	3,993
Other	-	-	25	25
Total revenues	137,000	137,000	139,536	2,536
<u>Expenditures:</u>				
Current:				
General government				
Legislative and executive				
Personal services	74,424	76,924	74,069	2,855
Operations and maintenance	60,678	60,678	36,157	24,521
Capital outlay	2,010	2,010	1,164	846
Total expenditures	137,112	139,612	111,390	28,222
Net change in fund balance	(112)	(2,612)	28,146	30,758
Fund balance at beginning of year	76,452	76,452	76,452	-
Prior year encumbrances appropriated	53	53	53	-
Fund balance at end of year	\$ 76,393	\$ 73,893	\$ 104,651	\$ 30,758

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 20,305	\$ 305
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Operations and maintenance	5,000	11,000	6,215	4,785
Net change in fund balance	15,000	9,000	14,090	5,090
Fund balance at beginning of year	114,980	114,980	114,980	-
Fund balance at end of year	<u>\$ 129,980</u>	<u>\$ 123,980</u>	<u>\$ 129,070</u>	<u>\$ 5,090</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Baseball Recreation Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for services	\$ 123,900	\$ 123,900	\$ 56,855	\$ (67,045)
Other	6,850	6,850	10,769	3,919
Total revenues	<u>130,750</u>	<u>130,750</u>	<u>67,624</u>	<u>(63,126)</u>
<u>Expenditures:</u>				
Current:				
Recreation				
Parks				
Personal services	52,665	52,665	39,192	13,473
Operations and maintenance	75,879	75,879	57,414	18,465
Capital outlay	18	18	4	14
Total expenditures	<u>128,562</u>	<u>128,562</u>	<u>96,610</u>	<u>31,952</u>
Net change in fund balance	2,188	2,188	(28,986)	(31,174)
Fund balance at beginning of year	<u>28,986</u>	<u>28,986</u>	<u>28,986</u>	<u>-</u>
Fund balance at end of year	<u>\$ 31,174</u>	<u>\$ 31,174</u>	<u>\$ -</u>	<u>\$ (31,174)</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Soccer Recreation Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for services	\$ 52,500	\$ 52,500	\$ -	\$ (52,500)
Other	100	100	-	(100)
Total revenues	<u>52,600</u>	<u>52,600</u>	<u>-</u>	<u>(52,600)</u>
<u>Expenditures:</u>				
Current:				
Recreation				
Parks				
Personal services	26,487	26,487	18,626	7,861
Operations and maintenance	30,130	30,130	23,584	6,546
Capital outlay	10	10	2	8
Total expenditures	<u>56,627</u>	<u>56,627</u>	<u>42,212</u>	<u>14,415</u>
Net change in fund balance	(4,027)	(4,027)	(42,212)	(38,185)
Fund balance at beginning of year	49,325	49,325	49,325	-
Prior year encumbrances appropriated	<u>1,399</u>	<u>1,399</u>	<u>1,399</u>	<u>-</u>
Fund balance at end of year	<u>\$ 46,697</u>	<u>\$ 46,697</u>	<u>\$ 8,512</u>	<u>\$ (38,185)</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, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ -	\$ 2,560	\$ 2,560
<u>Expenditures:</u>				
Current:				
Public safety				
Total expenditures	-	-	-	-
Net change in fund balance	-	-	2,560	2,560
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,560</u>	<u>\$ 2,560</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Stormwater Fund
For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 278,000	\$ 278,000	\$ 283,281	\$ 5,281
Other	-	-	1,061	1,061
Total revenues	278,000	278,000	284,342	6,342
<u>Expenditures:</u>				
Current:				
Public works				
Engineer				
Personal services	159,301	164,301	158,132	6,169
Operations and maintenance	50,207	50,207	27,233	22,974
Capital outlay	10,670	10,670	8,741	1,929
Total engineer	220,178	225,178	194,106	31,072
Debt service:				
Principal retirement	12,776	12,776	12,762	14
Interest and fiscal charges	1,216	1,216	1,225	(9)
Total expenditures	234,170	239,170	208,093	31,077
Net change in fund balance	43,830	38,830	76,249	37,419
Fund balance at beginning of year	326,526	326,526	326,526	-
Prior year encumbrances appropriated	4,811	4,811	4,811	-
Fund balance at end of year	\$ 375,167	\$ 370,167	\$ 407,586	\$ 37,419

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Chuck Gabbard Memorial Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Operations and maintenance	2,258	2,258	2,258	-
Net change in fund balance	(2,258)	(2,258)	(2,258)	-
Fund balance at beginning of year	2,258	2,258	2,258	-
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
Magistrate Fund
For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Fines and forfeitures	\$ 115,000	\$ 115,000	\$ 87,940	\$ (27,060)
Other	-	-	22	22
Total revenues	\$ 115,000	\$ 115,000	\$ 87,962	\$ (27,038)
<u>Expenditures:</u>				
Current:				
General government				
Judicial system				
Personal services	117,369	120,369	100,457	19,912
Net change in fund balance	(2,369)	(5,369)	(12,495)	(7,126)
Fund balance at beginning of year	19,300	19,300	19,300	-
Fund balance at end of year	\$ 16,931	\$ 13,931	\$ 6,805	\$ (7,126)

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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ -	\$ 15,000	\$ 15,000
Other	-	-	25	25
Total revenues	-	-	15,025	15,025
<u>Expenditures:</u>				
Current:				
Public safety				
Police				
Personal services	205,418	205,418	192,401	13,017
Capital outlay	787,748	772,748	672,469	100,279
Total police	993,166	978,166	864,870	113,296
Fire				
Capital outlay	319,117	334,117	325,817	8,300
Total public safety	1,312,283	1,312,283	1,190,687	121,596
Public works				
Streets				
Capital outlay	400,000	405,900	405,900	-
Debt service:				
Principal retirement	315,000	315,000	250,227	64,773
Interest and fiscal charges	111,185	111,185	95,798	15,387
Total expenditures	2,138,468	2,144,368	1,942,612	201,756
Excess of revenues under expenditures	(2,138,468)	(2,144,368)	(1,927,587)	216,781
Other financing sources:				
Transfers - in	1,771,875	1,771,875	1,784,715	12,840
Net change in fund balance	(366,593)	(372,493)	(142,872)	229,621
Fund balance at beginning of year	976,964	976,964	976,964	-
Prior year encumbrances appropriated	8,067	8,067	8,067	-
Fund balance at end of year	\$ 618,438	\$ 612,538	\$ 842,159	\$ 229,621

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, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Payments in lieu of taxes	\$ 46,000	\$ 71,000	\$ 71,172	\$ 172
<u>Expenditures:</u>				
Capital outlay	26,500	82,727	79,040	3,687
Net change in fund balance	19,500	(11,727)	(7,868)	3,859
Fund balance at beginning of year	92,920	92,920	92,920	-
Fund balance at end of year	<u>\$ 112,420</u>	<u>\$ 81,193</u>	<u>\$ 85,052</u>	<u>\$ 3,859</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Dixie Drive Phase 3 Widening Project Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$ 1,495,449	\$ 1,770,449	\$ 1,774,175	\$ 3,726
<u>Expenditures:</u>				
Capital outlay	2,963,116	2,963,116	2,361,871	601,245
Excess of revenues under expenditures	<u>(1,467,667.00)</u>	<u>(1,192,667)</u>	<u>(587,696)</u>	<u>604,971</u>
Other financing sources (uses):				
Loan proceeds	1,467,667	1,467,667	866,421	(601,246)
Advances - out	-	-	(125,000)	(125,000)
Total other financing sources (uses)	<u>1,467,667</u>	<u>1,467,667</u>	<u>741,421</u>	<u>(726,246)</u>
Net change in fund balance	-	275,000	153,725	(121,275)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 125,000</u>	<u>\$ 400,000</u>	<u>\$ 278,725</u>	<u>\$ (121,275)</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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Payments in lieu of taxes	\$ 32,500	\$ 32,500	\$ 34,281	\$ 1,781
<u>Expenditures:</u>				
Capital outlay	5,825	14,325	4,590	9,735
Debt service:				-
Principal retirement	70,000	70,000	70,000	-
Interest and fiscal charges	26,750	26,750	26,570	180
Total expenditures	102,575	111,075	101,160	9,915
Net change in fund balance	(70,075)	(78,575)	(66,879)	11,696
Fund balance at beginning of year	84,293	84,293	84,293	-
Fund balance at end of year	\$ 14,218	\$ 5,718	\$ 17,414	\$ 11,696

