

**CITY OF VANDALIA
MONTGOMERY COUNTY**



REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2021

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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City Council
City of Vandalia
333 James Bohanan 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, 2021 through December 31, 2021. 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 "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 05, 2022

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**CITY OF VANDALIA
MONTGOMERY COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

Honorable Mayor, City Council,
and City Manager
City of Vandalia, Ohio

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, 2021, 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 27, 2022.

Report on 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) as a basis for designing 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings as item 2021-001 that we consider to be a material weakness.

Report on 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 financial statements. 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*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.
Dayton, Ohio
June 27, 2022

CITY OF VANDALIA
SCHEDULE OF AUDIT FINDINGS
December 31, 2021

2021- 001 Finding Type — Material Weakness — Controls Related to Financial Reporting

During 2020 the City implemented GASB 84 Fiduciary Activities. During the financial reporting process for 2021 the City received a comment from Government Finance Officers Association’s annual evaluation of the City’s Annual Comprehensive Financial Report. This comment pointed out accounting requirements related to reporting liabilities and net position in Custodial Funds. Upon evaluation of the comment it was determined that the 2020 custodial fund liabilities and net position required adjustment. The City has adjusted the 2021 beginning net position.

Recommendation:

We recommend the City evaluate and implement improvements to internal control policies and procedures over financial reporting.

Management’s Response:

The City of Vandalia has reviewed and understands the reported audit comment but would like to clarify to the readers of the audit report that the adjustment noted was made to the annual GAAP basis financial statements. The City maintains the financial records of the City on the cash basis of accounting which is a basis of accounting other than GAAP and is typical of Ohio local municipal governments. At year-end the City, with assistance of an outside consultant, performs a conversion from cash basis to present the annual financial report in accordance with GAAP requirements.

The cash basis financial records, which record the daily, weekly and monthly financial activity of the City didn’t require adjustment. The amounts noted above were properly recorded and budgeted in the day to day records of the City but were inadvertently overlooked in the year-end conversion to GAAP financial statements.



Vandalia ^{ohio}
small city. big opportunity.

**Annual Comprehensive
Financial Report
For the Year Ended
December 31, 2021**

**City Of Vandalia
Montgomery County, Ohio**

Annual Comprehensive Financial Report

For The Year Ended December 31, 2021

**Issued By:
Director of Finance**



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INTRODUCTORY SECTION



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June 27, 2022

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

The Annual Comprehensive Financial Report (ACFR) of the City of Vandalia, Ohio for the year ended December 31, 2021 is hereby submitted for your review. I am pleased to report that this is the thirty-first ACFR 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 ACFR 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 and Associates, CPAs, have issued an unmodified ("clean") opinion on the City of Vandalia's financial statements for the year ended December 31, 2021. The auditors' report is located at the front of the financial section of this report.

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

Profile of the City

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

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

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

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

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

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

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

The City is also a member of the Economic Development/Government Equity Program (ED/GE), a jointly governed organization which promotes developing plans and programs designed to assure that County resources are efficiently used, economic growth is properly balanced, and that county economic development is coordinated with that of the State of Ohio and other local governments. Additionally, the City participates in two jointly governed organizations with the Butler Township. The first organization is known as the Butler Township – Vandalia Joint Economic Development District (JEDD). The second organization is known as the Butler Township – City of Vandalia Joint Economic Development Zone (JEDZ). The JEDD and JEDZ was created for City and Township mutual benefit and for the benefit of their residents and the State of Ohio. These organizations are presented in Note 14.

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

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

The City's economy has been very strong over the last several years and remained strong through the global Coronavirus pandemic. The City has a diverse economy with a variety of industries. Top industries include manufacturing, healthcare, retail trade, accommodation & food services, and transportation & warehousing. Diversifying our local businesses has been a noteworthy and successful economic development strategy that has historically helped the City during market contractions. As a result of these efforts, the income tax base for the City does not have a single business that comprises more than 5% of the total revenues collected. This has been beneficial to the City's tax base and was reinforced throughout the recent pandemic.

In October of 2020, City Council adopted the 2020 Vision Vandalia Comprehensive Plan. The Comprehensive Plan was a community-driven effort to determine goals and a corresponding plan for the future. It serves as a guide or investment, policy and decision-making. The Plan addresses five main elements: Identity & Brand, Land Use, Mobility, Housing, Economy, and Parks & Public Space. The Economy portion of the Plan addresses top industries and workforce. Notably, one fifth of Vandalia's land mass is utilized by industrial, retail, and office uses. Vandalia is a worker hub, with nearly 10,000 people traveling to the City for work each day.

In 2006, the City of Vandalia purchased 200 acres of land, known today as Stonequarry Crossings. Stonequarry Crossings is home to four manufacturers, one logistics company, a fire station and a public-school building which have a combined total of more than 500 employees. Despite the relatively young age of the industrial park, two businesses have already undergone building expansions. Compass ES, formerly Manufactured Assemblies Corporation, has undergone two expansions and White Castle Frozen Foods is currently undergoing a \$27 million plant expansion that will double its size in 2022. The 47.8-acre land balance is shovel ready and being actively marketed for additional industrial development.

A 56.4-acre farm on the western border of Stonequarry Crossings is under contract, due to close at the end of March 2022, and will be sold to a developer. The developer has sought City approval to construct a 728,000 square foot speculative industrial development on the site. Construction on the site is due to start this spring and wrap up in 2023. This project has received financial support from the Dayton Port Authority.

Just west of Stonequarry Crossings, the City of Vandalia rezoned 470 acres of land from Agriculture, Highway Business, and Office/Industrial Park to Industrial/Innovation. This rezoning went into effect in January of 2022. Engineering for utility extension of water and wastewater utilities is underway to serve this 470-acre area. It is anticipated that the utility extension will wrap up in early 2023. This area has already seen a great deal of attention from industrial developers who are interested in developing large scale buildings near the Dayton International Airport.

Northwoods Business Park, home to more than 17 businesses including top ten employer ASPM, has 300 acres available for future industrial development. This area continues to see a great deal of interest from developers.

Vandalia has been fortunate to have many longstanding businesses. GE Aviation, one of the City's top ten employers, has two locations in Vandalia. The company is a leader in the aviation industry and has seen steady growth in their business. The company employs around 580 employees between its two locations.

Dayton Freight Lines is a growing logistics company and is headquartered in Vandalia. The company purchased the building at 6450 Poe Avenue in 2017, securing their investment in the City. Dayton Freight Lines has approximately 322 full-time employees in the City of Vandalia. The growing company is currently constructing a new warehouse just outside the City limits.

Axogen, a leader in the biologics industry, purchased a 70,000 square foot building on Industrial Park Drive in 2018. The company is wrapping up a \$10 million investment into improvements to the building and will employ 250 full time employees in the next three years. Axogen specializes in production of nerve grafts.

Inteva Products is an engineering firm located in the Northwoods Business Park. Inteva employs nearly 200 workers in their Vandalia facility. The company specializes in engineering dashboards for automobiles which are produced in their plant in Troy, Michigan. In 2018, Inteva signed a 7-year lease on their building. The company is wrapping up an expansion into an additional 20,000 square feet of space.

Heraeus Epurio completed a 19,300 square foot building expansion to its Industrial Park Drive location in 2021. The company specializes in processing ultra-pure specialty chemicals for the electronics industry. Heraeus added 25 new positions with an average salary of \$94,000 per year as a result of this \$6 million building expansion.

In 2019, Xerion Advanced Battery announced plans to occupy a 680,000 square foot building on Northwoods Boulevard in Vandalia. The company intends to open a battery manufacturing facility with a fixed asset investment of \$21 million and total investment of around \$150 million. The company expects to employ 200 workers in this location.

A developer has submitted building permits for a 428,000 square foot speculative warehouse facility in the Northwoods Business Park. The building will be situated on a 33-acre site located on Deer Run Road. Construction is expected to begin this spring.

Projects Unlimited completed a 12,000 square foot expansion to their building on Sand Lake Road in 2020. The \$3.5 million expansion allowed the company to add an additional 12 full time employees. The company, an electronics manufacturer, has been in the City of Vandalia since 2005.

Triad Technologies completed a building expansion in 2020 that doubled the facility's size. The 45,000 square foot building expansion resulted in a \$4 million investment. The company employs around 120 and continues to grow.

Trusscore, a Canadian plastic extrusion manufacturer, opened its first U.S. facility in Vandalia on Ventnor Avenue in 2018. The 61,208 square foot building underwent \$2 million in renovations. The growing company employs approximately 35 workers in this location.

Premier Health constructed a new primary and specialty care facility in the Northwoods Business Park. Construction on the 46,000 square foot facility wrapped up in 2019. The \$11.5 million building resulted in the retention of 15 full time employee and the creation of 20 additional.

Creative Foam, an automotive component manufacturer, announced plans in 2021 to open a facility in Vandalia. The 192,000 square foot building on Sand Lake Drive will soon undergo \$1 million in investment. Creative Foam will employ 125 people in its Vandalia facility with anticipated growth to 190 by year 5.

Buckeye EcoCare just completed renovations at its new location on Scholz Drive. The 38,000 square foot building is the new home base for the growing lawn care company who consolidated locations from two neighboring communities. Buckeye EcoCare invested more than \$1 million into the building and employs 29 workers.

Beau Townsend Ford auto service center is under construction on National Road. This will be the fourth building for the auto dealership that has been a pillar in the Vandalia community for more than 40 years. Beau Townsend remains a top ten employer for the City, employing more than 300 workers.

In 2008, City Council established an economic development incentive program through the Vandalia Development Corporation (VDC). The VDC's focus is on business attraction and expansion. Each year, City Council appropriates \$100,000 to be used toward this goal. Since 2008, more than \$1.1 million in grants have been awarded to support the growth of Vandalia businesses by offsetting the cost of fixed asset improvements. In January of 2019, the VDC became a Community Improvement Corporation in the State of Ohio.

In 2000, the City of Vandalia joined the Montgomery County ED/GE program. This regional economic development and tax-sharing program uses a portion of the County's sales tax receipts to fund economic development projects. In its 22 years in the program, Vandalia has received numerous large grants to assist in business attraction and expansion projects within the City. Since 2018, the City has been awarded \$1.35 million in grant funding through the ED/GE program. These funds have been used to offset the cost of fixed asset investments for the respective companies.

In the last two years the City has approved two housing developments. The first, a 173-unit apartment complex to be built and operated by Redwood. Redwood offers two-bedroom apartments that are fully handicap accessible. The project is underway off of Webster Street and when complete, will offer an inclusive housing option for people of all ages. In 2021, a developer purchased the remaining acreage in

the Foxfire Subdivision. Full buildout of the subdivision will add 58 single family lots. The construction of Phase I is due to begin this spring.

The City's assessed valuation has risen from approximately \$270 million in 1994 to nearly \$400 million in 2020. The City's top ten employers provide approximately 4,300 jobs for the community.

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 Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021. This was the thirty-first year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report was made possible by the efforts of the Finance Department staff. My sincere appreciation is extended to all members of the City of Vandalia staff, whose efforts have made this report possible. I am especially grateful to Assistant City Manager Amber Holloway for her economic development input for this report. I would also like to express appreciation to representatives from Plattenburg & Associates CPAs 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

City of Vandalia
Montgomery County, Ohio
List of Principal Officials
December 31, 2021

Elected Officials

Mayor

Richard Herbst

Vice Mayor

David Lewis

Council Members

Mike Blakesly

Candice Farst

Corey M. Follick

Bob Ahlers

Constance Woods

Appointed Officials

City Manager

Daniel D. Wendt

Director of Finance

Bridgette Leiter

City Attorney

Gerald McDonald

Assistant City Manager

Amber Holloway

Chief of Police

Kurt Althouse

Fire Chief

Chad Follick

Parks and Recreation Director

Steve Clark

Director of Public Service

Rob Cron



CITY OF VANDALIA ORGANIZATIONAL RESPONSIBILITIES



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Vandalia
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, City Council,
and City Manager
City of Vandalia, Ohio

Report on the Audit of the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules of pension information and other postemployment information to be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

Plattenburg & Associates, Inc.
Dayton, Ohio
June 27, 2022

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2021
(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, 2021. 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 \$9,685,728 during 2021. The net position of the governmental activities increased \$9,198,248, while the net position of business-type activities also increased by \$487,480.
- General revenues, for governmental activities, accounted for \$20,078,738, or 72% of total governmental activities revenue. Program specific revenues accounted for \$7,976,189 or 28% of total governmental activities revenue.
- Governmental activities net capital assets increased \$315,313, due to current year additions exceeding current year depreciation expense.
- The City had \$18,856,679 in expenses related to governmental activities; \$7,976,189 of these expenses was offset by program specific charges for services, grants, contributions, or interest. General revenues (primarily taxes) of \$20,253,738 were sufficient to offset these program expenses.
- The general fund, the City's largest major governmental fund, had revenues of \$22,507,488 in 2021, or 81% of total governmental funds. Expenditures of the general fund were \$19,430,327 or 78% of total governmental funds. The general fund balance decreased \$309,198 or 1% in 2021.
- Business-type operations reflected an operating income of \$432,656 during 2021, and the business-type unrestricted net position was \$14,966,760.

Using this Annual Comprehensive Financial Report (ACFR)

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

The statement of net 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.

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2021
(Unaudited)

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.

Reporting the City's Most Significant Funds

Fund Financial Statements

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, fire equipment, 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

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2021
(Unaudited)

that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

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

Fiduciary Funds

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

Government-wide Financial Analysis

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

Table 1 below provides a summary of the City's net position for 2021 compared to 2020:

City of Vandalia, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2021
(Unaudited)

Table 1
Net Position

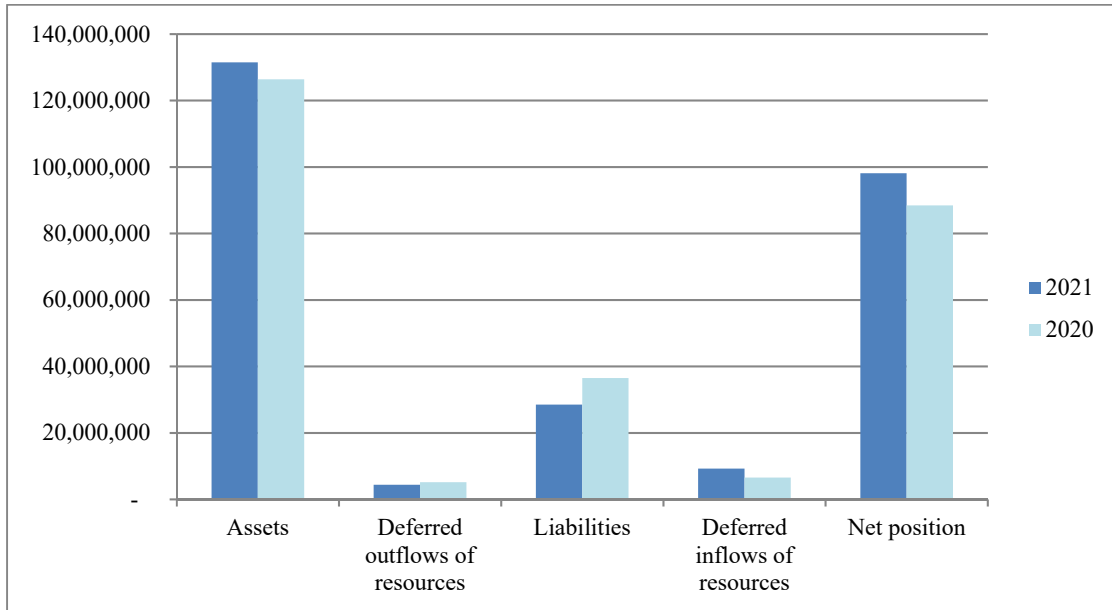
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020
<u>Assets</u>						
Current and other assets	\$42,329,288	\$37,568,345	\$7,059,335	\$7,254,884	\$49,388,623	\$44,823,229
Capital assets	54,406,374	54,091,061	17,618,652	18,204,967	72,025,026	72,296,028
Investment in joint venture	0	0	9,281,678	9,257,036	9,281,678	9,257,036
Net OPEB Asset	736,485	0	55,517	0	792,002	0
Total assets	<u>97,472,147</u>	<u>91,659,406</u>	<u>34,015,182</u>	<u>34,716,887</u>	<u>131,487,329</u>	<u>126,376,293</u>
<u>Deferred outflows of resources</u>						
Pension	2,942,544	2,994,246	67,104	166,122	3,009,648	3,160,368
OPEB	1,359,888	1,867,362	27,293	121,874	1,387,181	1,989,236
Total deferred outflows of resources	<u>4,302,432</u>	<u>4,861,608</u>	<u>94,397</u>	<u>287,996</u>	<u>4,396,829</u>	<u>5,149,604</u>
<u>Liabilities</u>						
Other liabilities	5,598,040	4,097,964	407,458	285,124	6,005,498	4,383,088
Long-term liabilities:						
Due within one year	1,599,725	1,700,302	162,944	191,558	1,762,669	1,891,860
Due in more than one year:						
Net pension liability	16,508,695	18,438,997	477,201	1,141,456	16,985,896	19,580,453
Net OPEB liability	1,581,894	7,294,670	0	769,807	1,581,894	8,064,477
Other amounts	1,930,419	2,273,286	232,601	318,941	2,163,020	2,592,227
Total liabilities	<u>27,218,773</u>	<u>33,805,219</u>	<u>1,280,204</u>	<u>2,706,886</u>	<u>28,498,977</u>	<u>36,512,105</u>
<u>Deferred inflows of resources</u>						
Property taxes	1,359,439	1,393,345	0	0	1,359,439	1,393,345
Payments in lieu of taxes	50,900	50,142	0	0	50,900	50,142
Pension	4,221,619	3,170,212	244,551	267,163	4,466,170	3,437,375
OPEB	3,187,855	1,564,351	192,271	125,761	3,380,126	1,690,112
Total deferred inflows of resources	<u>8,819,813</u>	<u>6,178,050</u>	<u>436,822</u>	<u>392,924</u>	<u>9,256,635</u>	<u>6,570,974</u>
<u>Net position</u>						
Net investment in capital assets	49,799,448	50,880,711	17,419,140	17,914,412	67,218,588	68,795,123
Restricted	7,174,016	5,351,626	0	0	7,174,016	5,351,626
Unrestricted	8,762,529	305,408	14,973,413	13,990,661	23,735,942	14,296,069
Total net position	<u>\$65,735,993</u>	<u>\$56,537,745</u>	<u>\$32,392,553</u>	<u>\$31,905,073</u>	<u>\$98,128,546</u>	<u>\$88,442,818</u>

As displayed in Table 1, total net position of the City as a whole, increased \$9,685,728 from 2020 to 2021. This was due to changes in the net pension and OPEB liabilities and the related deferred outflows and inflows of resources from the prior year.

Total net position of the City's governmental activities increased by \$9,198,248, and the unrestricted net position increased \$8,457,121 from 2020 to 2021. The increase in governmental net position as mentioned above is due to changes in the net pension and net OPEB liabilities.

The net position of the City's business type activities increased by \$487,480. Two of the three enterprise funds reported operating income during 2021 Overall, program expenses decreased \$6,781,576 from the prior year and had a decrease of \$791,575 in charges for services during 2021. The City strives to control operation expenses for business-type activities in order to maintain stability in charges for services rates.

City of Vandalia, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2021
(Unaudited)



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

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

Table 2 shows the changes in net position for the year ended December 31, 2021, and revenue and expense comparisons to 2020.

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Table 2
Changes in Net Position

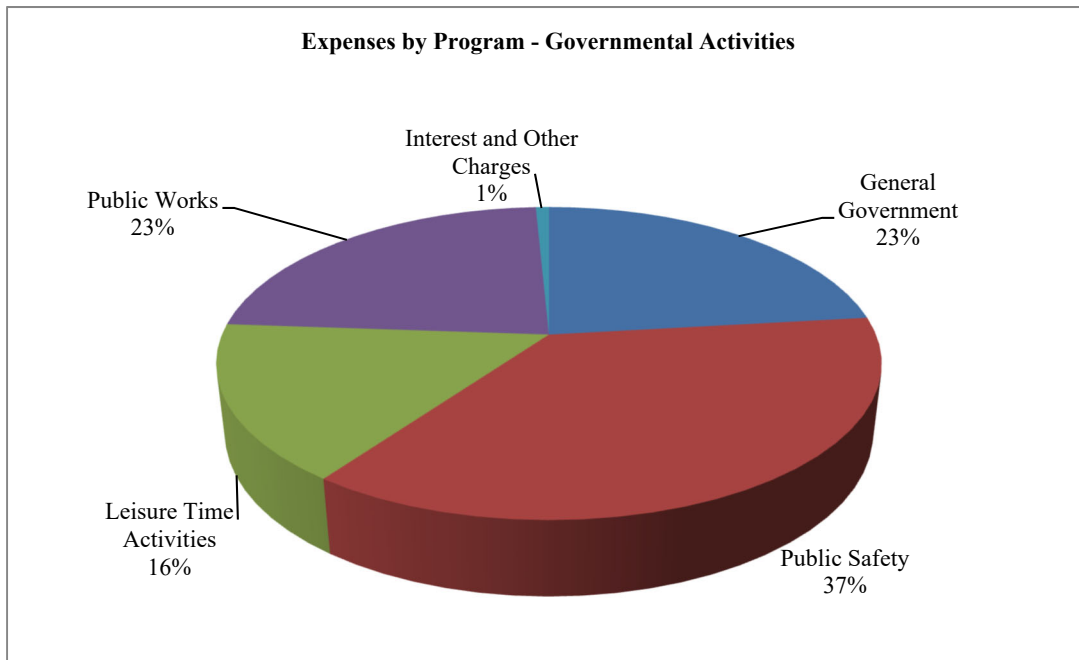
	Governmental Activities		Business-Type Activities		Total	Total
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$5,572,359	\$5,736,835	\$4,483,837	\$5,110,936	\$10,056,196	\$10,847,771
Operating grants and contributions	2,123,379	2,966,379	(88,068)	0	2,035,311	2,966,379
Capital grants and contributions	280,451	112,276	0	152,500	280,451	264,776
General revenues:						
Property taxes	1,507,307	1,380,389	0	0	1,507,307	1,380,389
Income taxes	17,855,845	16,732,440	0	0	17,855,845	16,732,440
Grants and entitlements	503,643	673,470	0	0	503,643	673,470
Revenue in lieu of taxes	73,554	91,376	0	0	73,554	91,376
Gain on sale of capital assets	0	484,880	0	0	0	484,880
Investment earnings	(135,305)	678,910	0	0	(135,305)	678,910
Other	448,694	29,944	94,451	0	543,145	29,944
Total revenues	28,229,927	28,886,899	4,490,220	5,263,436	32,720,147	34,150,335
Program Expenses						
Governmental Activities:						
General government	4,372,365	6,170,357	0	0	4,372,365	6,170,357
Public Safety	6,933,977	9,820,126	0	0	6,933,977	9,820,126
Public works	4,362,230	5,374,110	0	0	4,362,230	5,374,110
Leisure time activities	3,044,568	3,579,483	0	0	3,044,568	3,579,483
Interest and fiscal charges	143,539	154,643	0	0	143,539	154,643
Business-Type Activities:						
Water	0	0	1,979,276	2,163,506	1,979,276	2,163,506
Sewer	0	0	1,790,058	1,660,417	1,790,058	1,660,417
Golf	0	0	408,406	893,353	408,406	893,353
Total program expenses	18,856,679	25,098,719	4,177,740	4,717,276	23,034,419	29,815,995
Increase (decrease) in net position before transfers	9,373,248	3,788,180	312,480	546,160	9,685,728	4,334,340
Transfers	(175,000)	62,458	175,000	(62,458)	0	0
Change in net position	9,198,248	3,850,638	487,480	483,702	9,685,728	4,334,340
Net position, beginning of year	56,537,745	52,687,107	31,905,073	31,421,371	88,442,818	84,108,478
Net position, end of year	\$65,735,993	\$56,537,745	\$32,392,553	\$31,905,073	\$98,128,546	\$88,442,818

Governmental Activities

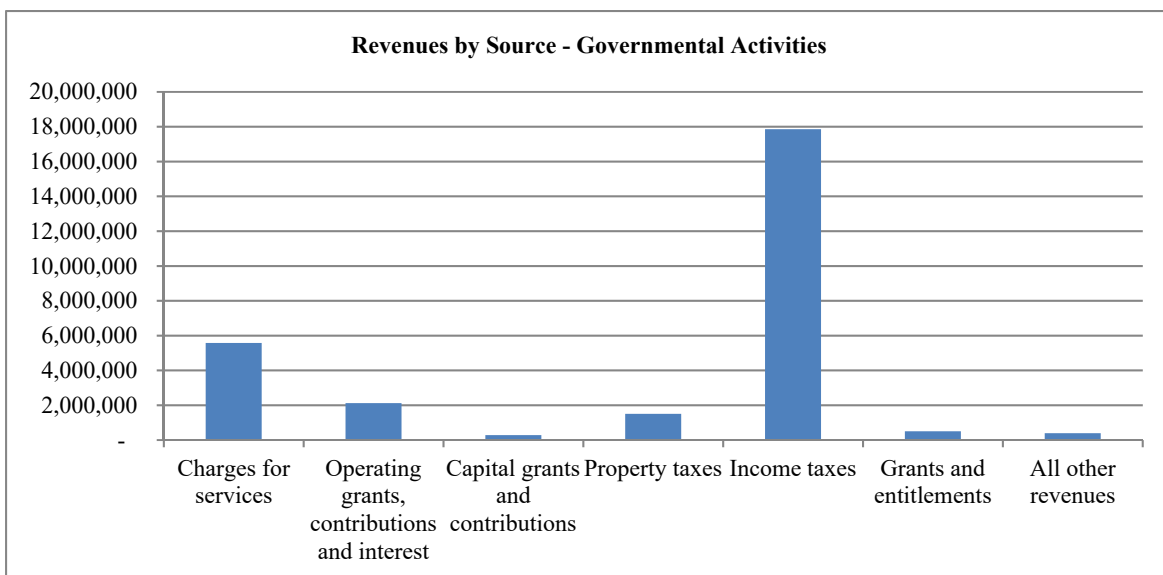
The City 2% income tax effective January 1, 2006, is the largest source of revenue for the City of Vandalia. The above table reflects that income tax receipts increased from the prior year.

Charges for services decreased \$791,578 and income tax revenues increased \$1,123,405 during 2021. Governmental activities program expenses decreased \$6,242,040 during 2021 with increases and decreases in several areas. This decrease was primarily in police and fire related to pension and OPEB expenses.

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For The Year Ended December 31, 2021
(Unaudited)



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.



When looking at the sources of income used to support governmental activities, it should be noted that charges for services of \$5,572,359 represent 19.7% of revenue. Revenues provided by sources other than city residents in the form of operating and capital grants comprise another \$2,123,379, or 7.5%, and unrestricted grants and entitlements accounted for \$503,643, which is another 1.8%. The remaining revenues are primarily generated locally through property taxes, \$1,507,307 or 5.3% and income taxes,

City of Vandalia, Ohio
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\$17,855,845 at 63.3%. 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.

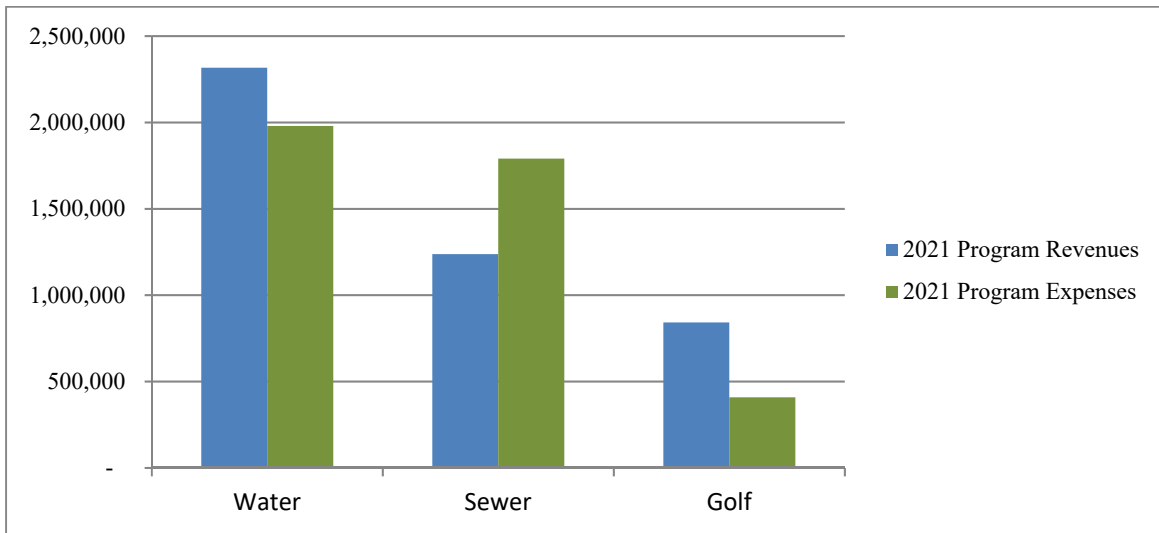
The water treatment plant became fully operational in June of 2007. The City of Dayton implemented water rate increases of 22% in 2005, 34% in January 2006 and 8% in January 2007. The City of Vandalia abandoned the final two years of its rate increases and passed a new ordinance to increase water rates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

Sewer - The City closed their wastewater treatment facility in 1985. Vandalia then contracted with the Miami Conservancy District for wastewater treatment services. In 1996, the Conservancy District decided they no longer wanted to furnish this service. A joint venture was formed between the Cities of Vandalia, Huber Heights and Tipp City to take over the Conservancy District operation. The joint venture now furnishes waste water treatment services to each city. Each city owns and maintains the infrastructure necessary to furnish service to their citizens. All capital repairs and upkeep of the treatment plant are the responsibility of the joint venture. The joint venture in turn will set costs of service for the cities, based on flow, to maintain the plant. The City of Vandalia will in turn, charge its citizens accordingly. Any capital outlay needed to maintain Vandalia's sewer infrastructure was provided by user fees. Due to the need for current and future capital improvements, maintenance and up keep of enterprise infrastructure, Council decided to implement a 9% sewer rate increase for 2008 and 2009. For 2021, 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 \$4,395,769 in program revenues during 2021 and program expenses were \$4,177,740. Operating expenses in the business-type activities had a slight decrease from the prior year due to the pension and OPEB expenses.

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

	2021 Governmental Activities	2020 Governmental Activities	2021 Business-Type Activities	2020 Business-Type Activities
Deferred outflows - pension	\$2,942,544	\$2,994,246	\$67,104	\$166,122
Deferred outflows - OPEB	1,359,888	1,867,362	27,293	121,874
Deferred inflows - pension	(4,221,619)	(3,170,212)	(244,551)	(267,163)
Deferred inflows - OPEB	(3,187,855)	(1,564,351)	(192,271)	(125,761)
Net pension liability	(16,508,695)	(18,438,997)	(477,201)	(1,141,456)
Net OPEB Asset	736,485	0	55,517	0
Net OPEB liability	(1,581,894)	(7,294,670)	0	(769,807)
Impact of GASBs 68 and 75 on net position	<u>(\$20,461,146)</u>	<u>(\$25,606,622)</u>	<u>(\$764,109)</u>	<u>(\$2,016,191)</u>

Financial Analysis of the Government’s Funds

Information about the City’s major governmental funds begins on page 22. These funds are reported using the modified accrual basis of accounting. Governmental funds reported revenues of \$27,677,133 and expenditures of \$24,994,145. The general fund net change in fund balance from 2020 to 2021 was a decrease of \$309,189. The total revenues of the general fund increased from 2020 by \$635,473 and

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expenditures increased from 2020 by \$2,136,859. The increase in revenues is due to an increase in municipal income tax, and charges for services for 2021. The increase in expenditures is due to an increase in public safety expenditures. Transfers to other funds such as the capital improvement fund, the general obligation debt service fund and the golf fund equaled \$3,388,375. The funds transferred were used for capital assets, improvements, repairs, and debt.

The general obligation bond retirement fund balance decreased \$486,708 from 2020 to an ending deficit fund balance of \$1,469,995. This decrease is due to transfers out of the fund. The fire equipment fund balance decreased \$21,243 from 2020 to an ending deficit fund balance of \$21,243. This decrease is due to expenditures exceeding revenues for the year. All other governmental funds fund balance increased by \$3,408,420 during 2021. This is due to an increase of transfers in in 2021.

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 golf funds, both funds showed an increase in cash during 2021.

The golf activity's operating income of \$464,661 is attributable to decreased personnel costs with increased charges for services revenue. 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 2021, 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 86. Within each departmental function, a department head may make small line item adjustments within their budget, as long as the total operation and maintenance amount does not exceed their original budget allowance.

Original general fund budgeted revenues and other financing sources decreased, from \$25,894,463 to the final budgeted amount of \$25,894,663 for the fiscal year end December 31, 2021. Municipal income taxes final budget was consistent with actual income tax revenue for the prior year. At the end of the year, actual revenues and other financing sources were less than the final budget by \$198,377, this was primarily due lower income taxes revenue than budgeted.

Original general fund expenditures and other financing uses increased \$2,170,214, from \$27,942,941 to the final budgeted amount of \$30,113,155. This increase was due to an increase in general government and public safety appropriations. Actual expenditures were \$3,096,471 below final budget expenditures for 2021 due to the close monitoring of expenditures.

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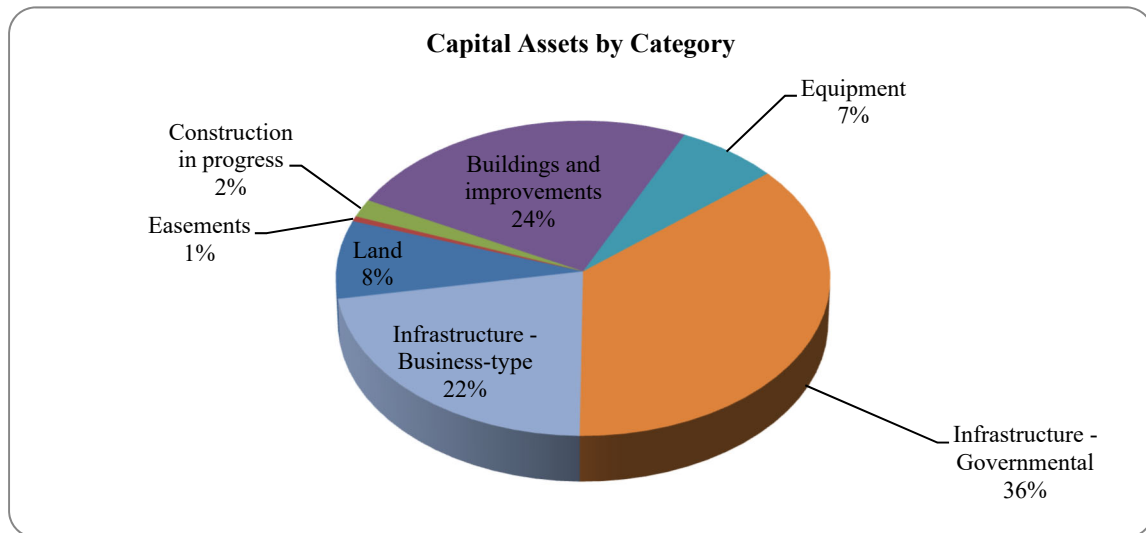
Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$5,618,659	\$5,618,659	\$167,369	\$167,369	\$5,786,028	\$5,786,028
Easements	376,999	376,999	500	500	377,499	377,499
Construction in progress	1,228,563	792,878	98,381	90,862	1,326,944	883,740
Buildings and improvements	16,459,366	16,448,141	1,123,853	1,103,326	17,583,219	17,551,467
Equipment	4,611,005	4,777,815	371,898	395,231	4,982,903	5,173,046
Infrastructure	26,111,782	26,076,569	15,856,651	16,447,679	41,968,433	42,524,248
Total	\$54,406,374	\$54,091,061	\$17,618,652	\$18,204,967	\$72,025,026	\$72,296,028

Capital assets, net of depreciation, in governmental activities increased from the prior year. This is due to current year additions exceeding current year depreciation expense. Capital assets, net of depreciation, for the business-type activities decreased during 2021 due to current year depreciation expense exceeding current year additions. See Note 6 of the notes to the basic financial statements for more detailed information on capital assets.



Debt

At December 31, 2021, the City of Vandalia had \$4,806,438 in bonds and notes, loans.

City of Vandalia, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2021
(Unaudited)

Table 4
Outstanding Debt, at Year End

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Unvoted general obligation bonds						
Various purpose limited tax	\$766,450	\$1,132,870	\$0	\$0	\$766,450	\$1,132,870
State infrastructure bank loan	576,803	795,766	0	0	576,803	795,766
OPWC loan	124,673	185,714	199,512	290,555	324,185	476,269
	<u>\$1,467,926</u>	<u>\$2,114,350</u>	<u>\$199,512</u>	<u>\$290,555</u>	<u>\$1,667,438</u>	<u>\$2,404,905</u>

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

The City has short term note obligations being reported in the capital improvement capital projects fund, and the general obligation bond retirement debt service fund in the amounts of \$1,399,000, and \$1,740,000 respectively. The general obligation debt service fund will retire the debt.

The City’s overall legal debt margin was \$40,382,987 at December 31, 2021. See Note 9 and 10 of the notes to the basic financial statements for more detailed information on debt of the City.