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
<u>Expenditures:</u>				
Capital outlay	50,000	50,000	-	50,000
Excess of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Advances - in	50,000	50,000	-	(50,000)
Advances - out	(50,000)	(50,000)	-	50,000
Total other financing sources (uses)	-	-	-	-
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
Fieldstone Way Construction Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 268,580	\$ 174,868	\$ (93,712)
<u>Expenditures:</u>				
Capital outlay	-	381,000	242,590	138,410
Excess of revenues under expenditures	-	(112,420)	(67,722)	44,698
Other financing sources:				
Bond anticipation notes issued	-	381,000	395,590	14,590
Net change in fund balance	-	268,580	327,868	59,288
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 268,580</u>	<u>\$ 327,868</u>	<u>\$ 59,288</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Reserve Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Capital outlay	24,472	24,472	19,794	4,678
Excess of revenues under expenditures	(24,472)	(24,472)	(19,794)	4,678
<u>Other financing uses:</u>				
Transfers - out	(635,000)	(635,000)	-	635,000
Net change in fund balance	(659,472)	(659,472)	(19,794)	639,678
Fund balance at beginning of year	637,143	637,143	637,143	-
Prior year encumbrances appropriated	24,472	24,472	24,472	-
Fund balance at end of year	<u>\$ 2,143</u>	<u>\$ 2,143</u>	<u>\$ 641,821</u>	<u>\$ 639,678</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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures:</u>				
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	-	-	-
Other financing sources:				
Transfers - in	100,000	100,000	-	(100,000)
Net change in fund balance	100,000	100,000	-	(100,000)
Fund balance at beginning of year	1,000,000	1,000,000	1,000,000	-
Fund balance at end of year	<u>\$ 1,100,000</u>	<u>\$ 1,100,000</u>	<u>\$ 1,000,000</u>	<u>\$ (100,000)</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Net Position - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 2,210,659	\$ 2,210,659	\$ 2,078,098	\$ (132,561)
Tap-in fees	10,000	10,000	2,550	(7,450)
Utility deposits received	-	-	8,043	8,043
Other	48,000	48,000	48,406	406
Total revenues	<u>2,268,659</u>	<u>2,268,659</u>	<u>2,137,097</u>	<u>(131,562)</u>
<u>Expenses:</u>				
Personal services	398,917	411,417	396,092	15,325
Contractual services	1,839,152	1,831,862	1,659,288	172,574
Materials and supplies	49,522	56,812	49,700	7,112
Capital outlay	366,250	422,250	253,125	169,125
Utility deposits returned	-	-	6,837	(6,837)
Other	970	970	981	(11)
Total expenses	<u>2,654,811</u>	<u>2,723,311</u>	<u>2,366,023</u>	<u>357,288</u>
Operating loss	<u>(386,152)</u>	<u>(454,652)</u>	<u>(228,926)</u>	<u>225,726</u>
Nonoperating revenues (expenses)				
Federal and state subsidies	75,000	85,080	8,705	(76,375)
Bond anticipation notes issued	-	56,000	48,957	(7,043)
Proceeds of loans	75,000	75,000	-	(75,000)
Principal retirement	(19,163)	(19,163)	(19,143)	20
Interest	(1,823)	(1,823)	(1,837)	(14)
Total nonoperating revenues (expenses)	<u>129,014</u>	<u>195,094</u>	<u>36,682</u>	<u>(158,412)</u>
Change in net position	(257,138)	(259,558)	(192,244)	67,314
Net position at beginning of year	2,455,656	2,455,656	2,455,656	-
Prior year encumbrances appropriated	<u>120,451</u>	<u>120,451</u>	<u>120,451</u>	<u>-</u>
Net position at end of year	<u>\$ 2,318,969</u>	<u>\$ 2,316,549</u>	<u>\$ 2,383,863</u>	<u>\$ 67,314</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Net Position - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for services	\$ 1,704,329	\$ 1,704,329	\$ 1,724,764	\$ 20,435
Tap-in fees	10,000	10,000	3,950	(6,050)
Utility deposits received	-	-	3,962	3,962
Other	60,000	60,000	902	(59,098)
Total revenues	<u>1,774,329</u>	<u>1,774,329</u>	<u>1,733,578</u>	<u>(40,751)</u>
<u>Expenses:</u>				
Personal services	383,910	395,909	376,954	18,955
Contractual services	929,903	933,514	924,560	8,954
Materials and supplies	37,863	34,092	29,918	4,174
Capital outlay	261,250	349,250	218,266	130,984
Utility deposits returned	194	355	3,723	(3,368)
Other	-	-	25	(25)
Total expenses	<u>1,613,120</u>	<u>1,713,120</u>	<u>1,553,446</u>	<u>159,674</u>
Operating income	<u>161,209</u>	<u>61,209</u>	<u>180,132</u>	<u>118,923</u>
Nonoperating revenues (expenses)				
Federal and state subsidies	60,000	75,840	14,731	(61,109)
Sale of capital assets	-	8,000	7,909	(91)
Bond anticipation notes issued	-	88,000	80,453	(7,547)
Proceeds of loans	60,000	60,000	-	(60,000)
Principal retirement	(19,163)	(19,163)	(19,143)	20
Interest	(1,823)	(1,823)	(1,837)	(14)
Total nonoperating revenues (expenses)	<u>99,014</u>	<u>210,854</u>	<u>82,113</u>	<u>(128,741)</u>
Change in net position	260,223	272,063	262,245	(9,818)
Net position at beginning of year	1,704,722	1,704,722	1,704,722	-
Prior year encumbrances appropriated	<u>9,698</u>	<u>9,698</u>	<u>9,698</u>	<u>-</u>
Net position at end of year	<u>\$ 1,974,643</u>	<u>\$ 1,986,483</u>	<u>\$ 1,976,665</u>	<u>\$ (9,818)</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Net Position - Budget (Non-GAAP Basis) and Actual
Golf Fund
For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 935,767	\$ 935,767	\$ 876,735	\$ (59,032)
Other	175	175	2,040	1,865
Total revenues	<u>935,942</u>	<u>935,942</u>	<u>878,775</u>	<u>(57,167)</u>
<u>Expenses:</u>				
Personal services	509,849	509,849	462,209	47,640
Contractual services	366,698	366,698	339,465	27,233
Materials and supplies	200,236	202,388	170,087	32,301
Capital outlay	140,993	140,993	135,979	5,014
Other	24,204	24,204	29,023	(4,819)
Total expenses	<u>1,241,980</u>	<u>1,244,132</u>	<u>1,136,763</u>	<u>107,369</u>
Operating loss	<u>(306,038)</u>	<u>(308,190)</u>	<u>(257,988)</u>	<u>50,202</u>
Nonoperating revenues				
Sale of capital assets	400	400	-	(400)
Loss before transfers	<u>(305,638)</u>	<u>(307,790)</u>	<u>(257,988)</u>	<u>49,802</u>
Other financing sources:				
Transfers - in	336,590	336,590	200,000	(136,590)
Change in net position	30,952	28,800	(57,988)	(86,788)
Net position at beginning of year	187,335	187,335	187,335	-
Prior year encumbrances appropriated	<u>25,699</u>	<u>25,699</u>	<u>25,699</u>	<u>-</u>
Net position at end of year	<u>\$ 243,986</u>	<u>\$ 241,834</u>	<u>\$ 155,046</u>	<u>\$ (86,788)</u>

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes
In Net Position - Budget (Non-GAAP Basis) and Actual
Hospital Care Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Charges for services	\$ 2,550,223	\$ 2,550,223	\$ 2,254,941	\$ (295,282)
Other	200,000	300,000	298,723	(1,277)
Total revenues	<u>2,750,223</u>	<u>2,850,223</u>	<u>2,553,664</u>	<u>(296,559)</u>
<u>Expenses:</u>				
Contractual services	423,770	423,770	434,154	(10,384)
Claims	2,200,331	2,200,331	1,952,649	247,682
Total expenses	<u>2,624,101</u>	<u>2,624,101</u>	<u>2,386,803</u>	<u>237,298</u>
Change in net position	126,122	226,122	166,861	(59,261)
Net position at beginning of year	389,338	389,338	389,338	-
Prior year encumbrances appropriated	14,106	14,106	14,106	-
Net position at end of year	<u>\$ 529,566</u>	<u>\$ 629,566</u>	<u>\$ 570,305</u>	<u>\$ (59,261)</u>

Combining Statements – Fiduciary Funds

AGENCY FUNDS

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

Building Standards

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

Northern Area Water Authority

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

Municipal Court

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

Multi-District Tax Fund

Established to account for the flow through of municipal income tax monies that belong to the Cities of Brookville, Clayton, and West Milton.

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.