Contacting the City’s Financial Management

This financial report is designed to provide our citizens, taxpayer, creditors and investors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. If you have any questions about this report or need additional financial information, contact 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, 2021

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$33,485,931	\$6,477,683	\$39,963,614
Restricted Cash	0	58,302	58,302
Receivables (Net):			
Taxes	5,184,764	0	5,184,764
Accounts	590,918	491,628	1,082,546
Interest	46,078	0	46,078
Intergovernmental	1,379,131	0	1,379,131
Revenue in Lieu of Taxes	50,900	0	50,900
Investment in Joint Venture	0	9,281,678	9,281,678
Internal Balances	(6,653)	6,653	0
Land Held for Resale	1,497,046	0	1,497,046
Inventory	101,173	25,069	126,242
Nondepreciable Capital Assets	7,224,221	266,250	7,490,471
Depreciable Capital Assets, Net	47,182,153	17,352,402	64,534,555
Net OPEB Asset	736,485	55,517	792,002
Total Assets	97,472,147	34,015,182	131,487,329
Deferred Outflows of Resources:			
Pension	2,942,544	67,104	3,009,648
OPEB	1,359,888	27,293	1,387,181
Total Deferred Outflows of Resources	4,302,432	94,397	4,396,829
Liabilities:			
Accounts Payable	661,684	112,526	774,210
Accrued Wages and Benefits	379,632	36,461	416,093
Accrued Interest Payable	19,694	0	19,694
Undistributed Monies	138,421	0	138,421
Deposit Liability	0	58,302	58,302
Unearned Revenue	557,935	0	557,935
Refunds Payable	400,184	0	400,184
Due to Related Parties	0	200,169	200,169
Claims Payable	301,490	0	301,490
Bond Anticipation Notes Payable	3,139,000	0	3,139,000
Long-Term Liabilities:			
Due Within One Year	1,599,725	162,944	1,762,669
Due In More Than One Year			
Net Pension Liability	16,508,695	477,201	16,985,896
Net OPEB Liability	1,581,894	0	1,581,894
Other Amounts	1,930,419	232,601	2,163,020
Total Liabilities	27,218,773	1,280,204	28,498,977
Deferred Inflows of Resources:			
Property Taxes	1,359,439	0	1,359,439
Revenue in Lieu of Taxes	50,900	0	50,900
Pension	4,221,619	244,551	4,466,170
OPEB	3,187,855	192,271	3,380,126
Total Deferred Inflows of Resources	8,819,813	436,822	9,256,635
Net Position:			
Net Investment in Capital Assets	49,799,448	17,419,140	67,218,588
Restricted for:			
Capital Projects	3,509,650	0	3,509,650
Street Improvements	3,071,799	0	3,071,799
Public Safety	467,621	0	467,621
Other Purposes	124,946	0	124,946
Unrestricted	8,762,529	14,973,413	23,735,942
Total Net Position	\$65,735,993	\$32,392,553	\$98,128,546

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2021

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$4,372,365	\$2,255,544	\$228,147	\$0
Public Safety	6,933,977	590,292	94,031	0
Leisure Time Activities	3,044,568	1,025,939	7,834	0
Public Works	4,362,230	1,700,584	1,793,367	280,451
Interest and Other Charges	143,539	0	0	0
Total Governmental Activities	18,856,679	5,572,359	2,123,379	280,451
Business-Type Activities:				
Water	1,979,276	2,249,644	66,859	0
Sewer	1,790,058	1,392,413	(154,927)	0
Golf	408,406	841,780	0	0
Total Business-Type Activities	4,177,740	4,483,837	(88,068)	0
Totals	\$23,034,419	\$10,056,196	\$2,035,311	\$280,451

General Revenues:
Income Taxes
Property Taxes Levied for:
 General Purposes
 Grants and Entitlements, Not Restricted
 Revenue in Lieu of Taxes
 Unrestricted Contributions
 Investment Earnings
 Other Revenues
Transfers-Internal Activities

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$1,888,674)	\$0	(\$1,888,674)
(6,249,654)	0	(6,249,654)
(2,010,795)	0	(2,010,795)
(587,828)	0	(587,828)
(143,539)	0	(143,539)
(10,880,490)	0	(10,880,490)
0	337,227	337,227
0	(552,572)	(552,572)
0	433,374	433,374
0	218,029	218,029
(10,880,490)	218,029	(10,662,461)
17,855,845	0	17,855,845
1,507,307	0	1,507,307
503,643	0	503,643
73,554	0	73,554
13,118	0	13,118
(135,305)	0	(135,305)
435,576	94,451	530,027
(175,000)	175,000	0
20,078,738	269,451	20,348,189
9,198,248	487,480	9,685,728
56,537,745	31,905,073	88,442,818
<u>\$65,735,993</u>	<u>\$32,392,553</u>	<u>\$98,128,546</u>

City of Vandalia, Ohio
Balance Sheet
Governmental Funds
December 31, 2021

	General	General Obligation Bond Retirement	Fire Equipment	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$22,472,795	\$175,512	\$1,500,000	\$8,618,933	\$32,767,240
Receivables (Net):					
Taxes	5,184,764	0	0	0	5,184,764
Accounts	549,693	0	0	41,225	590,918
Interest	46,078	0	0	0	46,078
Intergovernmental	243,732	0	0	1,135,399	1,379,131
Revenue in Lieu of Taxes	0	0	0	50,900	50,900
Land Held for Resale	0	0	0	1,497,046	1,497,046
Inventory	13,555	0	0	87,618	101,173
Total Assets	28,510,617	175,512	1,500,000	11,431,121	41,617,250
Liabilities:					
Accounts Payable	408,999	0	13,250	239,435	661,684
Accrued Wages and Benefits	348,761	0	0	30,871	379,632
Compensated Absences	92,310	0	0	27,599	119,909
Accrued Interest Payable	0	6,507	7,993	0	14,500
Undistributed Monies	138,421	0	0	0	138,421
Unearned Revenue	0	0	0	557,935	557,935
Refunds Payable	400,184	0	0	0	400,184
Bond Anticipation Notes Payable	0	1,639,000	1,500,000	0	3,139,000
Total Liabilities	1,388,675	1,645,507	1,521,243	855,840	5,411,265
Deferred Inflows of Resources:					
Property and Income Taxes	3,473,601	0	0	0	3,473,601
Grants and Other Taxes	220,760	0	0	1,029,293	1,250,053
Unearned Revenue - Other	497,899	0	0	41,225	539,124
Revenue In Lieu of Taxes	0	0	0	50,900	50,900
Total Deferred Inflows of Resources	4,192,260	0	0	1,121,418	5,313,678
Fund Balances:					
Nonspendable	13,555	0	0	87,618	101,173
Restricted	0	0	0	6,151,938	6,151,938
Committed	547,045	0	0	3,214,307	3,761,352
Assigned	1,494,522	0	0	0	1,494,522
Unassigned	20,874,560	(1,469,995)	(21,243)	0	19,383,322
Total Fund Balances	22,929,682	(1,469,995)	(21,243)	9,453,863	30,892,307
Total Liabilities, Deferred Inflows and Fund Balances	\$28,510,617	\$175,512	\$1,500,000	\$11,431,121	\$41,617,250

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 December 31, 2021

Total Governmental Fund Balance \$30,892,307

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

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital assets used in the operation of Governmental Funds 54,406,374

Other long-term assets are not available to pay for current-
 period expenditures and, therefore, are deferred in the funds.

Income Taxes	2,036,806	
Delinquent Property Taxes	77,356	
Intergovernmental	1,250,053	
Other Receivables	<u>539,124</u>	
		3,903,339

An internal service fund is used by management to charge
 back costs to individual funds. The assets and
 liabilities of the internal service fund are included in
 governmental activities in the statement of net position.

Internal Service Net Position	417,201	
Allocation to Business-Type Activities	<u>(6,653)</u>	
		410,548

In the statement of net position interest payable is accrued when
 incurred; whereas, in the governmental funds interest is
 reported as a liability only when it will require the use of
 current financial resources.

(5,194)

Some liabilities reported in the statement of net position do not
 require the use of current financial resources and, therefore,
 are not reported as liabilities in governmental funds.

Compensated Absences (1,942,309)

Deferred outflows and inflows or resources related to pension
 and OPEB are applicable to future periods and, therefore, are not
 reported in the funds.

Deferred outflows of resources related to pensions	2,942,544	
Deferred inflows of resources related to pensions	(4,221,619)	
Deferred outflows of resources related to OPEB	1,359,888	
Deferred inflows of resources related to OPEB	<u>(3,187,855)</u>	
		(3,107,042)

Long-term liabilities are not due and payable in the current
 period and, therefore, are not reported in the funds.

Net OPEB Asset	736,485	
Net Pension Liability	(16,508,695)	
Net OPEB Liability	(1,581,894)	
Other Amounts	<u>(1,467,926)</u>	
		<u>(18,822,030)</u>

Net Position of Governmental Activities \$65,735,993

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2021

	General	General Obligation Bond Retirement	Fire Equipment	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and Other Taxes	\$1,507,306	\$0	\$0	\$0	\$1,507,306
Income Taxes	15,407,610	0	0	2,156,886	17,564,496
Charges for Services	2,914,865	0	0	289,406	3,204,271
Investment Earnings	(150,186)	0	0	14,881	(135,305)
Intergovernmental	915,534	0	0	2,203,594	3,119,128
Special Assessments	15,120	0	0	0	15,120
Fines, Licenses & Permits	1,654,814	0	0	266,324	1,921,138
Revenue in Lieu of Taxes	0	0	0	73,554	73,554
Other Revenues	242,425	27,927	0	137,073	407,425
Total Revenues	22,507,488	27,927	0	5,141,718	27,677,133
Expenditures:					
Current:					
General Government	5,179,105	0	0	332,537	5,511,642
Public Safety	8,411,724	0	13,250	385,502	8,810,476
Leisure Time Activities	3,202,772	0	0	22,127	3,224,899
Public Works	2,636,726	0	0	1,123,127	3,759,853
Capital Outlay	0	0	0	2,895,044	2,895,044
Debt Service:					
Principal	0	0	0	645,004	645,004
Interest and Other Charges	0	63,635	7,993	75,599	147,227
Total Expenditures	19,430,327	63,635	21,243	5,478,940	24,994,145
Excess of Revenues Over (Under) Expenditures	3,077,161	(35,708)	(21,243)	(337,222)	2,682,988
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	2,016	0	0	81,267	83,283
Transfers In	0	948,000	0	3,712,375	4,660,375
Transfers (Out)	(3,388,375)	(1,399,000)	0	(48,000)	(4,835,375)
Total Other Financing Sources (Uses)	(3,386,359)	(451,000)	0	3,745,642	(91,717)
Net Change in Fund Balance	(309,198)	(486,708)	(21,243)	3,408,420	2,591,271
Fund Balance - Beginning of Year	23,238,880	(983,287)	0	6,045,443	28,301,036
Fund Balance - End of Year	\$22,929,682	(\$1,469,995)	(\$21,243)	\$9,453,863	\$30,892,307

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended December 31, 2021

Net Change in Fund Balance - Total Governmental Funds \$2,591,271

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

Governmental funds report capital asset additions as expenditures.
 However, in the statement of activities, the cost of those assets is allocated
 over their estimated useful lives as depreciation expense. This is the amount
 of the difference between capital asset additions and depreciation
 in the current period.

Capital Assets used in governmental activities	3,340,415	
Depreciation Expense	<u>(3,017,841)</u>	
		322,574

Governmental funds only report the disposal of assets to the
 extent proceeds are received from the sale. In the statement
 of activities, a gain or loss is reported for each disposal. The
 amount of the proceeds must be removed and the gain or loss
 on the disposal of capital assets must be recognized. This is the
 amount of the difference between the proceeds and the gain or loss. (7,261)

Governmental funds report pension and OPEB contributions as
 expenditures. However in the Statement of Activities, the cost
 of pension and OPEB benefits earned net of employee contributions
 are reported as pension and OPEB expense.

Pension Contributions	1,809,457	
Pension Expense	(497,264)	
OPEB Contributions	22,823	
OPEB Expense	<u>3,810,460</u>	
		5,145,476

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

Income Taxes	291,349	
Delinquent Property Taxes	1	
Intergovernmental	135,340	
Other	<u>50,082</u>	
		476,772

Repayment of bond principal is an expenditure in the
 governmental funds, but the repayment reduces long-term
 liabilities in the statement of net position. 645,004

In the statement of activities interest expense is accrued when incurred;
 whereas, in governmental funds an interest expenditure is reported
 when due. 2,268

Some expenses 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.

Compensated Absences	(83,071)	
Amortization of Bond Premium	<u>1,420</u>	
		(81,651)

The internal service fund used by management to charge back costs
 to individual funds is not reported in the entity-wide statement of
 activities. Governmental fund expenditures and the related internal
 service fund revenues are eliminated. The net revenue (expense) of
 the internal service fund is allocated among the governmental activities.

Change in Net Position - Internal Service Funds	71,687	
Change in portion of Internal Service Fund Net Position allocated to Business-Type Activities	<u>32,108</u>	
		<u>103,795</u>

Change in Net Position of Governmental Activities \$9,198,248

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-Type Activities				Governmental Activities- Internal Service Funds
	Enterprise Funds			Total Business-Type Activities	
	Water	Sewer	Golf		
Current Assets:					
Equity in Pooled Cash and Investments	\$2,944,960	\$2,926,017	\$606,706	\$6,477,683	\$718,691
Restricted Cash	39,063	19,239	0	58,302	0
Receivables (Net):					
Accounts	297,752	193,876	0	491,628	0
Inventory	6,327	0	18,742	25,069	0
Total Current Assets	3,288,102	3,139,132	625,448	7,052,682	718,691
Noncurrent Assets:					
Investment in Joint Venture	1,804,176	7,477,502	0	9,281,678	0
Capital Assets:					
Nondepreciable Capital Assets	107,429	49,376	109,445	266,250	0
Depreciable Capital Assets, Net	8,423,202	7,993,580	935,620	17,352,402	0
Net OPEB Asset	17,562	17,229	20,726	55,517	0
Total Noncurrent Assets	10,352,369	15,537,687	1,065,791	26,955,847	0
Total Assets	13,640,471	18,676,819	1,691,239	34,008,529	718,691
Deferred Outflows of Resources:					
Pension	21,227	20,825	25,052	67,104	0
OPEB	8,634	8,470	10,189	27,293	0
Total Deferred Outflows of Resources	29,861	29,295	35,241	94,397	0
Liabilities:					
Current Liabilities:					
Accounts Payable	31,774	44,741	36,011	112,526	0
Accrued Wages and Benefits	14,383	14,382	7,696	36,461	0
Compensated Absences	28,681	28,681	34,719	92,081	0
Deposit Liability	39,063	19,239	0	58,302	0
Due to Related Parties	123,367	76,802	0	200,169	0
OPWC Loans Payable	65,558	5,305	0	70,863	0
Claims Payable	0	0	0	0	301,490
Total Current Liabilities	302,826	189,150	78,426	570,402	301,490
Long-Term Liabilities:					
Compensated Absences	39,253	39,253	25,446	103,952	0
Bonds, Notes & Loans Payable	128,649	0	0	128,649	0
Net Pension Liability	150,954	148,092	178,155	477,201	0
Total Long-Term Liabilities	318,856	187,345	203,601	709,802	0
Total Liabilities	621,682	376,495	282,027	1,280,204	301,490
Deferred Inflows of Resources:					
Pension	77,359	75,893	91,299	244,551	0
OPEB	60,822	59,668	71,781	192,271	0
Total Deferred Inflows of Resources	138,181	135,561	163,080	436,822	0
Net Position:					
Net Investment in Capital Assets	8,336,424	8,037,651	1,045,065	17,419,140	0
Unrestricted	4,574,045	10,156,407	236,308	14,966,760	417,201
Total Net Position	\$12,910,469	\$18,194,058	\$1,281,373	\$32,385,900	\$417,201
Adjustment to reflect the consolidation of Internal Service Fund activities related to Business-Type Activities				6,653	
Net Position of Business-Type Activities				\$32,392,553	

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 Fiscal Year Ended December 31, 2021

	Business-Type Activities Enterprise Funds			Total Business-Type Activities	Governmental Activities- Internal Service Funds
	Water	Sewer	Golf		
Operating Revenues:					
Charges for Services	\$2,246,694	\$1,388,913	\$841,780	\$4,477,387	\$2,591,202
Tap-In Fees	2,950	3,500	0	6,450	0
Other Revenues	61,570	1,594	31,287	94,451	702,335
Total Operating Revenues	2,311,214	1,394,007	873,067	4,578,288	3,293,537
Operating Expenses:					
Personal Services	36,827	60,144	0	96,971	0
Contactual Services	1,432,273	1,268,856	162,011	2,863,140	663,667
Materials and Supplies	244,764	220,781	180,864	646,409	0
Depreciation	233,304	240,277	60,250	533,831	0
Other Expense	0	0	5,281	5,281	0
Claims Expense	0	0	0	0	2,558,183
Total Operating Expenses	1,947,168	1,790,058	408,406	4,145,632	3,221,850
Operating Income (Loss)	364,046	(396,051)	464,661	432,656	71,687
Non-Operating Revenues (Expenses):					
Investment in Joint Venture	66,859	(154,927)	0	(88,068)	0
Total Non-Operating Revenues (Expenses)	66,859	(154,927)	0	(88,068)	0
Income (Loss) Before Contributions and Transfers	430,905	(550,978)	464,661	344,588	71,687
Transfers In	0	0	175,000	175,000	0
Change in Net Position	430,905	(550,978)	639,661	519,588	71,687
Net Position - Beginning of Year	12,479,564	18,745,036	641,712		345,514
Net Position - End of Year	\$12,910,469	\$18,194,058	\$1,281,373		\$417,201
Adjustment to reflect the consolidation of Internal Service Fund activities related to Business-Type Activities				(\$32,108)	
Change in Net Position - Total Business-Type Activities				\$487,480	

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2021

	Business-Type Activities Enterprise Funds			Total Business-Type Activities	Governmental Activities- Internal Service Funds
	Water	Sewer	Golf		
Cash Flows from Operating Activities:					
Cash Received from Customers	\$2,314,119	\$1,409,293	\$871,619	\$4,595,031	\$3,293,537
Cash Payments to Employees	(434,906)	(428,322)	(473,827)	(1,337,055)	0
Cash Payments to Suppliers	(1,626,759)	(1,447,474)	(354,422)	(3,428,655)	(616,794)
Cash Payments for Claims	0	0	0	0	(2,388,245)
Net Cash Provided (Used) by Operating Activities	252,454	(466,503)	43,370	(170,679)	288,498
Cash Flows from Noncapital Financing Activities:					
Payments from Other Funds	0	0	175,000	175,000	0
Net Cash Provided by Noncapital Financing Activities	0	0	175,000	175,000	0
Cash Flows from Capital and Related Financing Activities:					
Payments for Capital Acquisitions	(22,818)	143,022	(67,720)	52,484	0
Debt Principal Payments	(83,087)	(7,956)	0	(91,043)	0
Net Cash Provided (Used) by Capital and Related Financing Activities	(105,905)	135,066	(67,720)	(38,559)	0
Cash Flows from Investing Activities:					
Investment in Joint Venture	(112,710)	0	0	(112,710)	0
Net Cash Provided (Used) by Cash Flows from Investing Activities	(112,710)	0	0	(112,710)	0
Net Increase (Decrease) in Cash and Cash Equivalents	33,839	(331,437)	150,650	(146,948)	288,498
Cash and Cash Equivalents - Beginning of Year	2,950,184	3,276,693	456,056	6,682,933	430,193
Cash and Cash Equivalents - End of Year	2,984,023	2,945,256	606,706	6,535,985	718,691
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	364,046	(396,051)	464,661	432,656	71,687
Adjustments:					
Depreciation	233,304	240,277	60,250	533,831	0
Changes in Assets & Liabilities:					
(Increase) Decrease in Receivables	1,632	14,659	203	16,494	0
(Increase) Decrease in Inventory	0	0	(1)	(1)	0
(Increase) Decrease in Deferred Outflows of Resources	62,000	57,600	73,999	193,599	0
(Increase) Decrease in Prepays	0	0	0	0	47,067
(Increase) Decrease in Net OPEB Asset	(17,562)	(17,229)	(20,726)	(55,517)	0
Increase (Decrease) in Unearned Revenue	0	0	(1,651)	(1,651)	0
Increase (Decrease) in Payables	21,620	34,210	28,792	84,622	0
Increase (Decrease) in Accrued Liabilities	33,236	11,607	(29,391)	15,452	(194)
Increase (Decrease) in Claims Payable	0	0	0	0	169,938
Increase (Decrease) in Deferred Inflows of Resources	12,851	17,006	14,041	43,898	0
Increase (Decrease) in Net Pension Liability	(213,131)	(196,313)	(254,811)	(664,255)	0
Increase (Decrease) in Net OPEB Liability	(245,542)	(232,269)	(291,996)	(769,807)	0
Net Cash Provided (Used) by Operating Activities	\$252,454	(\$466,503)	\$43,370	(\$170,679)	\$288,498

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	<u>Custodial Funds</u>
Assets:	
Equity in Pooled Cash and Investments	\$2,936,073
Cash and Cash Equivalents in Segregated Accounts	92,362
Receivables (Net):	
Accounts	368,816
Due from Other Governments	<u>729,459</u>
Total Assets	<u>4,126,710</u>
Liabilities:	
Accounts Payable	282,561
Held for Other Governments	824,604
Undistributed Monies	92,362
Accrued Liabilities	<u>319,461</u>
Total Liabilities	<u>1,518,988</u>
Net Position:	
Restricted for Individuals, Organizations and Other Governments	<u>2,607,722</u>
Total Net Position	<u><u>\$2,607,722</u></u>

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended December 31, 2021

	Custodial Funds
Additions:	
Investment Earnings	\$1,136
Income Tax Collections for Other Governments	4,236,198
Contributions and Rentals	5,257,724
Fines and Forfeitures for Other Governments	<u>1,669,494</u>
Total Additions	<u>11,164,552</u>
Deductions:	
Distributions of Income Tax Collections	4,116,297
Income Tax Refunds	120,005
Payments for Joint Venture	5,536,839
Distributions from Municipal Court to Other Governments	<u>1,669,494</u>
Total Deductions	<u>11,442,635</u>
Change in Net Position	(278,083)
Net Position - Beginning of Year, Restated	<u>2,885,805</u>
Net Position - End of Year	<u><u>\$2,607,722</u></u>

See accompanying notes to the basic financial statements.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2021

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.

Reporting Entity

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

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

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

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

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2021

The City is associated with the Economic Development/Government Equity Program (ED/GE), the Butler Township – Vandalia Joint Economic Development District (JEDD) and the Butler Township – Miller Lane Hotel District Joint Economic Development Zone (JEDZ), which are defined as a jointly governed organization. A jointly governed organization is an organization that is governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility on the part of the participating governments. This organization is presented in Note 14.

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.

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, 2021

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.

Fire Equipment Fund - The fire equipment fund accounts for the purchasing of fire equipment necessary to enhance the fire 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.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and Custodial funds. Trust funds are distinguished from custodial funds by the

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2021

existence of a trust agreement or equivalent arrangement that has certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

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

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

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

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2021

Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and other postemployment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Notes 11 and 12.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenues. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance year 2022 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2021

fund financial statements. Unavailable revenue is reported on the governmental funds balance sheet, and represents receivables/revenues which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, franchise taxes, intergovernmental grants, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Notes 11 and 12)

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.

Equity in Pooled Cash and Investments

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

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

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

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

For 2021, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice is appreciated 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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 2021 amounted to (\$150,186).

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.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2021

Inventory

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

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

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

Restricted Assets

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

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

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".

Prepays

Payments made to vendors for services that will benefit periods beyond December 31, 2021 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.

Land Held for Resale

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

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2021

funds.

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

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

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

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

Pension and other postemployment benefits (OPEB) liabilities

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

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

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2021

pension system is responsible for the administration of the pension and OPEB plans.

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

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.

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2021

observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

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

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

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

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

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

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2021

Net Position

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

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

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.

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.

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.

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
Notes to the Basic Financial Statements
For The Year Ended December 31, 2021

Budgetary Process

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

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

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

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

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

Note 2 – 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:

City of Vandalia, Ohio
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For The Year Ended December 31, 2021

Fund Balances	General	Fire Equipment	General Obligation Bond Retirement	Other Governmental Funds	Total Governmental Funds
<u>Nonspendable</u>					
Materials and supplies inventory	\$13,555	\$0	\$0	\$87,618	\$101,173
<u>Restricted for</u>					
Streets and highways	0	0	0	2,036,261	2,036,261
Court activities	0	0	0	586,315	586,315
Police services	0	0	0	8,039	8,039
Capital improvements	0	0	0	3,521,323	3,521,323
Total restricted	0	0	0	6,151,938	6,151,938
<u>Committed</u>					
Employee retirements	547,045	0	0	0	547,045
Capital improvements	0	0	0	2,813,375	2,813,375
Stormwater system	0	0	0	400,932	400,932
Total committed	547,045	0	0	3,214,307	3,761,352
<u>Assigned</u>					
Various purchases on order*	296,994	0	0	0	296,994
Next year's budget	1,197,528	0	0	0	1,197,528
Total assigned	1,494,522	0	0	0	1,494,522
Unassigned (deficit)	20,874,560	(21,243)	(1,469,995)	0	19,383,322
Total fund balances	\$22,929,682	(\$21,243)	(\$1,469,995)	\$9,453,863	\$30,892,307

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

Note 3 - Deposits and Investments

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

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

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

The investment objectives controlling the management of the investment portfolio shall be, in order of importance: (1) Safety of principal. Recognizing that all investments contain one or more elements of risk,

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2021

the portfolio shall be prudently managed with specific consideration given to credit risk, market risk, and prepayment risk; (2) Liquidity to meet current and contingent requirements; (3) Maximization of returns. The portfolio shall be managed to maximize the long-term return on the portfolio consistent with current cash needs.

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

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

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

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

Deposits: At year-end, the carrying amount of the City's deposits was \$17,680,925, and \$17,062,986 of the City's total bank balance of \$18,062,986 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized.

City of Vandalia, Ohio
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For The Year Ended December 31, 2021

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

Investment Type	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Federal Home Loan Bank	\$2,921,515	Level 2	3.30
Federal Farm Credit Bank	3,926,369	Level 2	3.02
Federal Home Loan Mortgage Corp	1,711,128	Level 2	3.83
Federal National Mortgage Association	1,143,072	Level 2	3.26
Negotiable CDs	10,139,737	Level 2	1.25
US Treasury Notes	1,123,291	Level 1	3.68
Commercial Paper	1,358,333	Level 2	0.26
STAROhio	3,045,984	N/A	0.14
Total Fair Value	\$25,369,429		
Portfolio Weighted Average Maturity			1.94

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The preceding table identifies the City's recurring fair value measurement as of December 31, 2021. As previously discussed Star Ohio is reported at its net asset value. U.S. Treasury Notes are valued using Level 1 inputs. All other investments of the City are valued using Level 2 inputs using valuations techniques that incorporate market data for similar investments, broker quotes and inactive transactions prices.

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

Interest Rate Risk – The City's investment policy states that the maximum maturity for any investment is limited to a final stated maturity of seven years, an expected call of seven years, or an expected average life of seven years, where the average life is estimated by nationally recognized firms independent of the dealer selling the security to the City.

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

City of Vandalia, Ohio
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Concentration of Credit Risk – The City’s investment policy states that the portfolio shall be diversified so as to avoid concentrations of credit risk from any rated issuer: (1) At the time of purchase, aggregate collateralized investments in the obligations of any financial institution are limited to the greater of \$1,000,000 or 20% of the portfolio, where eligible collateral is defined by the Ohio Revised Code; (2) At the time of purchase, aggregate investments in the obligations of any U.S. corporation and non-collateralized investments in the obligations of any financial institution are limited to the greater of \$500,000 or 10% of the portfolio. Investments in eligible short term investments which can be readily converted to cash within 48 hours are limited to the greater of \$2,500,000 or 30% of the portfolio. More than 5% of the City’s investments are in FHLMB, FFCB bonds and commercial paper. The table above is the City’s allocation as of December 31, 2021.

Note 4 – Receivables

Receivables at December 31, 2021, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, accrued interest on investments and accounts (billings for ambulance service and utility service). No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

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 2021 for real and public utility property taxes represents collections of the 2020 taxes. Property tax payments received during 2021 for tangible personal property (other than public utility property) is for 2021 taxes.

2021 real property taxes are levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35% of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

Public utility property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2021 public utility property taxes became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2021, was \$4.14 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2020 property tax receipts were based are as follows:

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

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
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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, 2021, 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 2021 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 receipted into the general fund. The general fund is transferring .25% of the income tax proceeds to the Police, Fire and Street Capital Improvements fund. The transfer of income tax was reclassified as income tax revenue during the year.

Note 5 - Risk Management

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

The City pays an annual premium to MVRMA that is intended to cover administrative expenses and any claims covered by the pool. MVRMA has the ability to require member cities to make supplemental payments in the event reserves are not adequate to cover claims. An actuarial opinion issued as of December 31, 2021, indicates reserves in excess of anticipated claims. There were no settled claims from these risks that have exceeded commercial insurance coverage for the past three years and there has been no significant reduction in coverages from last year.

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

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

City of Vandalia, Ohio
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its hospital care internal service fund. An excess coverage insurance (stop loss) policy covers claims in excess of \$50,000 per employee, per year.

During 2021, a total of \$3,221,850 was paid in benefits and administrative costs. The liability for unpaid claims cost of \$301,490, reported in the hospital care internal service fund at December 31, 2021, is based on the requirements of Governmental Accounting Standards Board Statement No. 30 and will be processed and paid in 2022. 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 2022, which were incurred in 2021 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:

	Balance at beginning of year	Current year claims	Claim payments	Balance at end of year
2021	\$131,552	2,728,121	2,558,183	301,490
2020	\$276,233	2,345,880	2,490,561	131,552

Note 6 - Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Balance 12/31/2020	Increases	Decreases	Balance 12/31/2021
Governmental activities				
Capital assets, not being depreciated				
Land	\$5,618,659	\$0	\$0	\$5,618,659
Easements	376,999	0	0	376,999
Construction in progress	792,878	572,666	(136,981)	1,228,563
Total capital assets, not being depreciated	6,788,536	572,666	(136,981)	7,224,221
Capital assets, being depreciated				
Buildings and improvements	31,284,978	690,988	0	31,975,966
Equipment	14,615,217	765,851	(211,786)	15,169,282
Infrastructure	58,336,134	1,447,891	0	59,784,025
Total capital assets, being depreciated	104,236,329	2,904,730	(211,786)	106,929,273
Less: accumulated depreciation				
Buildings and improvements	14,836,837	679,763	0	15,516,600
Equipment	9,837,402	925,400	(204,525)	10,558,277
Infrastructure	32,259,565	1,412,678	0	33,672,243
Total accumulated depreciation	56,933,804	3,017,841	(204,525)	59,747,120
Total capital assets, being depreciated, net	47,302,525	(113,111)	(7,261)	47,182,153
Governmental activities capital assets, net	\$54,091,061	\$459,555	(\$144,242)	\$54,406,374

City of Vandalia, Ohio
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Depreciation expense was charged to governmental functions as follows:

General government	\$230,665
Public safety	657,564
Public works	1,699,159
Leisure time activities	430,453
Total depreciation expense	<u>\$3,017,841</u>

	Balance 12/31/2020	Increases	Decreases	Balance 12/31/2021
Business-type activities				
Capital assets, not being depreciated				
Land	\$167,369	\$0	\$0	\$167,369
Easements	500	0	0	500
Construction in progress	90,862	28,763	(21,244)	98,381
Total assets not being depreciated	<u>258,731</u>	<u>28,763</u>	<u>(21,244)</u>	<u>266,250</u>
Capital assets, being depreciated				
Buildings and improvements	2,995,507	55,471	0	3,050,978
Equipment	1,469,670	32,993	(62,524)	1,440,139
Infrastructure	31,212,226	0	(153,180)	31,059,046
Total capital assets, being depreciated	<u>35,677,403</u>	<u>88,464</u>	<u>(215,704)</u>	<u>35,550,163</u>
Less: accumulated depreciation				
Buildings and improvements	1,892,181	34,944	0	1,927,125
Equipment	1,074,439	56,326	(62,524)	1,068,241
Infrastructure	14,764,547	442,561	(4,713)	15,202,395
Total accumulated depreciation	<u>17,731,167</u>	<u>533,831</u>	<u>(67,237)</u>	<u>18,197,761</u>
Total capital assets, being depreciated, net	<u>17,946,236</u>	<u>(445,367)</u>	<u>(148,467)</u>	<u>17,352,402</u>
Business-type activities capital assets, net	<u>\$18,204,967</u>	<u>(\$416,604)</u>	<u>(\$169,711)</u>	<u>\$17,618,652</u>

Note 7 – Land Held for Resale

Assets held for resale represent 57.107 parcels received, which will be sold for future development/ownership. At December 31, 2021, the City had land held for resale with a value of \$1,497,046.

Note 8 - 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

City of Vandalia, Ohio
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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 9 - Long-Term Debt

A schedule of changes in bonds and other long-term obligations of the City during 2021 follows:

	Amount Outstanding 12/31/2020	Increases	Decreases	Amount Outstanding 12/31/2021	Amount Due in One Year
Governmental activities					
<u>Unvoted general obligation bonds</u>					
2009 Various purpose limited tax					
bonds, 2.0% - 4.1%	\$1,130,000	\$0	(\$365,000)	\$765,000	\$375,000
Premium on bonds	2,870	0	(1,420)	1,450	0
Total unvoted general obligation bonds	<u>1,132,870</u>	<u>0</u>	<u>(366,420)</u>	<u>766,450</u>	<u>375,000</u>
Loans from direct borrowings:					
2014 State infrastructure bank loan	795,766	0	(218,963)	576,803	225,581
2019 OPWC loan	167,961	0	(50,388)	117,573	33,592
2017 OPWC loan	17,753	0	(10,653)	7,100	7,100
Total loans from direct borrowings	<u>981,480</u>	<u>0</u>	<u>(280,004)</u>	<u>701,476</u>	<u>266,273</u>
Other long-term obligations:					
Compensated absences	1,859,238	1,258,278	(1,055,298)	2,062,218	958,452
Total other long-term obligations	<u>1,859,238</u>	<u>1,258,278</u>	<u>(1,055,298)</u>	<u>2,062,218</u>	<u>958,452</u>
Net pension liability:					
OPERS	8,698,689	0	(2,368,140)	6,330,549	0
OP&F	9,740,308	437,838	0	10,178,146	0
Total net pension liability	<u>18,438,997</u>	<u>437,838</u>	<u>(2,368,140)</u>	<u>16,508,695</u>	<u>0</u>
Net OPEB liability:					
OPERS	5,866,456	0	(5,866,456)	0	0
OP&F	1,428,214	153,680	0	1,581,894	0
Total net OPEB liability	<u>7,294,670</u>	<u>153,680</u>	<u>(5,866,456)</u>	<u>1,581,894</u>	<u>0</u>
Total governmental activities long-term liabilities	<u>\$29,707,255</u>	<u>\$1,849,796</u>	<u>(\$9,936,318)</u>	<u>\$21,620,733</u>	<u>\$1,599,725</u>

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	Amount Outstanding 12/31/2020	Increases	Decreases	Amount Outstanding 12/31/2021	Amount Due in One Year
Business-type activities					
Loans from direct borrowings:					
2017 OPWC loan	\$33,531	\$0	(\$20,118)	\$13,413	\$13,413
2018 OPWC loan	58,633	0	(25,128)	33,505	16,752
2019 OPWC loan	45,891	0	(15,297)	30,594	10,198
2020 OPWC loan	62,500	0	(12,500)	50,000	12,500
2020 OPWC loan	90,000	0	(18,000)	72,000	18,000
Total loans from direct borrowings	290,555	0	(91,043)	199,512	70,863
Other long-term obligations:					
Compensated absences	219,944	76,604	(100,515)	196,033	92,081
Total other long-term obligations	219,944	76,604	(100,515)	196,033	92,081
Net pension liability - OPERS	1,141,456	0	(664,255)	477,201	0
Net OPEB liability - OPERS	769,807	0	(769,807)	0	0
Total net pension/OPEB liability	1,911,263	0	(1,434,062)	477,201	0
Total business-type activities long-term liabilities	\$2,421,762	\$76,604	(\$1,625,620)	\$872,746	\$162,944

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

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

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

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

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

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

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

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

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2021, are as follows:

Year ending December 31,	General Obligation Bonds		
	Principal	Interest	Total
2022	\$375,000	\$31,178	\$406,178
2023	390,000	15,990	405,990
Total	<u>\$765,000</u>	<u>\$47,168</u>	<u>\$812,168</u>

Year ending December 31,	Governmental Activities			OPWC Loan Principal
	State SIB Loan Principal	Interest	Total	
2022	\$225,582	\$15,625	\$241,207	\$40,692
2023	232,400	8,806	241,206	33,592
2024	118,821	1,782	120,603	33,592
2025	0	0	0	16,797
Total	<u>\$576,803</u>	<u>\$26,213</u>	<u>\$603,016</u>	<u>\$124,673</u>

Business-type Activities	
Year ending December 31,	OPWC Loan Principal
2022	\$70,863
2023	57,451
2024	40,698
2025	<u>30,500</u>
Total	<u>\$199,512</u>

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Note 10 – Short Term Obligations

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

	Balance 12/31/2020	Increase	Decreases	Balance 12/31/2021
Capital projects fund:				
Capital improvement, 1.50%	\$1,399,000	\$0	(\$1,399,000)	\$0
Capital improvement, 1.25%	0	1,399,000	0	1,399,000
Debt service fund:				
Various purpose, 1.50%	1,096,000	0	(1,096,000)	0
Various purpose, 1.00%	0	1,740,000	0	1,740,000
Total governmental activities	<u>\$2,495,000</u>	<u>\$3,139,000</u>	<u>(\$2,495,000)</u>	<u>\$3,139,000</u>

In July of 2021, the City paid off \$1,399,000 in bond anticipation notes and issued \$1,399,000 in bond anticipation notes. The bond anticipation notes were issued to encourage economic development and jobs in a redevelopment area and to purchase land. Revenues for payment of interest and principal on the bond will result from proceeds from a new note to be issued in 2022.

In August of 2021, the City paid off \$1,096,000 in bond anticipation notes and issued \$1,740,000 in bond anticipation notes. The bond anticipation notes were issued for a current refunding of the 2004 Refunding Various Purpose bonds during 2014 and for a new fire truck. The general obligation bond retirement debt service fund will retire these debts.

Note 11 – Defined Benefit Pension Plans

The Statewide retirement systems provide both pension and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB 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 net pension liability and the net OPEB liability represent the City’s proportionate share of each pension/OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan’s fiduciary net position. The net pension/OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting 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/OPEB are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the

City of Vandalia, Ohio
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form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees may pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan. While employees may elect the member-directed plan or the combined plan, substantially all employees are in the traditional plan; therefore, the following disclosure focuses on the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. 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 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 in the traditional and combined plans 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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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<u>Group A</u>	<u>Group B</u>	<u>Group C</u>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<u>State and Local</u>	<u>State and Local</u>	<u>State and Local</u>
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan 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	Traditional Plan 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	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<u>Public Safety</u>	<u>Public Safety</u>	<u>Public Safety</u>
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<u>Law Enforcement</u>	<u>Law Enforcement</u>	<u>Law Enforcement</u>
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<u>Public Safety and Law Enforcement</u>	<u>Public Safety and Law Enforcement</u>	<u>Public Safety and Law Enforcement</u>
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members’ contributions, vested employer

City of Vandalia, Ohio
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contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2021 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2021 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** This rate is determined by OPERS' Board and has no maximum rate established by ORC.

*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2021, the City's contractually required contribution was \$957,319, of this amount \$5,163 is reported in accrued wages.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

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

City of Vandalia, Ohio
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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 (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

Funding Policy

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

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	<u>Police</u>	<u>Firefighters</u>
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2021 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	<u>12.25 %</u>	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$919,243 for 2021, of this amount \$23,483 is reported as accrued wages.

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, 2020, 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, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. 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 of the City's defined benefit pension plans:

	<u>OPERS Traditional Plan</u>	<u>OPF</u>	<u>Total</u>
Proportionate Share of the:			
Net Pension Liability	\$6,807,748	\$10,178,147	\$16,985,895
Proportion of the Net Pension Liability:			
Current Measurement Date	0.04597400%	0.14930340%	
Prior Measurement Date	<u>0.04978400%</u>	<u>0.14458930%</u>	
Change in Proportionate Share	<u>-0.00381000%</u>	<u>0.00471410%</u>	
Pension Expense	(\$414,659)	\$876,178	\$461,519

At December 31 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	OPERS		
	Traditional Plan	OPF	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$0	\$425,481	\$425,481
Changes in assumptions	0	170,693	170,693
Changes in employer proportionate share of net pension liability	0	536,913	536,913
Contributions subsequent to the measurement date	957,319	919,243	1,876,562
Total Deferred Outflows of Resources	<u>\$957,319</u>	<u>\$2,052,330</u>	<u>\$3,009,649</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$284,774	\$396,510	\$681,284
Net difference between projected and actual earnings on pension plan investments	2,653,462	493,707	3,147,169
Changes in employer proportionate share of net pension liability	550,538	87,179	637,717
Total Deferred Inflows of Resources	<u>\$3,488,774</u>	<u>\$977,396</u>	<u>\$4,466,170</u>

\$1,876,562 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending	OPERS		
	Traditional Plan	OPF	Total
December 31:			
2022	(\$1,494,046)	\$70,726	(\$1,423,320)
2023	(551,193)	316,949	(234,244)
2024	(1,081,641)	(318,806)	(1,400,447)
2025	(361,893)	37,695	(324,198)
2026	0	49,126	49,126
Total	<u>(\$3,488,773)</u>	<u>\$155,690</u>	<u>(\$3,333,083)</u>

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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 was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented below.

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	OPERS Traditional Plan
Wage Inflation	3.25%
Future Salary Increases, including inflation	3.25% to 10.75% including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00%, simple
Post-January 7, 2013 Retirees	0.50%, simple through 2021, then 2.15%, simple
Investment Rate of Return	7.20%
Actuarial Cost Method	Individual Entry Age

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 then 2.15 percent simple.