Performance Bond

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

Tri-Cities North Regional Wastewater Authority

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

Employee Flex Account

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

City of Vandalia, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2015

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Building Standards				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 792	\$ 4,800	\$ 4,629	\$ 963
Total assets	<u>\$ 792</u>	<u>\$ 4,800</u>	<u>\$ 4,629</u>	<u>\$ 963</u>
<u>Liabilities:</u>				
Due to other governments	\$ 792	\$ 4,800	\$ 4,629	\$ 963
Total liabilities	<u>\$ 792</u>	<u>\$ 4,800</u>	<u>\$ 4,629</u>	<u>\$ 963</u>

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Northern Area Water Authority				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 1,424,117	\$ 3,519,297	\$ 3,215,081	\$ 1,728,333
Total assets	<u>\$ 1,424,117</u>	<u>\$ 3,519,297</u>	<u>\$ 3,215,081</u>	<u>\$ 1,728,333</u>
<u>Liabilities:</u>				
Due to others	\$ 1,424,117	\$ 3,519,297	\$ 3,215,081	\$ 1,728,333
Total liabilities	<u>\$ 1,424,117</u>	<u>\$ 3,519,297</u>	<u>\$ 3,215,081</u>	<u>\$ 1,728,333</u>

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Municipal Court				
<u>Assets:</u>				
Cash and cash equivalents in segregated accounts	\$ 150,739	\$ 1,608,257	\$ 1,606,611	\$ 152,385
Total assets	<u>\$ 150,739</u>	<u>\$ 1,608,257</u>	<u>\$ 1,606,611</u>	<u>\$ 152,385</u>
<u>Liabilities:</u>				
Due to other governments	\$ 61,068	\$ 667,725	\$ 672,938	\$ 55,855
Undistributed monies	89,671	940,532	933,673	96,530
Total liabilities	<u>\$ 150,739</u>	<u>\$ 1,608,257</u>	<u>\$ 1,606,611</u>	<u>\$ 152,385</u>

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Multi-District Tax fund				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 297,767	\$ 8,013,002	\$ 8,081,913	\$ 228,856
Total assets	<u>\$ 297,767</u>	<u>\$ 8,013,002</u>	<u>\$ 8,081,913</u>	<u>\$ 228,856</u>
<u>Liabilities:</u>				
Due to other governments	\$ 297,767	\$ 1,897	\$ 297,767	\$ 1,897
Undistributed monies	-	8,011,105	7,784,146	226,959
Total liabilities	<u>\$ 297,767</u>	<u>\$ 8,013,002</u>	<u>\$ 8,081,913</u>	<u>\$ 228,856</u>

City of Vandalia, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2015

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Butler Township JEDD Tax Collection				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ -	\$ 115,378	\$ 114,608	\$ 770
Total assets	<u>\$ -</u>	<u>\$ 115,378</u>	<u>\$ 114,608</u>	<u>\$ 770</u>
<u>Liabilities:</u>				
Due to other governments	\$ -	\$ 115	\$ -	\$ 115
Undistributed monies	-	115,263	114,608	655
Total liabilities	<u>\$ -</u>	<u>\$ 115,378</u>	<u>\$ 114,608</u>	<u>\$ 770</u>

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Butler Township JEDZ Tax Collection				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ -	\$ 549,134	\$ 498,189	\$ 50,945
Total assets	<u>\$ -</u>	<u>\$ 549,134</u>	<u>\$ 498,189</u>	<u>\$ 50,945</u>
<u>Liabilities:</u>				
Due to other governments	\$ -	\$ 7,565	\$ -	\$ 7,565
Undistributed monies	-	541,569	498,189	43,380
Total liabilities	<u>\$ -</u>	<u>\$ 549,134</u>	<u>\$ 498,189</u>	<u>\$ 50,945</u>

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Performance Bond				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 38,910	\$ -	\$ -	\$ 38,910
Total assets	<u>\$ 38,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,910</u>
<u>Liabilities:</u>				
Undistributed monies	\$ 38,910	\$ -	\$ -	\$ 38,910
Total liabilities	<u>\$ 38,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,910</u>

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Tri-Cities North Regional Wastewater Authority				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 3,327,594	\$ 4,148,931	\$ 4,753,881	\$ 2,722,644
Investments	1,752,622	1,997,312	1,752,622	1,997,312
Total assets	<u>\$ 5,080,216</u>	<u>\$ 6,146,243</u>	<u>\$ 6,506,503</u>	<u>\$ 4,719,956</u>
<u>Liabilities:</u>				
Due to others	\$ 5,080,216	\$ 6,146,243	\$ 6,506,503	\$ 4,719,956
Total liabilities	<u>\$ 5,080,216</u>	<u>\$ 6,146,243</u>	<u>\$ 6,506,503</u>	<u>\$ 4,719,956</u>

City of Vandalia, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2015

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Employee Flex Account				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 9,243	\$ 48,749	\$ 49,416	\$ 8,576
Total assets	<u>\$ 9,243</u>	<u>\$ 48,749</u>	<u>\$ 49,416</u>	<u>\$ 8,576</u>
<u>Liabilities:</u>				
Due to employees	\$ 9,243	\$ 48,749	\$ 49,416	\$ 8,576
Total liabilities	<u>\$ 9,243</u>	<u>\$ 48,749</u>	<u>\$ 49,416</u>	<u>\$ 8,576</u>
	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Totals				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 5,098,423	\$ 16,399,291	\$ 16,717,717	\$ 4,779,997
Cash and cash equivalents in segregated accounts	150,739	1,608,257	1,606,611	152,385
Investments	1,752,622	1,997,312	1,752,622	1,997,312
Total assets	<u>\$ 7,001,784</u>	<u>\$ 20,004,860</u>	<u>\$ 20,076,950</u>	<u>\$ 6,929,694</u>
<u>Liabilities:</u>				
Due to other governments	\$ 359,627	\$ 682,102	\$ 975,334	\$ 66,395
Due to employees	9,243	48,749	49,416	8,576
Undistributed monies	128,581	9,608,469	9,330,616	406,434
Due to others	6,504,333	9,665,540	9,721,584	6,448,289
Total liabilities	<u>\$ 7,001,784</u>	<u>\$ 20,004,860</u>	<u>\$ 20,076,950</u>	<u>\$ 6,929,694</u>



STATISTICAL SECTION

Statistical Section

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

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

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

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

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

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

Restated		Restated (1)		
2011	2012	2013	2014	2015
\$ 42,488,927	\$ 42,909,665	\$ 43,255,312	\$ 45,004,853	\$ 47,900,553
2,032,828	3,006,345	3,047,614	3,895,737	3,929,597
<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>
<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>
\$ 18,332,521	\$ 18,007,758	\$ 19,044,671	\$ 18,585,891	\$ 18,584,910
10,898,051	11,833,535	12,516,865	11,992,590	12,516,989
<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>
\$ 60,821,448	\$ 60,917,423	\$ 62,299,983	\$ 63,590,744	\$ 66,485,463
2,032,828	3,006,345	3,047,614	3,895,737	3,929,597
<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>
<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>