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

The most recent experience study was completed for the five year period ended December 31, 2015.

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 long-term expected 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. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

Discount Rate

The discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. 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 contractually required rates, as actuarially determined. 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 for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the 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 (asset) calculated using the current period discount rate assumption of 7.2 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 (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate share of the net pension liability	\$12,985,816	\$6,807,748	\$1,670,695

Changes from the Measurement Date to the Report Date

During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 percent along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, 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 the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections,

City of Vandalia, Ohio
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mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2020, are presented below.

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25% per annum, compounded annually, consisting of Inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of Living Adjustments	2.20% simple for increases based on the lesser of the increase in CPI and 3 percent

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

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

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

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

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

The 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 expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class

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included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income*	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	125.00 %	

Note: Assumptions are geometric.

*Levered 2.5x

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 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate

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

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Proportionate share of the net pension liability	\$14,169,284	\$10,178,147	\$6,837,968

Note 12 – Postemployment Benefits

See Note 11 for a description of the net OPEB liability (asset).

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability

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benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy

The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2021.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description

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

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OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

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

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$22,823 for 2021.

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Net OPEB Liability (Asset)

The net OPEB liability (asset) and total OPEB liability (asset) for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS		
	<u>Traditional Plan</u>	<u>OPF</u>	<u>Total</u>
Proportionate Share of the:			
Net OPEB (Asset)	(\$792,001)		(\$792,001)
Net OPEB Liability		\$1,581,894	\$1,581,894
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.04445500%	0.14930340%	
Prior Measurement Date	<u>0.04804500%</u>	<u>0.14458930%</u>	
Change in Proportionate Share	<u>-0.00359000%</u>	<u>0.00471410%</u>	
OPEB Expense	(\$5,108,194)	\$148,502	(\$4,959,692)

At December 31 2021, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS		
	<u>Traditional Plan</u>	<u>OPF</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Changes in assumptions	\$389,357	\$873,910	\$1,263,267
Changes in employer proportionate share of net OPEB liability (asset)	0	101,091	101,091
Contributions subsequent to the measurement date	<u>0</u>	<u>22,823</u>	<u>22,823</u>
Total Deferred Outflows of Resources	<u>\$389,357</u>	<u>\$997,824</u>	<u>\$1,387,181</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$714,777	\$260,928	\$975,705
Changes in assumptions	1,283,280	252,183	1,535,463
Net difference between projected and actual earnings on OPEB plan investments	421,831	58,786	480,617
Changes in employer proportionate share of net OPEB liability (asset)	<u>323,057</u>	<u>65,284</u>	<u>388,341</u>
Total Deferred Inflows of Resources	<u>\$2,742,945</u>	<u>\$637,181</u>	<u>\$3,380,126</u>

\$22,823 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year Ending December 31:	OPERS		Total
	Traditional Plan	OPF	
2022	(\$1,265,673)	\$64,151	(\$1,201,522)
2023	(854,898)	78,072	(776,826)
2024	(183,311)	56,125	(127,186)
2025	(49,705)	67,000	17,295
2023	0	36,341	36,341
Thereafter	0	36,128	36,128
Total	<u>(\$2,353,587)</u>	<u>\$337,817</u>	<u>(\$2,015,770)</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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 health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25% to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	3.16%
Investment Rate of Return	6.00%
Municipal Bond Rate:	
Current measurement date	2.00%
Prior Measurement date	2.75%
Health Care Cost Trend Rate:	
Current measurement date	8.50%, initial 3.50%, ultimate in 2035
Prior Measurement date	10.50%, initial 3.50%, ultimate in 2030
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement

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back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	<u>100.00 %</u>	<u>4.43 %</u>

Discount Rate

A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

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

The following table presents the City's proportionate share of the net OPEB asset calculated using the single

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discount rate of 6.00 percent, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease <u>(5.00%)</u>	Current Discount Rate <u>(6.00%)</u>	1% Increase <u>(7.00%)</u>
Proportionate share of the net OPEB (asset)	(\$196,936)	(\$792,001)	(\$1,281,193)

Sensitivity of the Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Proportionate share of the net OPEB (asset)	(\$811,304)	(\$792,001)	(\$770,405)

Changes between Measurement Date and Reporting Date

During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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potential effects of legal or contractual funding limitations.

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

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

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Blended discount rate:	
Current measurement date	2.96%
Prior measurement date	3.56%
Cost of Living Adjustments	2.20% simple

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

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

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

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

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

The long-term expected rate of return on OPEB 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 expected. 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

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been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	125.00 %	

Note: Assumptions are geometric.

* levered 2.5x

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 the 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

For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

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

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.96 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

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	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
Proportionate share of the net OPEB liability	\$1,972,531	\$1,581,894	\$1,259,664

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

Note 13 - Joint Ventures

Tri-Cities North Regional Wastewater Authority

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

The Tri-Cities North Regional Wastewater Authority (Tri-Cities) is a joint venture among the cities of Vandalia, Huber Heights and Tipp City. Tri-Cities is governed by a management board consisting of the city managers of the three cities. The board has complete authority over all aspects of the operation. Tri-Cities supplies all participating residents of the member cities with sewer services. Each city owns the sewage lines located in its city and bills its residents for usage. Continued existence of Tri-Cities is dependent on the City's continued participation and the City does have an equity interest. The percentage of equity interest for each City is based on annual usage and is adjusted each year accordingly. The City's equity interest is \$7,477,502 which represents 25.12% 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 \$1,138,754 for services provided in 2021. Tri-Cities had three OWDA Loans outstanding at December 31, 2021, in the amounts of \$298,150, \$3,988,586 and \$1,744,427 for a total of \$6,031,163. Complete financial statements can be obtained from the Tri-Cities North Regional Wastewater Authority, c/o City of Vandalia, 333 J.E. Bohanan Drive, Vandalia, Ohio 45377.

Northern Area Water Authority

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

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

City of Vandalia, Ohio
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For The Year Ended December 31, 2021

The Northern Area Water Authority (NAWA) is a joint venture among the cities of Vandalia and Tipp City. NAWA is governed by a management board consisting of the city managers of the two cities. The board has complete authority over all aspects of the operation. NAWA supply the participating residents of the member cities with water services. Each city will own the water lines located in its city and bill its residents for usage. Continued existence of NAWA is dependent on the City's continued participation and the City will have an equity interest in NAWA. The City's equity interest is \$1,804,176 which represents 50% of the total equity of NAWA as of December 31, 2021.

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, 2021, NAWA has two outstanding loans with OWDA in the amount of \$16,195,426 and \$419,673 for the water treatment plant construction. The City of Vandalia paid \$1,306,858 for services provided in 2021. 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 14 - Jointly Governed Organization

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

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

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2021

Note 15 - 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, 2021, 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 16 - Interfund Receivables, Payables and Transfers

Interfund transfers and Due to/from other funds for the year ended December 31, 2021, consisted of the following:

	Transfers	
	In	Out
General Fund	\$0	(\$3,388,375)
General Obligation Bond Retirement	948,000	(1,399,000)
Golf Fund	175,000	0
Other Governmental Funds	3,712,375	(48,000)
Total All Funds	\$4,835,375	(\$4,835,375)

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. The transfers out of the General Obligation Bond Retirement Fund and Other Governmental Funds are for the purpose of paying down debt obligations of the City.

Note 17 – Accountability

At December 31, 2021, the following funds had a deficit fund balance:

Fund	Deficit fund balance
General obligation bond retirement	\$1,469,995
Fire Equipment	21,243

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.

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2021

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 18 – Commitments

At December 31, 2021, the City had contractual commitments/encumbrances for several projects. The most significant of these commitments are related to the following:

Fund/Project	Remaining Commitment
General:	
Various capital improvements	\$150,000
Equipment information systems	75,225
Various purchases on order	480,768
Total General	<u>705,993</u>
Fire Equipment:	
Vehicle purchase	1,500,000
Total Police, Fire and Street Capital Improvements	<u>1,500,000</u>
Other governmental funds:	
Vehicle purchase	48,563
Various roadway infrastructure	1,239,607
Total other governmental funds	<u>1,288,170</u>
	<u>\$3,494,163</u>

Note 19 – Tax Abatements

Real estate tax abatements

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

Income tax abatements

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

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2021

Under the real estate tax abatement agreements, the City property taxes were reduced by \$24,891 during 2021.

Note 20 – Covid-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The City’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

Note 21 – Implementation of New Accounting Principles

For fiscal year 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period and GASB Statement No. 98, The Annual Comprehensive Financial Report.

GASB Statement No. 89 establishes accounting requirements for interest cost uncured before the end of a construction period. Interest costs incurred before the end of a construction period are recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. In Financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of the construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

GASB Statement No. 98 establishes the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

Note 22 - Restatement of Net Position

The City made a restatement to custodial fund net position. The custodial funds net position at January 1, 2021 have been restated as follows:

	TCA	NAWA	Total Custodial Funds
Net Position as Previously Reported	\$0	\$0	\$0
Adjustments:			
Restatement of Liabilities	2,000,179	885,626	2,885,805
Restated Net Position January 1, 2021	<u>\$2,000,179</u>	<u>\$885,626</u>	<u>\$2,885,805</u>

City of Vandalia, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2021

Note 23 – Subsequent Events

On April 13, 2022 the City issued \$9,000,000 in general obligation capital facilities bonds. On June 14, 2022 the City issued \$4,500,000 in general obligation capital facilities bonds.

REQUIRED SUPPLEMENTARY INFORMATION

City of Vandalia, Ohio
 Required Supplementary Information
 Schedule of the City's Proportionate Share
 of the Net Pension Liability
 Ohio Public Employees Retirement System - Traditional Plan
 Last Eight Fiscal Years (1)

	2021	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.04597400%	0.04978400%	0.05033500%	0.05298800%	0.05325600%	0.05661400%	0.05683200%	0.05683200%
City's Proportionate Share of the Net Pension Liability	\$6,807,748	\$9,840,145	\$13,785,736	\$8,312,790	\$12,093,532	\$9,806,258	\$6,854,574	\$6,699,752
City's Covered Payroll	\$6,475,114	\$7,004,650	\$6,880,564	\$7,056,223	\$7,434,433	\$6,801,825	\$7,034,450	\$7,245,408
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	105.14%	140.48%	200.36%	117.81%	162.67%	144.17%	97.44%	92.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end
 See accompanying notes to the required supplementary information

City of Vandalia, Ohio
 Required Supplementary Information
 Schedule of the City's Proportionate Share
 of the Net Pension Liability
 Ohio Police and Fire Pension Fund
 Last Eight Fiscal Years (1)

	2021	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.14930340%	0.14458930%	0.13899300%	0.13761000%	0.14041800%	0.14292600%	0.14611200%	0.14611200%
City's Proportionate Share of the Net Pension Liability	\$10,178,147	\$9,740,308	\$11,345,501	\$8,445,748	\$8,893,926	\$9,194,517	\$7,569,221	\$7,116,122
City's Covered Payroll	\$3,626,092	\$3,628,328	\$3,448,072	\$3,229,381	\$3,476,364	\$3,089,263	\$3,017,685	\$2,383,101
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	280.69%	268.45%	329.04%	261.53%	255.84%	297.63%	250.83%	298.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.65%	69.89%	63.07%	70.91%	68.36%	66.77%	71.71%	73.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end
 See accompanying notes to the required supplementary information

City of Vandalia, Ohio
 Required Supplementary Information
 Schedule of City's Contributions
 for Net Pension Liability
 Ohio Public Employees Retirement System - Traditional Plan
 Last Nine Fiscal Years (1)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$957,319	\$906,516	\$980,651	\$963,279	\$917,309	\$892,132	\$816,219	\$844,134	\$941,903
Contributions in Relation to the Contractually Required Contribution	(957,319)	(906,516)	(980,651)	(963,279)	(917,309)	(892,132)	(816,219)	(844,134)	(941,903)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City's Covered Payroll	\$6,837,993	\$6,475,114	\$7,004,650	\$6,880,564	\$7,056,223	\$7,434,433	\$6,801,825	\$7,034,450	\$7,245,408
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2013 is not available

Note:
 See accompanying notes to the required supplementary information.

City of Vandalia, Ohio
 Required Supplementary Information
 Schedule of City's Contributions
 for Net Pension Liability
 Ohio Police and Fire Pension Fund
 Last Nine Fiscal Years (1)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$919,243	\$768,369	\$737,193	\$685,383	\$638,523	\$689,000	\$609,315	\$597,534	\$392,910
Contributions in Relation to the Contractually Required Contribution	<u>(919,243)</u>	<u>(768,369)</u>	<u>(737,193)</u>	<u>(685,383)</u>	<u>(638,523)</u>	<u>(689,000)</u>	<u>(609,315)</u>	<u>(597,534)</u>	<u>(392,910)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$4,334,008	\$3,626,092	\$3,628,328	\$3,448,072	\$3,229,381	\$3,476,364	\$3,089,263	\$3,017,685	\$2,383,101
Contributions as a Percentage of Covered Payroll	21.21%	21.19%	21.13%	19.00%	19.00%	19.00%	20.09%	20.36%	17.98%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2013 is not available

Note:
 See accompanying notes to the required supplementary information.

City of Vandalia, Ohio
 Required Supplementary Information
 Schedule of the City's Proportionate Share
 of the Net Postemployment Benefits Other Than Pension (OPEB) Liability (Asset)
 Ohio Public Employees Retirement System - Traditional Plan
 Last Five Fiscal Years (1)

	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability (Asset)	0.04445500%	0.04805000%	0.04861200%	0.05118600%	0.05160900%
City's Proportionate Share of the Net OPEB Liability (Asset)	(\$792,001)	\$6,636,263	\$6,337,857	\$5,558,423	\$5,212,684
City's Covered Payroll	\$6,475,114	\$7,004,650	\$6,880,564	\$7,274,500	\$7,664,350
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-12.23%	94.74%	92.11%	76.41%	68.01%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	115.57%	47.80%	46.33%	54.14%	54.04%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end.
 See accompanying notes to the required supplementary information.

City of Vandalia, Ohio
 Required Supplementary Information
 Schedule of the City's Proportionate Share
 of the Net Postemployment Benefits Other Than Pension (OPEB) Liability
 Ohio Police and Fire Pension Fund
 Last Five Fiscal Years (1)

	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.14930340%	0.14458900%	0.13899300%	0.13761000%	0.14041800%
City's Proportionate Share of the Net OPEB Liability	\$1,581,894	\$1,428,214	\$1,265,745	\$7,796,796	\$6,665,319
City's Covered Payroll	\$3,626,092	\$3,628,328	\$3,448,000	\$3,229,400	\$3,476,400
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	43.63%	39.36%	36.71%	241.43%	191.73%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.42%	47.10%	46.57%	14.13%	15.96%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

Note:

Amounts presented as of the City's measurement date which is the prior fiscal year end.
 See accompanying notes to the required supplementary information.

City of Vandalia, Ohio
 Required Supplementary Information
 Schedule of City's Contributions to
 Postemployment Benefits Other Than Pension (OPEB)
 Ohio Public Employees Retirement System - Traditional Plan
 Last Six Fiscal Years (1)

	2021	2020	2019	2018	2017	2016
Contractually Required Contribution to OPEB	\$0	\$0	\$0	\$0	\$72,745	\$153,287
Contributions to OPEB in Relation to the Contractually Required Contribution	0	0	0	0	(72,745)	(153,287)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$6,837,993	\$6,475,114	\$7,004,650	\$6,880,564	\$7,274,500	\$7,664,350
Contributions to OPEB as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	1.00%	2.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

Note:

See accompanying notes to the required supplementary information.

City of Vandalia, Ohio
 Required Supplementary Information
 Schedule of City's Contributions to
 Postemployment Benefits Other Than Pension (OPEB)
 Ohio Police and Fire Pension Fund
 Last Six Fiscal Years (1)

	2021	2020	2019	2018	2017	2016
Contractually Required Contribution to OPEB	\$22,823	\$19,074	\$16,237	\$17,240	\$16,147	\$17,382
Contributions to OPEB in Relation to the Contractually Required Contribution	(22,823)	(19,074)	(16,237)	(17,240)	(16,147)	(17,382)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$4,334,008	\$3,626,092	\$3,628,328	\$3,448,000	\$3,229,400	\$3,476,400
Contributions to OPEB as a Percentage of Covered Payroll	0.53%	0.53%	0.45%	0.50%	0.50%	0.50%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

Note:

See accompanying notes to the required supplementary information.

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property Taxes	\$1,521,200	\$1,521,212	\$1,509,558	(\$11,654)
Income Taxes	17,987,927	17,988,065	17,850,261	(137,804)
Charges for Services	2,937,473	2,937,496	2,914,992	(22,504)
Investment Earnings	215,063	215,065	213,417	(1,648)
Intergovernmental	923,542	923,549	916,474	(7,075)
Special Assessments	15,237	15,237	15,120	(117)
Fines, Licenses & Permits	1,644,568	1,644,581	1,631,982	(12,599)
Other Revenues	244,336	244,338	242,466	(1,872)
Total Revenues	25,489,346	25,489,543	25,294,270	(195,273)
Expenditures:				
Current:				
General Government	6,723,049	7,245,201	6,289,144	956,057
Public Safety	8,925,101	9,618,277	8,349,076	1,269,201
Recreation	3,417,081	3,682,472	3,196,543	485,929
Public Works	2,709,343	2,919,766	2,534,482	385,284
Total Expenditures	21,774,574	23,465,716	20,369,245	3,096,471
Excess of Revenues Over (Under) Expenditures	3,714,772	2,023,827	4,925,025	2,901,198
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	2,032	2,032	2,016	(16)
Advances In	403,085	403,088	400,000	(3,088)
Transfers (Out)	(6,168,367)	(6,647,439)	(5,770,261)	877,178
Total Other Financing Sources (Uses)	(5,763,250)	(6,242,319)	(5,368,245)	874,074
Net Change in Fund Balance	(2,048,478)	(4,218,492)	(443,220)	3,775,272
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	21,367,639	21,367,639	21,367,639	0
Fund Balance End of Year	\$19,319,161	\$17,149,147	\$20,924,419	\$3,775,272

See accompanying notes to the required supplementary information.

City of Vandalia, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2021

Note 1 – Budgetary Process

All funds, except the Chuck Gabbard Memorial special revenue fund and custodial funds are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriation resolution, both of which are prepared on the budgetary basis of accounting. Montgomery County does not require jurisdictions within the County to prepare a tax budget, therefore, this is not part of the City's budgetary process. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriation resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the fund level for all funds. The Finance Director, with the approval of the City Manager and respective Department Heads, has been authorized to allocate appropriations to the function, department and object level within each fund. Council must approve any revisions that alter total fund appropriations.

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

The appropriation resolution is subject to amendment 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.

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 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund and fire levy fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and 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 an assignment of fund balance (GAAP).
4. 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 statement.

City of Vandalia, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2021

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	(\$309,198)
Revenue Accruals	2,786,782
Expenditure Accruals	(232,925)
Transfers In	0
Transfers (Out)	(2,381,886)
Advances In	400,000
Advances (Out)	0
Encumbrances	(705,993)
Budget Basis	<u>(\$443,220)</u>

Note 2 – Net Pension Liability

Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions

Changes in assumptions:

2021-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this period.

2019: OPERS Board adopted a change in the investment return assumption, reducing it from 7.50% to 7.20%.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%

2016-2014: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

Changes in benefit terms:

2021-2014: There were no changes in benefit terms for this period.

City of Vandalia, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2021

Ohio Police and Fire Pension Fund Changes in Benefit Terms and Assumptions

Changes in assumptions:

2021-2019: There have been no OP&F pension plan amendments adopted or changes in assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date.

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%

2017-2014: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

Changes in benefit terms:

2021-2014: There were no changes in benefit terms for the period.

Note 3 - Net OPEB Liability (Asset)

Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions

Changes in assumptions:

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.16 percent to 6.00 percent.
- The municipal bond rate decreased from 2.75 percent to 2.00 percent.
- The initial health care cost trend rate decreased from 10.5 percent to 8.5 percent.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 3.96 percent to 3.16 percent.
- The municipal bond rate decreased from 3.71 percent to 2.75 percent.
- The initial health care cost trend rate increased from 10.0 percent to 10.5 percent.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.85 percent to 3.96 percent.
- The investment rate of return decreased from 6.5 percent to 6 percent.
- The municipal bond rate increased from 3.31 percent to 3.71 percent.