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

Expenses	2006	2007	2008	2009	2010
Governmental Activities:					
General government	\$ 5,460,150	\$ 5,906,984	\$ 6,403,491	\$ 7,686,032	\$ 5,582,027
Public safety	6,178,967	6,052,798	6,608,469	6,605,685	6,531,788
Public works	4,240,372	4,224,539	4,430,596	5,881,207	5,030,029
Recreation	3,427,824	3,676,239	4,016,239	4,099,980	3,984,048
Interest and fiscal charges	580,291	650,699	625,917	758,879	736,084
Total governmental activities expenses	19,887,604	20,511,259	22,084,712	25,031,783	21,863,976
Business-Type Activities:					
Water	2,227,291	2,242,417	2,677,281	2,530,623	1,912,399
Sewer	1,478,904	1,523,399	1,574,798	1,699,742	450,852
Golf	1,165,894	1,185,618	1,137,838	1,057,710	1,087,328
Total business-type activities	4,872,089	4,951,434	5,389,917	5,288,075	3,450,579
Total primary government expenses	\$ 24,759,693	\$ 25,462,693	\$ 27,474,629	\$ 30,319,858	\$ 25,314,555
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$ 1,748,666	\$ 1,873,488	\$ 1,914,426	\$ 1,821,605	\$ 1,871,967
Public safety	708,379	673,765	654,686	629,222	663,224
Public works	1,186,775	1,310,194	1,132,996	1,245,630	1,333,534
Recreation	1,347,174	1,397,631	1,461,420	1,468,749	1,481,966
Operating grants, contributions and interest	1,165,543	1,152,379	919,062	1,324,350	727,898
Capital grants and contributions	952,359	1,374,031	750,497	2,078,995	2,501,327
Total governmental activities program revenues	7,108,896	7,781,488	6,833,087	8,568,551	8,579,916
Business-Type Activities:					
Charges for services:					
Water	2,249,435	2,770,088	1,979,915	2,056,963	2,182,747
Sewer	1,336,767	2,333,065	1,072,501	1,254,928	1,300,559
Golf	984,106	990,779	951,835	935,518	930,933
Operating grants, contributions and interest	-	-	-	-	-
Capital grants and contributions	327,837	74,445	103,784	412,108	108,770
Total business-type activities program revenues	4,898,145	6,168,377	4,108,035	4,659,517	4,523,009
Total primary government program revenues	\$ 12,007,041	\$ 13,949,865	\$ 10,941,122	\$ 13,228,068	\$ 13,102,925
Net (expense)/revenue					
Governmental activities	\$ (12,778,708)	\$ (12,729,771)	\$ (15,251,625)	\$ (16,463,232)	\$ (13,284,060)
Business-type activities	26,056	1,216,943	(1,281,882)	(628,558)	1,072,430
Total primary government net expense	\$ (12,752,652)	\$ (11,512,828)	\$ (16,533,507)	\$ (17,091,790)	\$ (12,211,630)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property taxes levied for:					
General purposes	\$ 2,008,091	\$ 1,976,022	\$ 2,077,147	\$ 1,670,726	\$ 1,989,379
Income tax levied for:					
General purposes	13,205,994	13,072,621	11,391,659	9,222,083	10,889,271
Grants and entitlements not restricted to specific programs	1,820,314	1,357,421	1,977,904	1,931,238	1,539,008
Payment in lieu of taxes	-	-	-	16,857	108,512
Investment earnings	1,146,670	1,485,318	1,211,323	622,173	254,451
Gain on the sale of capital assets	-	-	-	-	-
Other	159,399	112,821	154,641	114,904	131,464
Total governmental activities	18,340,468	18,004,203	16,812,674	13,577,981	14,912,085
Business-Type Activities:					
Investment earnings	4,717	3,471	1,140	483	287
Other	24,929	33,196	35,755	270,472	65,062
Total business-type activities	29,646	36,667	36,895	270,955	65,349
Total primary government	\$ 18,370,114	\$ 18,040,870	\$ 16,849,569	\$ 13,848,936	\$ 14,977,434
Change in net position					
Governmental activities	\$ 5,499,532	\$ 4,337,065	\$ 368,218	\$ (3,078,107)	\$ 1,205,450
Business-type activities	117,930	2,190,977	(52,156)	(164,747)	1,560,354
Total primary government	\$ 5,617,462	\$ 6,528,042	\$ 316,062	\$ (3,242,854)	\$ 2,765,804

	2011	2012	2013	2014	2015
\$	5,726,617	\$ 5,782,863	\$ 5,475,675	\$ 5,520,951	\$ 5,130,767
	6,911,373	6,811,934	7,174,259	7,124,303	7,236,385
	5,328,780	6,294,260	5,098,906	4,736,869	4,900,560
	3,958,580	3,847,357	3,788,977	4,147,571	4,008,981
	661,538	601,289	560,923	569,379	209,376
	<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>
	2,057,812	2,059,071	1,909,167	2,072,336	2,151,550
	1,741,089	1,512,536	1,552,360	1,814,270	1,694,090
	965,069	1,042,176	1,097,625	1,019,002	1,035,124
	<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>
\$	<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>
\$	1,871,826	\$ 1,577,135	\$ 2,459,074	\$ 2,435,013	\$ 2,579,526
	326,695	649,206	569,979	569,797	489,852
	1,706,801	1,400,408	1,474,377	1,424,524	1,544,620
	1,479,628	1,446,534	1,395,800	1,446,891	1,476,639
	1,272,681	1,106,688	1,227,177	1,177,845	1,458,405
	818,757	2,004,768	45,000	1,623,771	2,399,492
	<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>
	2,128,858	2,226,641	2,190,856	2,218,971	2,149,396
	1,378,273	1,584,806	1,933,954	1,691,533	1,823,665
	863,896	973,947	888,023	885,919	880,378
	-	130,340	-	-	-
	1,052	2,828	1,290,959	2,960	369,115
	<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>
\$	<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>
\$	(15,110,500)	\$ (15,152,964)	\$ (14,927,333)	\$ (13,421,232)	\$ (11,537,535)
	(391,891)	304,779	1,744,640	(106,225)	341,790
\$	<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>
\$	1,548,086	\$ 1,505,738	\$ 1,221,094	\$ 1,283,417	\$ 1,272,611
	11,709,263	13,025,898	12,709,385	13,021,106	13,682,940
	1,764,465	1,556,563	1,098,778	761,023	408,435
	107,720	43,957	84,136	196,368	105,453
	492,580	208,984	20,362	215,329	129,436
	11,040	124,555	-	-	-
	59,415	82,334	131,101	11,046	20,103
	<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>
	-	-	-	-	-
	56,523	283,894	-	-	-
	<u>56,523</u>	<u>283,894</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<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>
\$	(36,898)	\$ 1,373,017	\$ 361,920	\$ 2,264,635	\$ 3,899,815
	283,599	610,721	1,720,243	(303,803)	523,418
\$	<u>246,701</u>	<u>1,983,738</u>	<u>2,082,163</u>	<u>1,960,832</u>	<u>4,423,233</u>

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	Restated <u>2010</u>
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 42,721
Committed	-	-	-	-	380,484
Assigned	-	-	-	-	1,832,419
Unassigned	-	-	-	-	10,266,922
Reserved	1,850,259	1,790,777	1,952,111	1,304,239	-
Unreserved, designated	-	-	-	915,000	-
Unreserved	16,996,717	18,711,875	19,029,818	11,813,674	-
Total general fund	<u>\$ 18,846,976</u>	<u>\$ 20,502,652</u>	<u>\$ 20,981,929</u>	<u>\$ 14,032,913</u>	<u>\$ 12,522,546</u>
All Other Governmental Funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 3,763,299
Restricted	-	-	-	-	1,661,587
Committed	-	-	-	-	3,165,623
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(3,195,166)
Reserved	4,477,554	6,105,502	6,517,093	8,079,431	-
Unreserved, reported in:					
Special revenue funds	1,966,858	1,508,082	1,306,895	1,445,453	-
Capital projects funds	(2,060,044)	(3,834,063)	(4,158,504)	(1,453,242)	-
Debt service funds	169,257	219,077	221,577	243,154	-
Total all other governmental funds	<u>\$ 4,553,625</u>	<u>\$ 3,998,598</u>	<u>\$ 3,887,061</u>	<u>\$ 8,314,796</u>	<u>\$ 5,395,343</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 (1)</u>	<u>2015</u>
\$ 42,034	\$ 50,022	\$ 39,372	\$ 34,636	\$ 27,552
360,215	442,531	542,531	642,531	281,103
2,287,384	1,348,736	1,549,018	683,527	708,434
10,756,154	11,307,767	10,402,258	11,068,945	12,284,198
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<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>