City of Vandalia, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended December 31, 2021

- The initial health care cost trend rate increased from 7.5 percent to 10 percent.

2018: The single discount rate changed from 4.23 percent to 3.85 percent.

Changes in Benefit Terms:

2021: There were no changes in benefit terms for the period.

2020: On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees.

2019-2018: There were no changes in benefit terms for the period..

Ohio Police and Fire Pension Fund Changes in Benefit Terms and Assumptions

Changes in assumptions:

2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. The single discount rate changed from 3.56% to 2.96%.

2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. The single discount rate changed from 4.66% to 3.56%.

2019: Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%. The single discount rate increased from 3.24% to 4.66% and the municipal bond rate from 3.16% to 4.13%.

2018: The single discount rate changed from 3.79% to 3.24%

Changes in benefit terms:

2021-2020: There were no changes in benefit terms for the period.

2019: See above regarding change to stipend-based model.

2018: There were no changes in benefit terms for the period.

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



Major Governmental Funds

General Obligation Bond Retirement - To account for transfers from other funds for the payment of general obligation bonded debt. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Fire Equipment - To account for fire equipment financed by governmental funds. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

City of Vandalia, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	General Obligation Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$28,885	\$27,927	(\$958)
Total Revenues	28,885	27,927	(958)
Expenditures:			
Debt Service:			
Principal Retirement	2,450,750	2,447,000	3,750
Interest and Fiscal Charges	62,750	62,654	96
Total Expenditures	2,513,500	2,509,654	3,846
Excess of Revenues Over (Under) Expenditures	(2,484,615)	(2,481,727)	2,888
Other Financing Sources (Uses):			
Issuance of Debt	1,695,235	1,639,000	(56,235)
Transfers In	930,880	900,000	(30,880)
Total Other Financing Sources (Uses)	2,626,115	2,539,000	(87,115)
Net Change in Fund Balance	141,500	57,273	(84,227)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	118,238	118,238	0
Fund Balance End of Year	\$259,738	\$175,511	(\$84,227)

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Fire Equipment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Capital Outlay	1,500,000	1,500,000	0
Total Expenditures	1,500,000	1,500,000	0
Excess of Revenues Over (Under) Expenditures	(1,500,000)	(1,500,000)	0
Other Financing Sources (Uses):			
Issuance of Debt	1,500,000	1,500,000	0
Total Other Financing Sources (Uses)	1,500,000	1,500,000	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Capital Projects Funds

The Capital Projects Funds is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$3,733,480	\$4,885,453	\$8,618,933
Receivables (Net):			
Accounts	41,225	0	41,225
Intergovernmental	1,135,399	0	1,135,399
Revenue in Lieu of Taxes	0	50,900	50,900
Land Held for Resale	0	1,497,046	1,497,046
Inventory	87,618	0	87,618
Total Assets	<u>4,997,722</u>	<u>6,433,399</u>	<u>11,431,121</u>
Liabilities:			
Accounts Payable	197,332	42,103	239,435
Accrued Wages and Benefits	25,173	5,698	30,871
Compensated Absences	27,599	0	27,599
Unearned Revenue	557,935	0	557,935
Total Liabilities	<u>808,039</u>	<u>47,801</u>	<u>855,840</u>
Deferred Inflows of Resources:			
Grants and Other Taxes	1,029,293	0	1,029,293
Unearned Revenue - Other	41,225	0	41,225
Revenue In Lieu of Taxes	0	50,900	50,900
Total Deferred Inflows of Resources	<u>1,070,518</u>	<u>50,900</u>	<u>1,121,418</u>
Fund Balances:			
Nonspendable	87,618	0	87,618
Restricted	2,630,615	3,521,323	6,151,938
Committed	400,932	2,813,375	3,214,307
Total Fund Balances	<u>3,119,165</u>	<u>6,334,698</u>	<u>9,453,863</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$4,997,722</u>	<u>\$6,433,399</u>	<u>\$11,431,121</u>

City of Vandalia, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Income Taxes	\$0	\$2,156,886	\$2,156,886
Charges for Services	289,406	0	289,406
Investment Earnings	14,881	0	14,881
Intergovernmental	2,007,529	196,065	2,203,594
Fines, Licenses & Permits	266,324	0	266,324
Revenue in Lieu of Taxes	0	73,554	73,554
Other Revenues	66,248	70,825	137,073
Total Revenues	2,644,388	2,497,330	5,141,718
Expenditures:			
Current:			
General Government	320,183	12,354	332,537
Public Safety	136,731	248,771	385,502
Leisure Time Activities	22,127	0	22,127
Public Works	1,123,127	0	1,123,127
Capital Outlay	1,043,905	1,851,139	2,895,044
Debt Service:			
Principal	14,064	630,940	645,004
Interest and Other Charges	0	75,599	75,599
Total Expenditures	2,660,137	2,818,803	5,478,940
Excess of Revenues Over (Under) Expenditures	(15,749)	(321,473)	(337,222)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	81,267	81,267
Transfers In	0	3,712,375	3,712,375
Transfers (Out)	0	(48,000)	(48,000)
Total Other Financing Sources (Uses)	0	3,745,642	3,745,642
Net Change in Fund Balance	(15,749)	3,424,169	3,408,420
Fund Balance - Beginning of Year	3,134,914	2,910,529	6,045,443
Fund Balance - End of Year	\$3,119,165	\$6,334,698	\$9,453,863



Nonmajor Special Revenue Funds

Fund Descriptions

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

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

Permissive Motor Vehicle Tax - To account for additional motor vehicle license tax levied by Montgomery County restricted for routine street maintenance and repairs.

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

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

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

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

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

Indigent Drivers Interlock and Alcohol Monitoring (IAM) - To account for monies and restricted for expenditures related to funding interlock and secure remote electronic alcohol monitoring devices for indigent drivers.

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.

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

American Rescue Plan Act - A fund used to provide emergency relief grants to cities related to the COVID-19 pandemic.

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

City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021

	Street	State Highway	Permissive Motor Vehicle Tax	Law Enforcement	Drug Law Enforcement	OMVI Education & Enforcement
Assets:						
Equity in Pooled Cash and Investments	\$1,726,616	\$210,083	\$153,384	\$38,731	\$3,444	\$17,764
Receivables (Net):						
Accounts	0	0	0	0	0	0
Intergovernmental	969,169	78,582	87,648	0	0	0
Inventory	87,618	0	0	0	0	0
Total Assets	2,783,403	288,665	241,032	38,731	3,444	17,764
Liabilities:						
Accounts Payable	118,363	4,853	0	0	0	0
Accrued Wages and Benefits	15,247	0	0	0	0	0
Compensated Absences	21,465	0	0	0	0	0
Unearned Revenue	0	0	0	0	0	0
Total Liabilities	155,075	4,853	0	0	0	0
Deferred Inflows of Resources:						
Grants and Other Taxes	874,038	70,869	84,386	0	0	0
Unearned Revenue - Other	0	0	0	0	0	0
Total Deferred Inflows of Resources	874,038	70,869	84,386	0	0	0
Fund Balances:						
Nonspendable	87,618	0	0	0	0	0
Restricted	1,666,672	212,943	156,646	38,731	3,444	17,764
Committed	0	0	0	0	0	0
Total Fund Balances	1,754,290	212,943	156,646	38,731	3,444	17,764
Total Liabilities, Deferred Inflows and Fund Balances	\$2,783,403	\$288,665	\$241,032	\$38,731	\$3,444	\$17,764

OMVI Indigent	Computer Legal Research	Indigent Drivers IAM	Police Continuous Professional Training	Stormwater	Magistrate	American Rescue Plan Act	Crisis Intervention Training	Total Nonmajor Special Revenue Funds
\$231,218	\$106,268	\$176,464	\$8,039	\$418,095	\$16,319	\$627,055	\$0	\$3,733,480
0	0	0	0	41,225	0	0	0	41,225
0	0	0	0	0	0	0	0	1,135,399
0	0	0	0	0	0	0	0	87,618
231,218	106,268	176,464	8,039	459,320	16,319	627,055	0	4,997,722
0	200	0	0	4,796	0	69,120	0	197,332
0	766	0	0	6,233	2,927	0	0	25,173
0	0	0	0	6,134	0	0	0	27,599
0	0	0	0	0	0	557,935	0	557,935
0	966	0	0	17,163	2,927	627,055	0	808,039
0	0	0	0	0	0	0	0	1,029,293
0	0	0	0	41,225	0	0	0	41,225
0	0	0	0	41,225	0	0	0	1,070,518
0	0	0	0	0	0	0	0	87,618
231,218	105,302	176,464	8,039	0	13,392	0	0	2,630,615
0	0	0	0	400,932	0	0	0	400,932
231,218	105,302	176,464	8,039	400,932	13,392	0	0	3,119,165
\$231,218	\$106,268	\$176,464	\$8,039	\$459,320	\$16,319	\$627,055	\$0	\$4,997,722

City of Vandalia, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2021

	Street	State Highway	Permissive Motor Vehicle Tax	Law Enforcement	Drug Law Enforcement	OMVI Education & Enforcement
Revenues:						
Charges for Services	\$0	\$0	\$0	\$0	\$0	\$0
Investment Earnings	13,223	1,052	606	0	0	0
Intergovernmental	1,548,124	125,523	106,341	0	0	0
Fines, Licenses & Permits	0	0	0	3,102	500	430
Other Revenues	27,431	0	0	0	0	0
Total Revenues	1,588,778	126,575	106,947	3,102	500	430
Expenditures:						
Current:						
General Government	0	0	0	0	0	0
Public Safety	0	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0	0
Public Works	851,216	70,878	1,841	0	0	0
Capital Outlay	957,277	0	20,247	0	0	0
Debt Service:						
Principal	0	0	0	0	0	0
Total Expenditures	1,808,493	70,878	22,088	0	0	0
Net Change in Fund Balance	(219,715)	55,697	84,859	3,102	500	430
Fund Balance - Beginning of Year	1,974,005	157,246	71,787	35,629	2,944	17,334
Fund Balance - End of Year	\$1,754,290	\$212,943	\$156,646	\$38,731	\$3,444	\$17,764

OMVI Indigent	Computer Legal Research	Indigent Drivers IAM	Police Continuous Professional Training	Stormwater	Magistrate	American Rescue Plan Act	Crisis Intervention Training	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$289,406	\$0	\$0	\$0	\$289,406
0	0	0	0	0	0	0	0	14,881
0	0	0	0	0	0	227,541	0	2,007,529
42,909	109,151	8,600	0	0	101,632	0	0	266,324
0	0	0	0	0	0	0	38,817	66,248
42,909	109,151	8,600	0	289,406	101,632	227,541	38,817	2,644,388
0	102,136	2,589	0	0	107,958	107,500	0	320,183
0	0	0	0	0	0	97,914	38,817	136,731
0	0	0	0	0	0	22,127	0	22,127
0	0	0	0	199,192	0	0	0	1,123,127
0	38,532	0	0	27,849	0	0	0	1,043,905
0	0	0	0	14,064	0	0	0	14,064
0	140,668	2,589	0	241,105	107,958	227,541	38,817	2,660,137
42,909	(31,517)	6,011	0	48,301	(6,326)	0	0	(15,749)
188,309	136,819	170,453	8,039	352,631	19,718	0	0	3,134,914
\$231,218	\$105,302	\$176,464	\$8,039	\$400,932	\$13,392	\$0	\$0	\$3,119,165

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Street Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$12,166	\$13,223	\$1,057
Intergovernmental	1,422,219	1,545,813	123,594
Other Revenues	25,238	27,431	2,193
Total Revenues	<u>1,459,623</u>	<u>1,586,467</u>	<u>126,844</u>
Expenditures:			
Current:			
Public Works	842,729	755,274	87,455
Capital Outlay	<u>1,146,922</u>	<u>1,027,899</u>	<u>119,023</u>
Total Expenditures	<u>1,989,651</u>	<u>1,783,173</u>	<u>206,478</u>
Net Change in Fund Balance	(530,028)	(196,706)	333,322
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,815,344</u>	<u>1,815,344</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,285,316</u>	<u>\$1,618,638</u>	<u>\$333,322</u>

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	State Highway Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$848	\$1,052	\$204
Intergovernmental	101,008	125,336	24,328
Total Revenues	101,856	126,388	24,532
Expenditures:			
Current:			
Public Works	77,321	76,000	1,321
Total Expenditures	77,321	76,000	1,321
Net Change in Fund Balance	24,535	50,388	25,853
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	149,809	149,809	0
Fund Balance End of Year	\$174,344	\$200,197	\$25,853

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Permissive Motor Vehicle Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$229	\$606	\$377
Intergovernmental	40,071	106,087	66,016
Total Revenues	40,300	106,693	66,393
Expenditures:			
Current:			
Public Works	4,493	1,841	2,652
Capital Outlay	49,415	20,247	29,168
Total Expenditures	53,908	22,088	31,820
Net Change in Fund Balance	(13,608)	84,605	98,213
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	68,779	68,779	0
Fund Balance End of Year	\$55,171	\$153,384	\$98,213

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$1,000	\$3,102	\$2,102
Total Revenues	1,000	3,102	2,102
Expenditures:			
Current:			
General Government	9,569	0	9,569
Total Expenditures	9,569	0	9,569
Net Change in Fund Balance	(8,569)	3,102	11,671
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	35,629	35,629	0
Fund Balance End of Year	\$27,060	\$38,731	\$11,671

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$150	\$525	\$375
Total Revenues	150	525	375
Expenditures:			
Current:			
Public Safety	100	0	100
Total Expenditures	100	0	100
Net Change in Fund Balance	50	525	475
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,919	2,919	0
Fund Balance End of Year	\$2,969	\$3,444	\$475

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	OMVI Education & Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$500	\$465	(\$35)
Total Revenues	500	465	(35)
Expenditures:			
Current:			
Public Safety	1,000	0	1,000
Total Expenditures	1,000	0	1,000
Net Change in Fund Balance	(500)	465	965
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	17,299	17,299	0
Fund Balance End of Year	\$16,799	\$17,764	\$965

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	OMVI Indigent Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$20,000	\$43,815	\$23,815
Total Revenues	20,000	43,815	23,815
Expenditures:			
Current:			
Public Safety	50,000	0	50,000
Total Expenditures	50,000	0	50,000
Net Change in Fund Balance	(30,000)	43,815	73,815
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	187,403	187,403	0
Fund Balance End of Year	\$157,403	\$231,218	\$73,815

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Computer Legal Research Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$140,000	\$117,923	(\$22,077)
Total Revenues	140,000	117,923	(22,077)
Expenditures:			
Current:			
General Government	169,132	121,825	47,307
Capital Outlay	7,611	5,482	2,129
Total Expenditures	176,743	127,307	49,436
Net Change in Fund Balance	(36,743)	(9,384)	27,359
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	130,137	130,137	0
Fund Balance End of Year	\$93,394	\$120,753	\$27,359

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Indigent Drivers IAM Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$20,000	\$9,065	(\$10,935)
Total Revenues	20,000	9,065	(10,935)
Expenditures:			
Current:			
General Government	102,715	1,738	100,977
Total Expenditures	102,715	1,738	100,977
Net Change in Fund Balance	(82,715)	7,327	90,042
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	169,988	169,988	0
Fund Balance End of Year	\$87,273	\$177,315	\$90,042

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Police Continuous Professional Training Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Public Safety	0	0	(0)
Total Expenditures	0	0	(0)
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	8,039	8,039	0
Fund Balance End of Year	\$8,039	\$8,039	\$0

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Stormwater Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$286,500	\$289,406	\$2,906
Total Revenues	286,500	289,406	2,906
Expenditures:			
Current:			
Public Works	249,888	201,317	48,571
Capital Outlay	79,513	64,058	15,455
Debt Service:			
Principal Retirement	11,281	9,088	2,193
Total Expenditures	340,682	274,463	66,219
Net Change in Fund Balance	(54,182)	14,943	69,125
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	358,458	358,458	0
Fund Balance End of Year	\$304,276	\$373,401	\$69,125

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Magistrate Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$135,000	\$109,227	(\$25,773)
Total Revenues	135,000	109,227	(25,773)
Expenditures:			
Current:			
General Government	149,117	108,972	40,145
Total Expenditures	149,117	108,972	40,145
Net Change in Fund Balance	(14,117)	255	14,372
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	16,064	16,064	0
Fund Balance End of Year	\$1,947	\$16,319	\$14,372

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	American Rescue Plan Act Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$785,476	\$785,476	\$0
Total Revenues	785,476	785,476	0
Expenditures:			
Current:			
General Government	166,447	117,500	48,947
Public Safety	96,555	68,161	28,394
Recreation	172,473	121,754	50,719
Total Expenditures	435,475	307,415	128,060
Net Change in Fund Balance	350,001	478,061	128,060
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$350,001	\$478,061	\$128,060

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Crisis Intervention Training Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$90,000	\$38,817	(\$51,183)
Total Revenues	90,000	38,817	(51,183)
Expenditures:			
Current:			
Public Safety	90,000	38,817	51,183
Total Expenditures	90,000	38,817	51,183
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0



Nonmajor Capital Project Funds

Fund Descriptions

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

Police, Fire and Street Capital Improvements - To account for the 0.25% 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) Capital Projects - To account for payments in lieu of taxes restricted for the commercial tax increment financing district. The monies will be used for future capital projects that will benefit the district.