\$ 3,340,482	\$ 2,849,291	\$ 95,238	\$ 115,829	\$ 115,167
1,788,921	1,937,880	2,822,178	3,207,520	3,495,329
2,536,378	2,073,419	2,012,467	2,057,468	2,083,166
-	-	-	-	-
(3,755,190)	(2,074,380)	-	(5,675,573)	(5,070,761)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 3,910,591</u>	<u>\$ 4,786,210</u>	<u>\$ 4,929,883</u>	<u>\$ (294,756)</u>	<u>\$ 622,901</u>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>REVENUES</u>										
Municipal income taxes	\$ 12,579,757	\$ 13,278,532	\$ 11,905,601	\$ 9,377,445	\$ 11,031,533	\$ 11,811,152	\$ 12,554,400	\$ 12,667,627	\$ 13,019,647	\$ 13,873,876
Property and other taxes	1,972,798	1,922,643	2,097,501	1,674,192	1,973,483	1,614,735	1,533,779	1,232,843	1,281,724	1,276,849
Charges for services	3,210,035	3,451,386	3,625,059	3,544,147	3,647,220	3,685,674	3,485,052	3,463,040	3,669,349	3,750,556
Fines, licenses and permits	1,520,154	1,710,057	1,675,186	1,580,539	1,689,318	1,560,665	1,639,877	1,828,789	1,796,072	1,866,756
Intergovernmental revenues	2,842,184	3,519,044	3,703,037	3,891,817	5,034,523	3,669,156	3,544,825	2,712,119	3,562,887	3,817,380
Special assessments	74,442	15,459	27,739	17,950	9,606	7,862	10,231	7,757	6,018	24,246
Investment income	1,170,927	1,485,317	1,211,322	622,173	254,537	492,580	208,984	20,362	215,329	129,436
Payments in lieu of taxes	-	-	21,354	16,856	108,512	107,720	43,956	84,136	196,368	105,453
Other	113,944	119,864	146,798	39,536	132,485	76,244	103,708	545,020	309,685	164,552
Total revenues	<u>23,484,241</u>	<u>25,502,302</u>	<u>24,413,597</u>	<u>20,764,655</u>	<u>23,881,217</u>	<u>23,025,788</u>	<u>23,124,812</u>	<u>22,561,693</u>	<u>24,057,079</u>	<u>25,009,104</u>
<u>EXPENDITURES</u>										
General government	5,229,572	5,679,146	6,076,275	7,381,632	5,374,258	5,410,595	5,496,187	5,276,604	5,252,837	4,894,718
Public safety	5,673,085	5,643,811	6,105,935	6,105,910	6,096,542	6,308,866	6,187,676	6,822,655	6,832,743	6,813,125
Public works	3,292,098	3,343,736	3,453,508	4,877,949	4,069,538	3,745,331	4,884,241	3,844,621	3,433,779	3,419,534
Recreation	2,864,729	3,158,080	3,418,795	3,558,865	3,486,776	3,500,732	3,349,081	3,389,173	3,731,450	3,623,674
Capital outlay	1,883,575	4,861,768	3,787,251	4,477,252	7,279,564	3,042,512	1,190,438	2,135,887	3,589,683	4,407,748
Debt service:										
Principal retirement	568,521	619,479	632,844	1,011,352	935,008	963,819	997,791	1,021,931	6,847,216	520,306
Interest and fiscal charges	503,396	605,128	606,004	635,638	669,351	615,444	580,937	543,026	359,838	201,615
Bond issuance costs	10,000	-	-	97,735	-	-	-	-	-	5,500
Current refunding	-	-	-	-	-	-	-	-	149,300	-
Total expenditures	<u>20,024,976</u>	<u>23,911,148</u>	<u>24,080,612</u>	<u>28,146,333</u>	<u>27,911,037</u>	<u>23,587,299</u>	<u>22,686,351</u>	<u>23,033,897</u>	<u>30,196,846</u>	<u>23,886,220</u>
Excess of revenues over (under) expenditures	<u>3,459,265</u>	<u>1,591,154</u>	<u>332,985</u>	<u>(7,381,678)</u>	<u>(4,029,820)</u>	<u>(561,511)</u>	<u>438,461</u>	<u>(472,204)</u>	<u>(6,139,767)</u>	<u>1,122,884</u>
<u>OTHER FINANCING SOURCES (USES)</u>										
Proceeds of loans	-	-	-	-	-	-	-	-	308,334	866,421
Proceeds of bonds	-	-	-	4,755,000	-	-	-	-	-	-
Inception of capital lease	944,855	-	-	-	-	-	-	-	461,016	-
Premium on bonds issued	-	-	-	50,304	-	-	-	-	-	-
Sale of capital assets	800	9,495	34,755	55,093	-	-	140,427	-	42,238	-
Transfers in	2,695,016	4,931,342	4,439,244	6,841,691	4,253,092	2,561,151	3,855,648	4,047,930	3,456,840	3,338,920
Transfer out	(2,695,016)	(5,431,342)	(4,439,244)	(6,841,691)	(4,653,092)	(2,561,151)	(3,855,648)	(4,047,930)	(3,456,840)	(3,538,920)
Total other financing sources (uses)	<u>945,655</u>	<u>(490,505)</u>	<u>34,755</u>	<u>4,860,397</u>	<u>(400,000)</u>	<u>-</u>	<u>140,427</u>	<u>-</u>	<u>811,588</u>	<u>666,421</u>
Net change in fund balance	<u>\$ 4,404,920</u>	<u>\$ 1,100,649</u>	<u>\$ 367,740</u>	<u>\$ (2,521,281)</u>	<u>\$ (4,429,820)</u>	<u>\$ (561,511)</u>	<u>\$ 578,888</u>	<u>\$ (472,204)</u>	<u>\$ (5,328,179)</u>	<u>\$ 1,789,305</u>
Debt service as a percentage of noncapital expenditures	5.9%	6.4%	6.1%	7.0%	7.8%	7.7%	7.3%	7.5%	27.1%	3.7%

(1) Modified accrual basis of accounting.

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

Collection Year	Real Property (1)		Public Utility (2)		Tangible Personal Property (3)		Total		Weighted Average Tax Rate	Total City Direct Rate	
	Assessed Value	Commercial/Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value			Estimated Actual Value
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
2010	361,083,290	37,350	1,031,773,257	5,638,060	14,479,563	116,150	2,323,000	366,874,850	1,048,575,820	35.77%	\$ 4.14
2009	362,557,370	32,220	1,035,970,257	5,715,530	14,678,520	696,660	6,966,600	369,001,780	1,057,615,377	35.57%	\$ 4.14
2008	363,742,150	28,420	1,039,344,486	5,625,360	14,446,947	25,112,712	40,180,339	394,508,642	1,093,971,772	36.71%	\$ 4.14
2007	358,120,300	26,400	1,023,276,286	6,670,560	17,131,211	43,327,379	346,619,032	408,144,639	1,387,026,529	30.03%	\$ 4.14
2006	347,780,250	42,820	993,780,200	6,942,390	17,829,320	59,956,143	319,766,096	414,721,603	1,331,375,616	31.81%	\$ 4.14

6-5

Source: Montgomery County Auditor

- (1) Real estate value is assessed at 35% of appraised market value.
- (2) Public utility personal property is assessed at 88% of true value for half of 2006-2015, the other half at 25% of true value.
- (3) Tangible personal property is assessed at 18.75% for 2006, 12.5% for 2007, 6.25% for 2008 and 0% for 2009-2015.

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>
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
2010	1,518,862	1,459,807	48,781	1,508,588	99.32%	88,379	5.82%	83.13
2009	1,527,667	1,461,956	44,273	1,506,229	98.60%	107,679	7.05%	82.60
2008	1,633,266	1,584,325	47,460	1,631,785	99.91%	83,409	5.11%	81.32
2007	1,689,719	1,590,666	70,311	1,660,977	98.30%	98,978	5.86%	79.51
2006	1,716,947	1,641,715	54,295	1,696,010	98.78%	77,144	4.49%	73.97

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		
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	
2010	1.54	2.30	0.30	4.14	20.94	53.72	2.58	1.75	83.13	
2009	1.54	2.30	0.30	4.14	20.94	53.69	2.58	1.25	82.60	
2008	1.54	2.30	0.30	4.14	20.24	53.11	2.58	1.25	81.32	
2007	1.54	2.30	0.30	4.14	18.24	53.30	2.58	1.25	79.51	
2006	1.54	2.30	0.30	4.14	18.24	47.76	2.58	1.25	73.97	

Source: Montgomery County Auditor

CITY OF VANDALIA, OHIO
Schedules of Principal Taxpayers - Real Property
2015 and 2006

	2006			2015		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Taxpayer						
MO Northwoods LLC	\$ 2,044,630	5	0.59%	\$ 2,496,310	1	0.76%
Sand Lake Plaza LLC	-		0.00%	2,281,150	2	0.70%
Garrett-Ryan LLC	-		0.00%	1,936,960	3	0.59%
Floriday LLC	-		0.00%	1,770,840	4	0.54%
Mahle Behr Properties Management	-		0.00%	1,612,800	5	0.49%
3920 Space Drive Building	-		0.00%	1,551,620	6	0.48%
DDC Hotels Inc	-		0.00%	1,547,330	7	0.47%
Mehland Developers	-		0.00%	1,454,070	8	0.45%
Timberlake Limited Partners	1,596,670	8	0.46%	1,287,410	9	0.39%
H&H of Vandalia LLC	-		0.00%	1,260,900	10	0.39%
Dayton Power & Light Co.	4,732,760	1	1.36%	-		0.00%
Delphi Automotive System	4,657,770	2	1.34%	-		0.00%
The Iams Company	3,038,100	3	0.87%	-		0.00%
B-W Limited Partnership	2,311,430	4	0.66%	-		0.00%
Ohio Bell Telephone Co.	1,255,810	6	0.36%	-		0.00%
Mid-States Development Co.	1,658,110	7	0.48%	-		0.00%
ABMD, LTD.	1,488,920	9	0.43%	-		0.00%
Thieman, Ted H.	1,243,410	10	0.36%	-		0.00%
Total of above	<u>\$ 24,027,610</u>		<u>6.92%</u>	<u>\$ 17,199,390</u>		<u>5.28%</u>
Total City	<u>\$ 347,823,070</u>			<u>\$ 326,332,390</u>		

Source: Montgomery County Auditor.

CITY OF VANDALIA, OHIO
Schedules of Principal Taxpayers - Public Utility
2015 and 2006

	2006			2015		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<u>Taxpayer</u>						
Dayton Power	\$ 4,732,760	1	68.17%	\$ 6,755,150	1	93.12%
Vectren Energy Delivery of Ohio	-		0.00%	608,410	2	8.39%
Buckeye Power Inc.	-		0.00%	920	3	0.01%
Ohio Bell Telephone Co.	1,255,810	2	18.09%	-		0.00%
Total of above	<u>\$ 5,988,570</u>		<u>86.26%</u>	<u>\$ 7,364,480</u>		<u>101.52%</u>
Total City	<u>\$ 6,942,390</u>			<u>\$ 7,254,310</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>
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
2010	2.00	11,174,601	8,741,078	78.22	1,185,925	10.61	1,247,598	11.16
2009	2.00	11,422,710	9,110,018	79.75	1,047,443	9.17	1,265,248	11.08
2008	2.00	12,939,570	10,114,059	78.16	1,462,797	11.30	1,362,714	10.53
2007	2.00	13,941,609	10,467,971	75.08	2,118,969	15.20	1,354,469	9.72
2006	2.00	12,460,878	9,361,866	75.13	1,911,160	15.34	1,187,852	9.53

Source: City income tax records.

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

Fiscal Year	Governmental Activities (1)			Business-Type Activities	Total Primary Government	Percentage of Personal Income	Total Debt Per Capita
	General Obligation Bonds	Loan Payable	Capital Leases	Capital Leases			
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
2010	12,265,384	-	567,651	-	12,833,035	3.09%	842
2009	13,083,289	-	657,659	-	13,740,948	3.89%	941
2008	9,109,619	-	744,011	-	9,853,630	2.79%	675
2007	9,635,744	-	826,855	-	10,462,599	2.96%	716
2006	10,151,869	-	906,334	-	11,058,203	3.13%	757

(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
2015	\$ 2,761,205	0.81%	\$ 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
2010	12,265,384	3.34%	804
2009	13,083,289	3.55%	896
2008	9,109,619	2.31%	624
2007	9,635,744	2.36%	660
2006	10,151,869	2.45%	695

(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, 2015

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	\$ 56,937,030	56.16%	\$ 31,975,836
Montgomery County	39,001,338	3.66%	<u>1,427,449</u>
Subtotal, overlapping debt			33,403,285
City of Vandalia governmental activities direct debt			<u>4,273,564</u>
Total direct and overlapping debt			<u><u>\$ 37,676,849</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, 2015, except for Vandalia-Butler School District which is reported as of June 30, 2015.

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

Legal Debt Margin Calculation for Year Ending December 31, 2015	<u>Unvoted</u>	<u>Overall</u>
Total assessed valuation	\$ 333,586,700	\$ 333,586,700
Debt limitation - 5.5% of assessed valuation	<u>18,347,269</u>	
Debt limitation - 10.5% of assessed valuation		<u>35,026,604</u>
Debt applicable to limitation:		
Gross indebtedness	11,861,584	11,861,584
Exempt debt:		
Bond anticipation notes	(7,457,000)	(7,457,000)
State infrastructure bank loan	(1,149,528)	(1,149,528)
Amount available in debt service fund	<u>(69,545)</u>	<u>(69,545)</u>
Total debt applicable to limitation	<u>3,185,511</u>	<u>3,185,511</u>
Legal debt margin	<u>\$ 15,161,758</u>	<u>\$ 31,841,093</u>

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 43,545,768	\$ 42,855,187	\$ 41,423,407	\$ 38,745,187	\$ 38,521,859	\$ 38,308,083	\$ 35,723,783	\$ 35,575,486	\$ 35,970,876	\$ 35,026,604
Total net debt applicable to limit	10,340,426	9,750,923	9,184,580	13,006,846	12,155,698	11,279,512	10,627,927	9,695,024	9,450,099	3,185,511
Legal debt margin	\$ 33,205,342	\$ 33,104,264	\$ 32,238,827	\$ 25,738,341	\$ 26,366,161	\$ 27,028,571	\$ 25,095,856	\$ 25,880,462	\$ 26,520,777	\$ 31,841,093
Total net debt applicable to limit as a percentage of debt limit	23.75%	22.75%	22.17%	33.57%	31.56%	29.44%	29.75%	27.25%	26.27%	9.09%

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>GENERAL BONDED DEBT</u>										
Debt service	\$ 1,013,602	999,887	996,927	1,409,691	1,408,129	1,409,648	1,414,384	1,406,946	1,245,640	409,615
General governmental expenditures	\$ 20,024,976	23,911,148	24,080,612	28,146,333	27,911,037	23,587,299	22,686,351	23,033,897	30,196,846	23,886,220
Ratio of debt service to general governmental expenditures	5.06%	4.18%	4.14%	5.01%	5.05%	5.98%	6.23%	6.11%	4.13%	1.71%

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

CITY OF VANDALIA, OHIO
 Schedule of Principal Employers
 2006 and 2015

<u>Employer (1)</u>	<u>Industry</u>	<u>2015</u>			<u>2006</u>		
		<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
CBS Personnel Services	Employment Agency	1,030	1	1.98%	-	-	0.00%
City of Vandalia	Local Government	520	2	1.00%	336	5	1.00%
Vandalia - Butler Schools	Schools	504	3	0.97%	409	3	1.22%
GE Aviation (formerly Smiths Aerospace)	Aerospace Engineering & Manufacturing	488	4	0.94%	455	2	1.35%
Delphi Automotive System	Automotive Manufacturing & Engineering	458	5	0.88%	1,149	1	3.42%
SAIA Burgess, Inc. (formerly Johnson Controls)	Electronics Manufacturing	349	6	0.67%	339	4	1.01%
Kroger Limited Partnership	Grocery Retail	347	7	0.67%	-	-	0.00%
Beua Townsend Ford, Inc.	Automotive Sales & Service	292	8	0.56%	-	-	0.00%
Adare Pharmaceuticals Inc. (formerly Aptalis Pharmatech)	Specialty Pharmaceutical Company	260	9	0.50%	-	-	0.00%
Dayton Freight Lines, Inc.	Trucking Company	237	10	0.46%	-	-	0.00%
Coorstek Medical LLC (formerly IMDS Holding Corp)	Medical Device Design & Manufacturing	-	-	0.00%	312	6	0.93%
Evenflo	Headquarters - Juvenile Products Manufacturer	-	-	0.00%	185	10	0.55%
P&G Pet Care (formerly Iams)	Headquarters - Cat & Dog Food	-	-	0.00%	267	7	0.79%
Cintas Corporation	Work Uniforms & Custom Corporate Apparel	-	-	0.00%	235	8	0.70%
Mazer Corporation	Headquarters - Services to Educational Publishers	-	-	0.00%	210	9	0.63%
		<u>4,485</u>		<u>8.62%</u>	<u>3,897</u>		<u>11.58%</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)
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
2010	15,246	415,514,484	27,254	49,539	41.3	3,095	3,351	10.1%	124,840	366,874,850
2009	14,603	353,377,997	24,199	44,463	38.1	2,215	3,422	11.4%	122,681	369,001,780
2008	14,603	353,377,997	24,199	44,463	38.1	2,215	3,411	7.2%	137,168	394,508,642
2007	14,603	353,377,997	24,199	44,463	38.1	2,215	3,440	6.1%	153,002	408,144,639
2006	14,603	353,377,997	24,199	44,463	38.1	2,215	3,434	5.9%	154,180	414,721,603