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

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

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

City of Vandalia, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2021

	Capital Improvement	Police, Fire, and Street Capital Improvements	TIF Capital Projects	Stonequarry Crossings TIF
Assets:				
Equity in Pooled Cash and Investments	\$734,604	\$917,546	\$399,843	\$20,085
Receivables (Net):				
Revenue in Lieu of Taxes	0	0	50,900	0
Land Held for Resale	1,497,046	0	0	0
Total Assets	2,231,650	917,546	450,743	20,085
Liabilities:				
Accounts Payable	39,436	2,667	0	0
Accrued Wages and Benefits	0	5,698	0	0
Total Liabilities	39,436	8,365	0	0
Deferred Inflows of Resources:				
Revenue In Lieu of Taxes	0	0	50,900	0
Total Deferred Inflows of Resources	0	0	50,900	0
Fund Balances:				
Restricted	2,192,214	909,181	399,843	20,085
Committed	0	0	0	0
Total Fund Balances	2,192,214	909,181	399,843	20,085
Total Liabilities, Deferred Inflows and Fund Balances	\$2,231,650	\$917,546	\$450,743	\$20,085

OPWC	Facilities Improvement & Maintenance Reserve	Total Nonmajor Capital Projects Funds
\$0	\$2,813,375	\$4,885,453
0	0	50,900
0	0	1,497,046
0	2,813,375	6,433,399
0	0	42,103
0	0	5,698
0	0	47,801
0	0	50,900
0	0	50,900
0	0	3,521,323
0	2,813,375	2,813,375
0	2,813,375	6,334,698
\$0	\$2,813,375	\$6,433,399

City of Vandalia, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended December 31, 2021

	Capital Improvement	Police, Fire, and Street Capital Improvements	TIF Capital Projects	Stonequarry Crossings TIF
Revenues:				
Income Taxes	\$0	\$2,156,886	\$0	\$0
Intergovernmental	34,999	0	0	0
Revenue in Lieu of Taxes	0	0	68,756	4,798
Other Revenues	70,825	0	0	0
Total Revenues	105,824	2,156,886	68,756	4,798
Expenditures:				
Current:				
General Government	0	0	11,597	757
Public Safety	0	248,771	0	0
Capital Outlay	787,691	971,377	0	0
Debt Service:				
Principal	0	630,940	0	0
Interest and Other Charges	0	75,599	0	0
Total Expenditures	787,691	1,926,687	11,597	757
Excess of Revenues Over (Under) Expenditures	(681,867)	230,199	57,159	4,041
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	51,797	29,470	0	0
Transfers In	2,149,000	0	0	0
Transfers (Out)	0	(48,000)	0	0
Total Other Financing Sources (Uses)	2,200,797	(18,530)	0	0
Net Change in Fund Balance	1,518,930	211,669	57,159	4,041
Fund Balance - Beginning of Year	673,284	697,512	342,684	16,044
Fund Balance - End of Year	\$2,192,214	\$909,181	\$399,843	\$20,085

OPWC	Facilities Improvement & Maintenance Reserve	Total Nonmajor Capital Projects Funds
\$0	\$0	\$2,156,886
161,066	0	196,065
0	0	73,554
0	0	70,825
<u>161,066</u>	<u>0</u>	<u>2,497,330</u>
0	0	12,354
0	0	248,771
92,071	0	1,851,139
0	0	630,940
0	0	75,599
<u>92,071</u>	<u>0</u>	<u>2,818,803</u>
<u>68,995</u>	<u>0</u>	<u>(321,473)</u>
0	0	81,267
0	1,563,375	3,712,375
0	0	(48,000)
<u>0</u>	<u>1,563,375</u>	<u>3,745,642</u>
68,995	1,563,375	3,424,169
<u>(68,995)</u>	<u>1,250,000</u>	<u>2,910,529</u>
<u>\$0</u>	<u>\$2,813,375</u>	<u>\$6,334,698</u>

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$42,793	\$34,999	(\$7,794)
Other Revenues	86,598	70,825	(15,773)
Total Revenues	129,391	105,824	(23,567)
Expenditures:			
Capital Outlay	1,429,787	975,257	454,530
Total Expenditures	1,429,787	975,257	454,530
Excess of Revenues Over (Under) Expenditures	(1,300,396)	(869,433)	430,963
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	63,332	51,797	(11,535)
Transfers In	917,024	750,000	(167,024)
Total Other Financing Sources (Uses)	980,356	801,797	(178,559)
Net Change in Fund Balance	(320,040)	(67,636)	252,404
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	607,676	607,676	0
Fund Balance End of Year	\$287,636	\$540,040	\$252,404

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Police, Fire, and Street Capital Improvements Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Public Safety	287,378	249,013	38,365
Capital Outlay	1,117,465	968,282	149,183
Debt Service:			
Principal Retirement	765,917	663,666	102,251
Interest and Fiscal Charges	83,485	72,340	11,145
Total Expenditures	2,254,245	1,953,301	300,944
Excess of Revenues Over (Under) Expenditures	(2,254,245)	(1,953,301)	300,944
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	29,492	29,470	(22)
Transfers In	2,158,508	2,156,886	(1,622)
Total Other Financing Sources (Uses)	2,188,000	2,186,356	(1,644)
Net Change in Fund Balance	(66,245)	233,055	299,300
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	713,266	713,266	0
Fund Balance End of Year	\$647,021	\$946,321	\$299,300

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	TIF Capital Projects Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$71,450	\$68,756	(\$2,694)
Total Revenues	71,450	68,756	(2,694)
Expenditures:			
Current:			
General Government	31,653	25,917	5,736
Total Expenditures	31,653	25,917	5,736
Net Change in Fund Balance	39,797	42,839	3,042
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	342,684	342,684	0
Fund Balance End of Year	\$382,481	\$385,523	\$3,042

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Stonequarry Crossings TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$17,000	\$4,798	(\$12,202)
Total Revenues	17,000	4,798	(12,202)
Expenditures:			
Current:			
General Government	18,890	15,054	3,836
Total Expenditures	18,890	15,054	3,836
Net Change in Fund Balance	(1,890)	(10,256)	(8,366)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	16,044	16,044	0
Fund Balance End of Year	\$14,154	\$5,788	(\$8,366)

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	OPWC Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$161,066	\$161,066
Total Revenues	0	161,066	161,066
Expenditures:			
Capital Outlay	60,755	68,766	(8,011)
Total Expenditures	60,755	68,766	(8,011)
Excess of Revenues Over (Under) Expenditures	(60,755)	92,300	153,055
Other Financing Sources (Uses):			
Advances (Out)	(353,398)	(400,000)	(46,602)
Total Other Financing Sources (Uses)	(353,398)	(400,000)	(46,602)
Net Change in Fund Balance	(414,153)	(307,700)	106,453
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	331,005	331,005	0
Fund Balance End of Year	(\$83,148)	\$23,305	\$106,453

City of Vandalia, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Facilities Improvement & Maintenance Reserve Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Capital Outlay	2,404,500	0	2,404,500
Total Expenditures	2,404,500	0	2,404,500
Excess of Revenues Over (Under) Expenditures	(2,404,500)	(0)	2,404,500
Other Financing Sources (Uses):			
Transfers In	3,967,875	1,563,375	(2,404,500)
Total Other Financing Sources (Uses)	3,967,875	1,563,375	(2,404,500)
Net Change in Fund Balance	1,563,375	1,563,375	(0)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,250,000	1,250,000	0
Fund Balance End of Year	<u>\$2,813,375</u>	<u>\$2,813,375</u>	<u>(\$0)</u>

OTHER GENERAL FUNDS

With the implementation of GASB Statement No. 54, certain funds that the City prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The City has only presented the budget schedules for these funds.

Fund Description

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 and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2021

	Employee Retirement Benefits Reserve (1) Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
General Government	16,864	16,684	180
Public Safety	99,434	98,375	1,059
Public Works	38,484	38,074	410
Total Expenditures	154,782	153,133	1,649
Excess of Revenues Over (Under) Expenditures	(154,782)	(153,133)	1,649
Other financing sources (uses):			
Transfers In	225,000	225,000	0
Total Other Financing Sources (Uses)	225,000	225,000	0
Net Change in Fund Balance	70,218	71,867	1,649
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	475,177	475,177	0
Fund Balance End of Year	\$545,395	\$547,044	\$1,649

(1) This fund is combined with the General fund in GAAP Statements.



Nonmajor Funds

Fiduciary Funds

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as a custodian for individuals, private organizations, other governmental units and/or other funds.

Fund Descriptions

Custodial Fund: Municipal Court - Established to account for the monies that flow through the Clerk of Courts Office to various subdivisions.

Custodial Fund: Multi-District Tax - Established to account for the flow through of municipal income tax monies that belong to the City of Brookville.

Custodial Fund: 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.

Custodial Fund: 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.

Custodial Fund: 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.

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

City of Vandalia, Ohio
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2021

	Municipal Court	Multi-District Tax	Butler Township JEDD Tax Collection	Butler Township JEDZ Tax Collection
Assets:				
Equity in Pooled Cash and Investments	\$0	\$32,934	\$14,194	\$48,017
Cash and Cash Equivalents in Segregated Accounts	92,362	0	0	0
Receivables (Net):				
Accounts	0	0	0	0
Due from Other Governments	0	548,194	16,073	165,192
Total Assets	<u>92,362</u>	<u>581,128</u>	<u>30,267</u>	<u>213,209</u>
Liabilities:				
Accounts Payable	0	0	0	0
Held for Other Governments	0	581,128	30,267	213,209
Undistributed Monies	92,362	0	0	0
Accrued Liabilities	0	0	0	0
Total Liabilities	<u>92,362</u>	<u>581,128</u>	<u>30,267</u>	<u>213,209</u>
Net Position:				
Restricted for Individuals, Organizations and Other Governments	0	0	0	0
Total Net Position	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Tri-Cities North Regional Wastewater Authority	Northern Area Water Authority	Total
\$1,790,064 0	\$1,050,864 0	\$2,936,073 92,362
224,474 0	144,342 0	368,816 729,459
<u>2,014,538</u>	<u>1,195,206</u>	<u>4,126,710</u>
229,921 0 0 62,964	52,640 0 0 256,497	282,561 824,604 92,362 319,461
<u>292,885</u>	<u>309,137</u>	<u>1,518,988</u>
<u>1,721,653</u>	<u>886,069</u>	<u>2,607,722</u>
<u>\$1,721,653</u>	<u>\$886,069</u>	<u>\$2,607,722</u>

City of Vandalia, Ohio
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended December 31, 2021

	Municipal Court	Multi-District Tax	Butler Township JEDD Tax Collection	Butler Township JEDZ Tax Collection
Additions:				
Investment Earnings	\$0	\$0	\$0	\$104
Income Tax Collections for Other Governments	0	3,337,712	179,537	718,949
Contributions and Rentals	0	0	0	0
Fines and Forfeitures for Other Governments	1,669,494	0	0	0
Total Additions	1,669,494	3,337,712	179,537	719,053
Deductions:				
Distributions of Income Tax Collections	0	3,263,238	178,246	674,813
Income Tax Refunds	0	74,474	1,291	44,240
Payments for Joint Venture	0	0	0	0
Distributions from Municipal Court to Other Governments	1,669,494	0	0	0
Total Deductions	1,669,494	3,337,712	179,537	719,053
Change in Net Position	0	0	0	0
Net Position - Beginning of Year, Restated	0	0	0	0
Net Position - End of Year	\$0	\$0	\$0	\$0

Tri-Cities North Regional Wastewater Authority	NAWA Northern Area Water Authority	Total
\$919	\$113	\$1,136
0	0	4,236,198
3,684,803	1,572,921	5,257,724
0	0	1,669,494
<u>3,685,722</u>	<u>1,573,034</u>	<u>11,164,552</u>
0	0	4,116,297
0	0	120,005
3,964,248	1,572,591	5,536,839
0	0	1,669,494
<u>3,964,248</u>	<u>1,572,591</u>	<u>11,442,635</u>
(278,526)	443	(278,083)
<u>2,000,179</u>	<u>885,626</u>	<u>2,885,805</u>
<u>\$1,721,653</u>	<u>\$886,069</u>	<u>\$2,607,722</u>



STATISTICAL SECTION



Statistical Section

This part of the City's annual comprehensive 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.

Contents

Financial Trends - These schedules contain trend information to help the reader understand how the City's financial position has changed over time.

Revenue Capacity - These schedules contain information to help the reader understand and assess the City's most significant local revenue sources.

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.

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.

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.

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



City of Vandalia, Ohio
 Net Position by Component
 Last Ten Calendar Years
 (accrual basis of accounting)
 Schedule 1

	Calendar Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets	\$42,909,665	\$43,255,312	\$45,004,853	\$47,900,553	\$48,804,352	\$49,337,872	\$49,032,022	\$50,467,034	\$50,880,711	\$49,799,448
Restricted	3,006,345	3,047,614	3,895,737	3,929,597	3,939,012	3,695,303	4,055,358	4,107,791	5,351,626	7,174,016
Unrestricted (Deficit)	15,722,617	15,697,621	3,669,638	4,639,893	5,874,223	(6,954,821)	(7,372,457)	(1,887,718)	305,408	8,762,529
Total governmental activities net position	\$61,638,627	\$62,000,547	\$52,570,228	\$56,470,043	\$58,617,587	\$46,078,354	\$45,714,923	\$52,687,107	\$56,537,745	\$65,735,993
Business-type activities										
Net Investment in Capital Assets	\$18,007,758	\$19,044,671	\$18,585,891	\$18,584,910	\$18,740,110	\$18,654,104	\$18,116,128	\$18,181,701	\$17,914,412	\$17,419,140
Unrestricted (Deficit)	11,833,535	12,516,865	11,992,590	12,516,989	12,449,139	12,658,259	13,153,710	13,239,670	13,990,661	14,973,413
Total business-type activities net position	\$29,841,293	\$31,561,536	\$30,578,481	\$31,101,899	\$31,189,249	\$31,312,363	\$31,269,838	\$31,421,371	\$31,905,073	\$32,392,553
Total Primary Government										
Net Investment in Capital Assets	\$60,917,423	\$62,299,983	\$63,590,744	\$66,485,463	\$67,544,462	\$67,991,976	\$67,148,150	\$68,648,735	\$68,795,123	\$67,218,588
Restricted	3,006,345	3,047,614	3,895,737	3,929,597	3,939,012	3,695,303	4,055,358	4,107,791	5,351,626	7,174,016
Unrestricted (Deficit)	27,556,152	28,214,486	15,662,228	17,156,882	18,323,362	5,703,438	5,781,253	11,351,952	14,296,069	23,735,942
Total primary government net position	\$91,479,920	\$93,562,083	\$83,148,709	\$87,571,942	\$89,806,836	\$77,390,717	\$76,984,761	\$84,108,478	\$88,442,818	\$98,128,546

Source: City Records

City of Vandalia, Ohio
Changes in Net Position
Last Ten Calendar Years
(accrual basis of accounting)
Schedule 2

	Calendar Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
General Government	\$5,782,863	\$5,475,675	\$5,520,951	\$5,130,767	\$4,836,921	\$5,838,359	\$5,792,732	\$6,331,613	\$6,170,357	\$4,372,365
Public Safety	6,811,934	7,174,259	7,124,303	7,236,385	7,841,876	8,571,205	9,307,432	3,502,843	9,820,126	6,933,977
Public Works	6,294,260	5,098,906	4,736,869	4,900,560	4,890,378	5,616,975	6,029,741	5,698,606	5,374,110	4,362,230
Recreation	3,847,357	3,788,977	4,147,571	4,008,981	3,793,318	4,527,113	4,494,143	4,751,156	3,579,483	3,044,568
Interest and Fiscal Charges	601,289	560,923	569,379	209,376	235,861	231,297	220,783	215,241	154,643	143,539
Total governmental activities expenses	23,337,703	22,098,740	22,099,073	21,486,069	21,598,354	24,784,949	25,844,831	20,499,459	25,098,719	18,856,679
Business-type activities:										
Water	2,059,071	1,909,167	2,072,336	2,151,550	2,010,094	1,942,016	1,904,562	1,942,576	2,163,506	1,979,276
Sewer	1,512,536	1,552,360	1,814,270	1,694,090	1,944,231	1,703,795	1,567,017	1,656,483	1,660,417	1,790,058
Golf	1,042,176	1,097,625	1,019,002	1,035,124	1,064,705	1,113,928	1,127,198	1,049,863	893,353	408,406
Total business-type activities expenses	4,613,783	4,559,152	4,905,608	4,880,764	5,019,030	4,759,739	4,598,777	4,648,922	4,717,276	4,177,740
Total primary government expenses	\$27,951,486	\$26,657,892	\$27,004,681	\$26,366,833	\$26,617,384	\$29,544,688	\$30,443,608	\$25,148,381	\$29,815,995	\$23,034,419
Program Revenues										
Governmental Activities:										
Charges for Services and Sales:										
General Government	\$1,577,135	\$2,459,074	\$2,435,013	\$2,579,526	\$2,712,465	\$2,819,251	\$2,756,579	\$2,999,331	\$2,991,247	\$2,255,544
Public Safety	649,206	569,979	569,797	489,852	593,124	483,193	600,885	498,103	470,438	590,292
Public Works	1,400,408	1,474,377	1,424,524	1,544,620	1,452,055	1,580,269	1,605,100	1,686,038	1,638,897	1,700,584
Recreation	1,446,534	1,395,800	1,446,891	1,476,639	1,510,517	1,448,313	1,546,317	1,454,654	636,253	1,025,939
Operating Grants and Contributions	1,106,688	1,227,177	1,177,845	1,458,405	1,184,517	1,028,220	1,268,969	1,775,243	2,966,379	2,123,379
Capital Grants and Contributions	2,004,768	45,000	1,623,771	2,399,492	151,524	131,649	22,083	458,104	112,276	280,451
Total governmental activities program revenues	8,184,739	7,171,407	8,677,841	9,948,534	7,604,202	7,490,895	7,799,933	8,871,473	8,815,490	7,976,189
Business-type activities:										
Charges for Services and Sales:										
Water	2,226,641	2,190,856	2,218,971	2,149,396	2,174,722	2,329,366	2,317,000	2,539,463	2,563,878	2,249,644
Sewer	1,584,806	1,933,954	1,691,533	1,823,665	1,892,558	1,932,540	1,341,381	1,570,853	1,790,025	1,392,413
Golf	973,947	888,023	885,919	880,378	907,446	859,629	812,708	845,219	757,033	841,780
Operating Grants, Contributions and Interest	130,340	0	0	0	0	0	0	0	0	(88,068)
Capital Grants and Contributions	2,828	1,290,959	2,960	369,115	121,799	116,890	0	0	152,500	0
Total business-type activities program revenues	4,918,562	6,303,792	4,799,383	5,222,554	5,096,525	5,238,425	4,471,089	4,955,535	5,263,436	4,395,476
Total primary government program revenues	\$13,103,301	\$13,475,199	\$13,477,224	\$15,171,088	\$12,700,727	\$12,729,320	\$12,271,022	\$13,827,008	\$14,078,926	\$12,371,958

City of Vandalia, Ohio
Changes in Net Position
Last Ten Calendar Years
(accrual basis of accounting)
Schedule 2 (Continued)

	Calendar Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental Activities	(\$15,152,964)	(\$14,927,333)	(\$13,421,232)	(\$11,537,535)	(\$13,994,152)	(\$17,294,054)	(\$18,044,898)	(\$11,627,986)	(\$16,283,229)	(\$10,880,490)
Business-type activities	304,779	1,744,640	(106,225)	341,790	77,495	478,686	(127,688)	306,613	546,160	218,029
Total primary government net expenses	(\$14,848,185)	(\$13,182,693)	(\$13,527,457)	(\$11,195,745)	(\$13,916,657)	(\$16,815,368)	(\$18,172,586)	(\$11,321,373)	(\$15,737,069)	(\$10,662,461)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Income Taxes	\$13,025,898	\$12,709,385	\$13,021,106	\$13,682,940	\$14,247,899	\$13,897,814	\$15,237,654	\$15,797,423	\$16,732,440	\$17,855,845
Property Taxes Levied for:										
General Purposes	1,505,738	1,221,094	1,283,417	1,272,611	1,275,653	1,289,362	1,332,753	1,360,445	1,380,389	1,507,307
Grants and Entitlements not Restricted	1,556,563	1,098,778	761,023	408,435	345,958	615,526	720,412	406,388	673,470	503,643
Payment in Lieu of Taxes	43,957	84,136	196,368	105,453	115,268	104,572	75,798	72,214	91,376	73,554
Investment Earnings	208,984	20,362	215,329	129,436	119,752	273,681	351,588	755,855	678,910	(135,305)
Gain on the Sale of Capital Assets	124,555	0	0	0	7,906	0	0	39,962	484,880	0
Other Revenues	82,334	131,101	11,046	20,103	39,115	7,405	48,425	12,803	29,944	448,694
Transfers-Internal Activities	(22,048)	24,397	197,578	(181,628)	(9,855)	(240,660)	(85,163)	155,080	62,458	(175,000)
Total governmental activities	16,525,981	15,289,253	15,685,867	15,437,350	16,141,696	15,947,700	17,681,467	18,600,170	20,133,867	20,078,738
Business-type activities:										
Other Revenues	283,894	0	0	0	0	0	0	0	0	94,451
Transfers-Internal Activities	22,048	(24,397)	(197,578)	181,628	9,855	240,660	85,163	(155,080)	(62,458)	175,000
Total business-type activities	305,942	(24,397)	(197,578)	181,628	9,855	240,660	85,163	(155,080)	(62,458)	269,451
Total primary government	\$16,831,923	\$15,264,856	\$15,488,289	\$15,618,978	\$16,151,551	\$16,188,360	\$17,766,630	\$18,445,090	\$20,071,409	\$20,348,189
Change in Net Position	\$1,373,017	\$361,920	\$2,264,635	\$3,899,815	\$2,147,544	(\$1,346,354)	(\$363,431)	\$6,972,184	\$3,850,638	\$9,198,248
Governmental Activities	610,721	1,720,243	(303,803)	523,418	87,350	719,346	(42,525)	151,533	483,702	487,480
Business-type activities	\$1,983,738	\$2,082,163	\$1,960,832	\$4,423,233	\$2,234,894	(\$627,008)	(\$405,956)	\$7,123,717	\$4,334,340	\$9,685,728

Source: City Records

City of Vandalia, Ohio
Fund Balances, Governmental Funds
Last Ten Calendar Years
(modified accrual basis of accounting)
Schedule 3