(1) Source: U. S. Census
 (a) Years 2006 through 2009 - 2000 Federal Census
 (b) Years 2010 through 2015 - 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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Finance	5.00	5.50	5.50	6.50	6.00	6.00	6.00	6.50	6.50	7.50
Tax	8.00	8.50	8.50	8.50	9.50	11.00	10.50	9.00	9.00	8.50
City Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Law	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	6.50	6.50	6.50	8.00	6.50	7.00	7.50	7.00	7.50	7.00
Engineer	9.50	9.50	9.50	9.50	8.50	9.00	9.50	9.00	10.00	9.50
Planning	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00
Civil Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Court	26.00	26.00	26.00	26.00	26.00	29.00	30.00	27.50	29.00	26.00
Public Building	7.50	7.50	7.50	8.50	18.00	18.00	17.00	19.00	20.00	20.00
Security of Persons and Property										
Police	32.00	32.00	32.00	32.00	32.00	32.00	31.00	32.00	35.00	33.00
Police - Auxiliary/Guards	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Police - Dispatchers/Office/Other	9.00	9.00	9.00	9.00	10.50	12.00	12.00	12.00	12.50	13.00
Police - Jailers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Police - Animal Wardens	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fire	37.50	37.50	37.50	37.50	40.50	49.00	43.00	44.00	42.00	41.00
Fire - Secretary - Other	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Health Services										
Cemetery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Leisure Time Activities										
Recreation	119.00	119.00	119.00	123.50	103.50	122.00	112.50	118.00	110.00	102.50
Municipal Pool	4.50	4.50	4.50	8.50	5.50	7.00	4.50	6.00	6.00	4.00
Golf Course	21.50	21.50	21.50	22.50	20.00	25.00	29.50	32.50	32.00	31.50
Community Development										
Building	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Economic Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transportation										
Service	18.00	18.00	18.00	20.00	20.50	21.00	19.50	19.00	20.00	20.00
Street M&R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Basic Utility Services										
Water	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
Wastewater	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Totals:	<u>317.00</u>	<u>318.00</u>	<u>318.00</u>	<u>333.00</u>	<u>320.00</u>	<u>361.00</u>	<u>345.50</u>	<u>354.50</u>	<u>351.50</u>	<u>335.50</u>

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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Square Footage Occupied	23,843	23,843	23,843	23,843	23,843	23,843	23,843	23,843	23,843	23,843
Administrative Vehicles	3	3	3	2	2	2	2	1	2	2
Inspection Vehicles	7	7	7	8	8	8	8	8	8	7
Municipal Court Vehicles	2	2	2	2	2	2	2	2	2	2
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219
Vehicles	25	21	21	21	21	21	21	21	20	21
Fire										
Stations	3	3	3	3	3	3	2	2	2	2
Number of fire hydrants	802	770	770	770	770	770	770	765	763	750
Square Footage of Building	33,443	33,443	33,443	33,443	33,443	33,443	18,000	18,000	18,000	18,000
Vehicles	15	17	17	17	16	16	19	18	18	17
Recreation										
Number of Parks	11	11	11	11	11	11	11	11	11	9
Number of Pools	1	1	1	1	1	1	1	1	1	1
Number of Golf Courses	1	1	1	1	1	1	1	1	1	1
Number of Tennis Courts	11	11	11	11	11	11	11	11	10	10
Number of Baseball Fields	15	15	15	15	15	15	15	15	15	15
Number of Senior Centers	1	1	1	1	1	1	1	1	1	1
Number of Soccer Fields	12	12	12	12	12	12	12	12	12	12
Square Footage of Recreation Center	58,357	58,357	58,357	58,357	58,357	58,357	58,357	58,357	58,357	58,357
Vehicles	21	20	20	20	20	20	20	20	21	20
Other Public Works										
Streets (miles)	86.0	86.0	86.0	86.0	86.0	89.0	82.5	83.5	83.5	79.5
Service Vehicles	26	24	24	24	29	29	27	25	24	24
Wastewater										
Sanitary Sewers (miles)	74	74	74	73	73	73	73	73	73	63
Storm Sewers (miles)	78	78	77	76	76	75	74	73	72	48
Water Department										
Water Lines (miles)	87	87	87	85	85	85	85	85	84	74
Vehicles	1	1	1	1	1	1	1	1	1	1

Source: City of Vandalia

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

Function/Program	2015	2014	2013	2012	2011
General Government					
Council and Clerk					
Number of Ordinances Passed	26	33	18	16	23
Number of Resolutions Passed	111	74	64	45	59
Number of Planning Commission docket items	1	1	14	8	9
Zoning Board of Appeals docket items	5	12	13	6	12
Finance Department					
Number of payroll checks issued	104	116	117	212	152
Number of payroll direct deposits issued	9,854	9,571	9,580	9,061	9,072
Number of checks/ vouchers issued	4,426	4,917	4,774	4,339	4,994
Amount of checks written (\$000 omitted)	\$18,278	\$20,342	\$19,613	\$16,016	\$24,159
Interest earnings for fiscal year (cash basis)	\$137,269	\$138,696	\$161,018	\$231,689	\$302,177
Number of Budget Adjustments issued	4	7	6	6	5
Agency Ratings - Moody's Financial Services	Aa2	Aa2	Aa2	Aa2	Aa2
Health Insurance Costs vs General Fund Expenditures %	7.94%	6.68%	7.67%	8.55%	6.82%
General Fund Receipts (cash basis, \$000 omitted)	\$21,971	\$20,829	\$20,856	\$20,496	\$20,059
General Fund Expenditures (cash basis, \$000 omitted)	\$21,131	\$21,980	\$21,885	\$21,111	\$19,467
General Fund Cash Balances (\$000 omitted)	\$12,128	\$11,288	\$12,439	\$13,468	\$14,083
Income Tax Department					
Number of Individual/Business Returns	22,605	24,212	23,466	14,984	22,614
Number of business withholding accounts	2,331	3,604	3,604	3,296	2,520
Amount of Penalties and Interest Collected	\$ 113,693	\$ 118,174	\$ 109,648	\$ 112,041	\$ 106,639
Annual number of withholding forms processed	32,757	36,703	44,153	26,641	38,118
Annual number of balance due statements forms processed	10,626	10,431	8,759	6,252	9,808
Annual number of estimated payment forms processed	5,613	5,779	5,397	3,564	5,325
Annual number of reconciliations of withholdings processed	4,617	4,360	4,321	2,640	3,446
Engineer Contracted Services					
Dollar amount of Construction overseen by Engineer	\$1,047,864	\$512,644	\$831,792	\$1,266,695	\$1,157,591
Municipal Court					
Number of Civil Cases	1,628	2,065	2,040	2,040	3,029
Number of Criminal/Traffic cases	14,293	14,000	12,398	11,754	14,269
Vital Statistics					
Certificates Issued (County)					
Number of Births	31,446	29,446	31,015	32,217	32,312
Number of Deaths	32,986	31,876	32,213	30,838	31,196
Burial Permits Issued	5,330	5,246	5,156	5,043	4,963
Civil Service					
Number of police entry tests administered	1	0	1	1	0
Number of fire entry tests administered	1	0	0	0	0
Number of police promotional tests administered	0	0	0	0	0
Number of hires of Police Officers from certified lists	0	1	0	0	0
Number of hires of Fire/Medics from certified lists	0	0	0	0	0
Number of promotions from police certified lists	0	0	0	0	0
Building Department Indicators					
Construction Permits Issued	71	69	85	83	78
Estimated Value of Construction	\$21,137,691	\$8,783,595	\$31,879,840	\$12,735,073	\$17,119,415
Number of permits issued	815	754	750	750	761
Amount of Revenue generated from permits	\$202,980	\$110,652	\$162,512	\$166,082	\$140,656
Revenue generated from above 1,2,3,4	\$202,980	\$110,652	\$162,512	\$166,082	\$140,656

2010	2009	2008	2007	2006
16	26	36	24	33
73	50	32	23	33
7	11	12	13	5
9	12	14	13	9
2,887	9,821	10,223	9,685	9,563
6,728	0	0	0	0
4,420	5,414	5,483	5,244	5,549
\$25,311	\$27,569	\$25,584	\$24,980	\$22,684
\$482,534	\$869,217	\$1,152,344	\$1,257,917	\$934,545
2	8	5	4	4
Aa2	Aa3	Aa3	Aa3	Aa3
8.20%	5.69%	8.06%	6.80%	9.35%
\$19,407	\$20,269	\$22,013	\$22,913	\$21,006
\$20,891	\$25,217	\$21,297	\$21,033	\$18,060
\$13,491	\$14,974	\$19,921	\$19,205	\$17,325
23,042	21,443	22,735	19,507	19,222
3,248	3,033	3,870	2,745	2,766
\$ 102,271	\$ 79,520	\$ 104,063	\$ 112,388	\$ 107,933
31,205	26,310	27,470	24,810	19,962
9,521	5,839	7,103	7,087	7,150
5,045	4,508	4,825	4,500	4,391
4,146	4,130	4,001	3,964	4,133
\$2,240,166	\$1,653,024	\$2,988,960	\$3,894,168	\$2,065,000
2,284	2,090	2,339	2,183	1,960
14,666	15,779	17,872	18,668	17,394
36,262	39,785	41,859	48,606	46,943
31,544	32,424	34,618	33,397	32,503
5,132	4,864	4,994	4,380	4,771
0	1	1	1	1
1	0	0	1	1
0	1	0	0	0
1	2	0	3	0
1	0	5	8	0
0	2	0	0	0
97	96	145	169	201
\$52,879,415	\$12,029,682	\$17,258,702	\$22,672,865	\$13,179,670
725	751	910	891	934
\$210,717	\$125,340	\$193,684	\$198,035	\$145,285
\$210,717	\$125,340	\$193,684	\$198,035	\$145,285

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

Function/Program	2015	2014	2013	2012	2011
Security of Persons & Property					
<i>Police</i>					
Total Calls for Services	12,983	13,610	14,029	14,241	14,395
Number of traffic citations issued	1,365	1,342	1,372	1,370	801
Number of parking citations issued	61	100	101	90	113
Number of criminal arrests	574	622	678	761	596
Number of accident reports completed	312	270	259	239	246
Part 1 Offenses (major offenses)	521	440	418	461	425
Reserve officers hours worked	235	6	88	786	415
DUI Arrests	86	101	69	67	90
Prisoners Processed - Temporary Holdings	78	124	143	179	177
Property damage accidents	229	210	199	178	192
Fatalities from Motor Vehicle Accidents	2	0	0	0	0
Gasoline costs of fleet	\$62,658	\$80,138	\$85,806	\$91,232	\$101,826
DARE youth program	0	0	255	260	294
Community Diversion Program Youths (Be Proud)	0	0	0	0	0
Volunteer Service Program	139	164	0	0	0
<i>Fire</i>					
EMS Calls	2,441	2,199	2,932	2,721	2,266
Ambulance Billing Collections (net)	\$521,946	\$500,094	\$499,769	\$472,184	\$548,836
Fire Calls	859	1,056	956	754	470
Fires with Loss	78	30	28	21	7
Fires with Losses exceeding \$10K	7	5	1	7	2
Fire Losses \$	\$749,186	\$87,850	\$51,300	\$921,550	\$76,200
Fire Safety Inspections	721	801	408	368	300
Number of times Mutual Aid given to Fire and EMS	96	79	262	247	184
Number of times Mutual Aid received for Fire and EMS	105	63	150	192	118
Public Health and Welfare					
Cemetery burials	27	27	16	26	29
Cemetery cremations	3	18	12	8	5
Cemetery sale of lots	29	46	64	43	34
Cemetery receipts	\$25,273	\$30,778	\$37,876	\$30,178	\$29,938
Leisure Time Activities					
<i>Recreation</i>					
Recreation Swimming pool receipts	\$44,568	\$36,525	\$31,896	\$38,150	\$51,388
Recreation Mens & Womens Leagues receipts	40,697	42,743	46,295	41,948	50,892
Recreation Programs	100,509	99,033	95,015	95,980	86,748
Youth Soccer League	30,920	33,378	30,202	28,965	31,051
Youth Baseball League	35,838	38,024	42,134	43,929	44,368
Facilities rentals	59,922	98,894	102,826	134,581	152,995
Total Recreation Department receipts	<u>\$312,454</u>	<u>\$348,597</u>	<u>\$348,368</u>	<u>\$383,553</u>	<u>\$417,442</u>
Community Development					
Grant amounts received due to Economic Development Dept.	\$25,000	\$500,000	\$500,000	\$475,000	\$628,748
Basic Utility Services					
Refuse disposal per year (in tons) January through December	5,511	5,466	5,509	5,770	5,805
Refuse disposal costs per year January through December	\$870,856	\$912,886	\$880,000	\$855,695	\$843,000
Annual recycling tonnage (excluding leaf, and compost items)	666	662	719	644	723

2010	2009	2008	2007	2006
13,496	13,335	13,714	13,386	13,429
1,052	957	1,371	1,417	1,798
72	33	49	60	58
596	547	703	788	831
256	266	316	321	297
462	346	114	511	528
119	162	774	860	869
77	88	90	100	97
146	213	210	215	151
206	193	250	249	227
0	1	0	0	1
\$70,170	\$59,080	\$83,611	\$55,758	\$63,195
293	400	267	265	259
0	0	2	3	1
0	0	0	0	136
2,062	2,031	1,995	1,943	1,868
\$554,865	\$529,248	\$581,785	\$570,206	\$470,575
455	527	850	647	605
7	8	21	3	2
2	2	8	3	1
\$197,110	\$471,600	\$609,050	\$172,500	\$17,500
477	473	457	112	106
116	159	212	156	176
167	145	85	71	100
34	26	24	16	23
2	5	7	1	4
53	22	47	53	41
\$40,914	\$22,150	\$25,215	\$23,060	\$25,771
\$54,193	\$43,000	\$46,586	\$42,840	\$42,539
49,863	13,774	12,160	11,450	11,844
92,790	79,216	85,573	78,868	86,537
33,230	31,940	32,880	16,857	12,476
43,767	47,468	49,597	25,359	22,151
155,517	153,177	100,782	97,718	70,303
<u>\$429,360</u>	<u>\$368,575</u>	<u>\$327,578</u>	<u>\$273,092</u>	<u>\$245,850</u>
\$109,957	\$727,677	\$472,736	\$157,710	\$183,955
5,835	6,036	6,360	6,632	7,294
\$805,000	\$786,883	\$742,000	\$722,000	\$705,000
683	622	638	788	788

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

Function/Program	2015	2014	2013	2012	2011
Transportation					
Street Improvements - asphalt overlay (linear feet)	17,773	13,310	15,963	30,121	21,714
Rejuvenating Spray on Streets (Miles)	0	0	0	0	0
Crackseal Coating Program (Miles)	0	0	0	0	0
Street Repair (Concrete, asphalt, crack sealing) (hours)	3,895	3,758	3,750	4,066	4,340
Mowing (hours)	562	658	962	1,310	1,176
Paint Striping (hours)	784	872	1,118	1,313	668
Street Sweeper (hours)	993	849	758	1,086	1,030
Snow & Ice Removal regular hours	844	735	910	376	890
Sewer and Sanitary calls for service (hours)	1,234	794	643	892	558
Fire hydrants (hours)	356	401	528	220	291
Catch basin (hours)	2,705	2,489	1,898	2,494	1,196
Water and Water calls for service (hours)	2,006	3,039	2,503	2,851	3,003
Leaf collection (hours)	1,454	1,792	1,512	1,904	1,798
Holiday lights setup (hours)	310	244	384	408	296
Burial services (hours)	431	516	278	417	469
Equipment repair/body shop (hours)	3,542	3,738	3,960	3,521	3,631
Sign department (hours)	2,764	2,838	3,079	2,112	2,375
Building maintenance (hours)	1,178	1,382	1,004	1,334	896
Other (hours)	1,325	1,365	1,476	1,740	1,846
Water Department					
Water Rates per 1st 300 Cu ft of water used (2,250 gallons)	\$ 13.34	\$ 13.34	\$ 13.34	\$ 13.34	\$ 13.34
Avg. number of water accounts billed monthly (Cu. Ft.)	5,425	5,444	5,427	5,418	5,480
Total Water Collections Annually (Including P&I)	\$2,074,955	\$2,079,548	\$2,112,547	\$2,196,006	\$2,118,302
Wastewater Department					
Wastewater Rates per 1st 300 Cu ft of water used	\$4.86	\$4.86	\$4.86	\$4.86	\$4.42
Total flow of wastewater treatment plant (Millions of Gallons)	3,803	2,958	3,540	3,141	3,890
Average daily flow (Millions of gallons per day)	8	8	10	9	11

Source: City of Vandalia

2010	2009	2008	2007	2006
39,807	34,069	0	487	21,041
2	2	0	0	0
0	0	0	0	0
5,169	4,711	3,596	4,442	3,130
556	822	2,296	508	506
660	508	483	744	825
980	946	897	994	916
1,205	816	761	787	186
596	768	187	436	575
212	220	364	336	320
2,344	3,245	2,490	3,370	3,711
2,893	3,701	3,877	3,726	2,852
1,735	1,356	1,526	1,362	1,300
297	138	0	40	152
730	292	325	562	714
3,960	3,850	1,991	1,743	1,153
2,097	2,517	2,661	1,626	1,386
779	1,054	756	376	451
1,677	1,464	1,407	4,096	4,478
\$ 13.34	\$ 13.34	\$ 12.58	\$ 13.55	\$ 11.71
5,409	5,389	5,369	1,999	1,979
\$2,130,194	\$2,087,631	\$2,376,917	\$2,441,414	\$2,130,132
\$4.02	\$3.65	\$3.02	\$2.92	\$2.92
2,852	2,852	2,901	2,748	3,507
8	8	9	8	10



CITY OF VANDALIA



Yellow Book Report

December 31, 2015

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Vandalia, Ohio (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 6, 2016, wherein we noted the City adopted GASB 68 and 71 as disclosed in Note 2.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Plattenburg & Associates, Inc.

Dayton, Ohio

June 6, 2016

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Dave Yost • Auditor of State

CITY OF VANDALIA

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 26, 2016