	Calendar Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$50,022	\$39,372	\$34,636	\$27,552	\$61,808	\$58,110	\$58,792	\$8,950	\$13,555	\$13,555
Committed	442,531	542,531	642,531	281,103	793,528	778,590	696,807	387,644	475,177	547,045
Assigned	1,348,736	1,549,018	683,527	708,434	593,417	1,289,226	1,099,521	2,164,088	1,818,743	1,494,522
Unassigned	11,307,767	10,402,258	11,068,945	12,284,198	13,978,050	13,952,840	15,248,811	17,272,807	20,931,405	20,874,560
Total General Fund	13,149,056	12,533,179	12,429,639	13,301,287	15,426,803	16,078,766	17,103,931	19,833,489	23,238,880	22,929,682
All Other Governmental Funds										
Nonspendable	2,849,291	95,238	115,829	115,167	94,393	93,705	125,025	100,764	87,618	87,618
Restricted	1,937,880	2,822,178	3,207,520	3,495,329	3,515,142	3,193,409	3,277,645	3,103,273	4,424,189	6,151,938
Committed	2,073,419	2,012,467	2,057,468	2,083,166	2,160,426	1,818,386	1,751,744	1,653,686	1,602,631	3,214,307
Unassigned (Deficit)	(2,074,380)	0	(5,675,573)	(5,070,761)	(4,251,864)	(3,619,658)	(2,741,890)	(1,918,590)	(1,052,282)	(1,491,238)
Total All Other Governmental Funds	4,786,210	4,929,883	(294,756)	622,901	1,518,097	1,485,842	2,412,524	2,939,133	5,062,156	7,962,625
Total Governmental Funds	\$17,935,266	\$17,463,062	\$12,134,883	\$13,924,188	\$16,944,900	\$17,564,608	\$19,516,455	\$22,772,622	\$28,301,036	\$30,892,307

Source: City Records



City of Vandalia, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Calendar Years
(modified accrual basis of accounting)
Schedule 4

	Calendar Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$14,088,179	\$13,900,470	\$14,301,371	\$15,150,725	\$15,829,083	\$15,010,861	\$16,004,566	\$17,858,542	\$17,379,812	\$19,071,802
Charges for Services	3,485,052	3,463,040	3,669,349	3,750,556	3,592,620	3,638,049	3,657,390	3,643,948	2,747,971	3,204,271
Investment Earnings	208,984	20,362	215,329	129,436	119,752	282,336	368,536	779,369	699,854	(135,305)
Intergovernmental	3,544,825	2,712,119	3,562,887	3,817,380	2,284,559	2,097,904	2,162,961	2,722,275	4,170,705	3,119,128
Special Assessments	10,231	7,757	6,018	24,246	10,088	28,095	9,971	2,478	0	15,120
Fines, Licenses & Permits	1,639,877	1,828,789	1,796,072	1,866,756	1,911,822	1,968,089	1,931,816	2,150,193	1,828,027	1,921,138
Revenue in Lieu of Taxes	43,956	84,136	196,368	105,453	106,688	99,979	88,971	72,214	91,376	73,554
Other Revenues	103,708	545,020	309,685	164,552	282,277	377,171	451,166	372,175	897,980	407,425
Total Revenues	\$23,124,812	\$22,561,693	\$24,057,079	\$25,009,104	\$24,136,889	\$23,502,484	\$24,675,377	\$27,601,194	\$27,815,725	\$27,677,133
Expenditures										
Current:										
General Government	\$5,496,187	\$5,276,604	\$5,252,837	\$4,894,718	\$4,527,753	\$4,981,109	\$5,131,291	\$5,255,036	\$5,515,153	\$5,511,642
Public Safety	6,187,676	6,822,655	6,832,743	6,813,125	6,952,097	7,408,236	7,672,943	8,130,967	8,220,851	8,810,476
Leisure Time Activities	3,349,081	3,389,173	3,731,450	3,623,674	3,280,416	3,581,667	3,727,179	3,727,938	2,908,181	3,224,899
Public Works	4,884,241	3,844,621	3,433,779	3,419,534	3,386,391	3,670,307	3,911,640	3,675,176	3,442,202	3,759,853
Capital Outlay	1,190,438	2,135,887	3,589,683	4,407,748	2,263,170	2,694,434	1,498,176	2,896,470	1,962,263	2,895,044
Debt Service:										
Principal Retirement	997,791	1,021,931	6,847,216	520,306	563,031	545,311	584,591	572,785	561,090	645,004
Interest and Fiscal Charges	580,937	543,026	359,838	201,615	238,849	237,742	233,004	219,578	158,621	147,227
Issuance Costs	0	0	0	5,500	2,750	0	0	0	0	0
Current Refunding	0	0	149,300	0	0	0	0	0	0	0
Total Expenditures	\$22,686,351	\$23,033,897	\$30,196,846	\$23,886,220	\$21,214,457	\$23,118,806	\$22,758,824	\$24,477,950	\$22,768,361	\$24,994,145
Excess of revenues over (under) expenditures	\$438,461	(\$472,204)	(\$6,139,767)	\$1,122,884	\$2,922,432	\$383,678	\$1,916,553	\$3,123,244	\$5,047,364	\$2,682,988

City of Vandalia, Ohio
 Changes in Fund Balances, Governmental Funds
 Last Ten Calendar Years
 (modified accrual basis of accounting)
 Schedule 4 (Continued)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing Sources (Uses):										
Issuance of Capital Leases	\$0	\$0	\$461,016	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from Sale of Capital Assets	140,427	0	42,238	0	24,889	485,131	0	39,962	631,050	83,283
Issuance of Loans	0	0	308,334	866,421	161,775	110,899	240,294	167,961	0	0
Transfers In	3,855,648	4,047,930	3,456,840	3,338,920	1,793,157	2,718,775	2,006,201	1,542,000	1,611,081	4,660,375
Transfers (Out)	(3,855,648)	(4,047,930)	(3,456,840)	(3,538,920)	(1,881,541)	(3,078,775)	(2,211,201)	(1,617,000)	(1,761,081)	(4,835,375)
Total Other Financing Sources (Uses)	140,427	0	811,588	666,421	98,280	236,030	35,294	132,923	481,050	(91,717)
Net Change in Fund Balances	\$578,888	(\$472,204)	(\$5,328,179)	\$1,789,305	\$3,020,712	\$619,708	\$1,951,847	\$3,256,167	\$5,528,414	\$2,591,271

Debt service as a percentage of noncapital expenditures (1) 7.30% 7.50% 27.10% 3.70% 4.20% 3.80% 3.70% 3.50% 3.66%

Source: City Records

(1) - Noncapital expenditures is total expenditures minus capital asset additions

City of Vandalia, Ohio
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Calendar Years
 Schedule 5

Calendar Year	Real Property Assessed Value	Public Utilities Personal Assessed Value	Total Assessed Value	Total Estimated Actual Value	Total Direct Rate
2012	\$334,230,610	\$5,995,890	\$340,226,500	\$976,901,695	4.14
2013	332,438,440	6,375,710	338,814,150	972,846,376	4.14
2014	335,542,680	7,037,090	342,579,770	983,658,704	4.14
2015	326,332,390	7,254,310	333,586,700	957,836,655	4.14
2016	323,708,250	7,364,480	331,072,730	950,618,224	4.14
2017	328,158,290	7,829,300	335,987,590	964,730,396	4.14
2018	343,358,240	8,088,620	351,446,860	1,009,119,023	4.14
2019	344,748,330	8,466,060	353,214,390	1,014,194,181	4.14
2020	385,091,400	9,171,630	394,263,030	1,132,058,268	4.14
2021	385,352,090	9,675,910	395,028,000	1,134,254,747	4.14

Source: County Auditor

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for everything except inventories, which are assessed at 23 percent. Property is assessed annually.

City of Vandalia, Ohio
 Direct and Overlapping Property Tax Rates
 Last Ten Calendar Years
 Schedule 6

Calendar Year	Direct Rate					Overlapping Rates				
	General Fund	Charter	Police Pension	Total	County Levy	Vandalia-Butler City School District	Miami Valley Career Tech Center	Library		
2012	1.54	2.30	0.30	4.14	20.94	55.51	2.58	2.58	1.75	
2013	1.54	2.30	0.30	4.14	20.94	55.57	2.58	2.58	3.31	
2014	1.54	2.30	0.30	4.14	20.94	62.53	2.58	2.58	3.31	
2015	1.54	2.30	0.30	4.14	21.94	62.56	2.58	2.58	3.31	
2016	1.54	2.30	0.30	4.14	22.94	62.48	2.58	2.58	3.31	
2017	1.54	2.30	0.30	4.14	22.94	62.40	2.58	2.58	3.31	
2018	1.54	2.30	0.30	4.14	22.94	61.65	4.01	4.01	3.31	
2019	1.54	2.30	0.30	4.14	23.14	61.63	4.01	4.01	3.31	
2020	1.54	2.30	0.30	4.14	23.14	61.05	3.96	3.96	3.15	
2021	1.54	2.30	0.30	4.14	23.14	61.25	3.96	3.96	3.09	

Source: County Auditor

City of Vandalia, Ohio
Principal Property Tax Payers
Current Year and Nine Years ago
Schedule 7

Taxpayer	2021	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light	\$14,652,370	3.71%
Sand Lake Plaza LLC	2,975,000	0.75%
Vectren Energy Delivery	2,933,430	0.74%
MO Northwoods LLC	2,712,660	0.69%
Anchor PH Vandalia LLC	2,467,500	0.62%
4120 Dayton OH Hotel LLC	2,310,000	0.58%
DABA LLC	2,257,500	0.57%
Garrett-Ryan LLC	2,183,200	0.55%
Realty Income Properties 6 LLC	2,084,950	0.53%
Delphi Properties Management	2,001,568	0.51%
Total Principal Property Tax Payers	36,578,178	9.25%
Total All Others	358,449,822	90.75%
Total Assessed Value	\$395,028,000	100.00%

Taxpayer	2012	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light	\$5,948,820	1.75%
Sand Lake Plaza LLC	2,126,040	0.62%
Shoppes at Northwoods	2,051,850	0.60%
Garrett-Ryan LLC	1,871,280	0.55%
Floriday LLC	1,705,850	0.50%
Delphi Properties Management	1,620,920	0.48%
3920 Space Drive Building	1,583,660	0.47%
Timberlake Limited Partners	1,314,510	0.39%
Vandalia CG LLC	1,277,510	0.38%
The Khoshbin Tower LP	1,191,240	0.35%
Total Principal Property Tax Payers	20,691,680	6.09%
Total All Others	319,534,820	93.91%
Total Assessed Value	\$340,226,500	100.00%

Source: County Auditor

City of Vandalia, Ohio
Property Tax Levies and Collections
Last Ten Calendar Years
Schedule 8

Calendar Year	Taxes Levied for the Calendar Year (1)	Collected, including Delinquencies, within the Calendar Year of the Levy		Unpaid Collections (2)	Total Collections (3)	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$1,408,538	\$1,363,912	96.83%	\$42,503	\$1,406,415	99.85%
2013	1,402,691	1,367,332	97.48%	32,882	1,400,214	99.82%
2014	1,418,280	1,357,528	95.72%	10,260	1,367,788	96.44%
2015	1,381,049	1,332,247	96.47%	44,994	1,377,241	99.72%
2016	1,370,641	1,346,397	98.23%	24,244	1,370,641	100.00%
2017	1,390,989	1,354,172	97.35%	30,666	1,384,838	99.56%
2018	1,454,990	1,414,516	97.22%	40,474	1,454,990	100.00%
2019	1,462,307	1,428,459	97.69%	33,848	1,462,307	100.00%
2020	1,468,336	1,443,477	98.31%	24,859	1,468,336	100.00%
2021	1,632,249	1,604,694	98.31%	27,555	1,632,249	100.00%

Source: County Auditor

(1) - Current taxes levied for the calendar year and current tax collections do not include rollback and homestead amounts.

(2) - Unpaid tax collections include amounts collected from penalties, interest, and other delinquent collections.
The County does not identify delinquent collections by the year for which the tax was levied

(3) - Includes net collections plus unpaid collections

City of Vandalia, Ohio
Income Tax Rates and Collections
Last Ten Calendar Years
(cash basis of accounting)
Schedule 9

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2012	2.00%	\$12,947,429	\$9,590,711	74.07%	\$1,978,254	15.28%	\$1,378,464	10.65%
2013	2.00%	13,234,807	10,015,750	75.68%	1,826,881	13.80%	1,392,176	10.52%
2014	2.00%	13,873,413	10,518,990	75.82%	1,953,374	14.08%	1,401,049	10.10%
2015	2.00%	14,449,582	10,791,743	74.69%	2,226,693	15.41%	1,431,146	9.90%
2016	2.00%	15,434,555	11,575,620	75.00%	2,291,415	14.85%	1,567,520	10.16%
2017	2.00%	14,471,223	11,571,527	79.96%	1,545,989	10.68%	1,353,708	9.35%
2018	2.00%	15,563,249	12,227,785	78.57%	1,961,737	12.60%	1,373,727	8.83%
2019	2.00%	17,229,572	12,800,411	74.29%	2,969,873	17.24%	1,459,287	8.47%
2020	2.00%	16,594,510	13,010,482	78.40%	2,200,535	13.26%	1,383,494	8.34%
2021	2.00%	17,850,330	13,822,189	77.43%	2,557,857	14.33%	1,470,284	8.24%

Source: City income tax records.

City of Vandalia, Ohio
Ratios of Outstanding Debt by Type
Last Ten Calendar Years
Schedule 10

Calendar Year	Governmental Activities				Percentage of Personal Income	Per Capita
	General Obligation Bonds	OPWC Loans	Loan Payable	Capital Leases		
2012	\$10,543,316	\$0	\$0	\$376,041		
2013	9,644,015	0	0	274,110		
2014	3,060,025	0	308,334	562,910		
2015	2,761,205	0	1,149,528	362,831		
2016	2,457,755	0	1,196,910	214,193		
2017	2,144,682	35,508	1,130,750	120,433		
2018	1,816,999	28,406	1,214,609	24,379		
2019	1,479,724	189,265	1,008,305	0		
2020	1,132,870	185,714	795,766	0		
2021	766,450	124,673	576,803	0		
			Total			
Calendar Year	Business-Type Activities		Primary Government	Percentage of Personal Income	Per Capita	
	OPWC Loans	Capital Leases	Total			
2012	\$0	\$0	\$10,919,357	2.63%	401	
2013	0	0	9,918,125	2.39%	364	
2014	0	169,306	4,100,575	0.99%	150	
2015	0	131,020	4,404,584	1.06%	162	
2016	0	91,797	3,960,655	0.95%	145	
2017	67,061	51,614	3,550,048	0.85%	130	
2018	137,410	10,448	3,232,251	0.78%	119	
2019	158,236	0	2,835,530	0.68%	104	
2020	290,555	0	2,404,905	0.46%	70	
2021	199,512	0	1,667,438	0.31%	48	

Source: City Records

N/A - Information not available due to a lag in data availability

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements

City of Vandalia, Ohio
Ratios of General Bonded Debt Outstanding
Last Ten Calendar Years
Schedule 11

Calendar Year	General Obligation Bonds	Percentage of Debt To Actual Taxable Value of Property	Per Capita Personal Income
2012	\$10,543,316	1.08%	387
2013	9,644,015	0.99%	354
2014	3,060,025	0.31%	112
2015	2,761,205	0.29%	101
2016	2,457,755	0.26%	90
2017	2,144,682	0.22%	79
2018	1,816,999	0.18%	119
2019	1,479,724	0.15%	97
2020	1,132,870	0.10%	76
2021	766,450	0.07%	50

Source: City Records

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements

City of Vandalia, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2021
 Schedule 12

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to the City
Vandalia-Butler City School District	\$40,189,016	57.17%	\$22,976,060
Miami Valley Career Technology Center	122,885,340	4.99%	6,131,978
Dayton Metro Library District Miscellaneous	<u>130,309,986</u>	4.66%	<u>6,072,445</u>
Subtotal Overlapping Debt	<u>\$293,384,342</u>		<u>\$35,180,484</u>
City of Vandalia - Direct Debt	<u>1,467,926</u> *	100.00%	<u>1,467,926</u>
Total Direct and Overlapping Debt	<u><u>\$294,852,268</u></u>		<u><u>\$36,648,410</u></u>

Source: Ohio Municipal Advisory Council

(1) - Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the City by the total assessed valuation of the government.

* - Per GASB-S44: 93; Q&A 9.29.2 Debt related to business-type activities should not be included in the presentation of direct and overlapping debt.

Legal Debt Margin Calculation for Year 2021

Assessed Value	\$395,028,000	\$395,028,000
Statutory Legal Debt Limitation (1)	10.5%	10.5%
Total Debt Limit	41,477,940	21,726,540
Debt Applicable to Limit:		
Applicable City Debt Outstanding	766,450	766,450
Less: Debt Outside Limitations (2)	0	0
Total Net Debt Applicable to Limit	766,450	766,450
Legal Debt Margin	\$40,711,490	\$20,960,090

	Calendar Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Debt Limit (1)										
Debt Limit (10.5%)	\$35,723,783	\$35,575,486	\$35,970,876	\$35,026,604	\$34,762,637	\$35,278,697	\$36,901,920	\$37,087,511	\$41,397,618	\$41,477,940
Total Net Debt Applicable to Limit	10,627,927	9,695,024	9,450,099	3,185,511	2,681,210	2,221,667	1,742,098	1,361,029	1,014,631	766,450
Legal Debt Margin	\$25,095,856	\$25,880,462	\$26,520,777	\$31,841,093	\$32,081,427	\$33,057,030	\$35,159,822	\$35,726,482	\$40,382,987	\$40,711,490

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	29.75%	27.25%	26.27%	9.09%	7.71%	6.30%	4.72%	3.67%	2.45%	1.85%
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	Calendar Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$18,712,458	\$18,634,778	\$18,841,887	\$18,347,269	\$18,209,000	\$18,479,317	\$19,329,577	\$19,426,791	\$21,684,467	\$21,726,540
Total Net Debt Applicable to Limit	10,627,927	9,695,024	9,450,099	3,185,511	2,681,210	2,221,667	1,742,098	1,361,029	1,014,631	766,450
Legal Debt Margin	\$8,084,531	\$8,939,754	\$9,391,788	\$15,161,758	\$15,527,790	\$16,257,650	\$17,587,479	\$18,065,762	\$20,669,836	\$20,960,090

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	56.80%	52.03%	50.15%	17.36%	14.72%	12.02%	9.01%	7.01%	4.68%	3.53%
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Source: City Records

(1) - Direct debt limitation based upon Section 133, the Uniform Bond Act of the Ohio Revised Code. Total debt limit should not exceed 10.5% of net assessed property value.

Total unvoted debt limit should not exceed 5.5% of net assessed property value.

(2) - Special assessment debt has been excluded

City of Vandalia, Ohio
 Schedule of Ratio of Annual Debt Service Expenditures for General Bonded Debt
 Last Ten Calendar Years
 Schedule 14

GENERAL BONDED DEBT	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Service	\$1,414,384	\$1,406,946	\$1,245,640	\$409,615	\$405,765	\$406,015	\$410,165	\$407,977	\$404,577	\$410,777
General Governmental Expenditures	22,686,351	23,033,897	30,196,846	23,886,220	21,214,457	23,118,806	22,758,824	24,477,950	22,768,361	24,994,145
Ratio of debt service to general governmental expenditures	6.23%	6.11%	4.13%	1.71%	1.91%	1.76%	1.80%	1.67%	1.78%	1.64%

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

City of Vandalia, Ohio
Demographic and Economic Statistics
Last Ten Calendar Years
Schedule 15

Calendar 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)
2012	15,246	\$415,514,484	\$27,254	\$49,539	41.3	3,095	3,325	7.0%	\$119,712	\$340,226,500
2013	15,246	415,514,484	27,254	49,539	41.3	3,095	3,324	7.0%	135,048	338,814,150
2014	15,246	415,514,484	27,254	49,539	41.3	3,095	3,156	4.6%	133,490	342,579,770
2015	15,246	415,514,484	27,254	49,539	41.3	3,095	2,999	4.7%	136,890	333,586,700
2016	15,246	415,514,484	27,254	49,539	41.3	3,095	3,071	4.6%	156,896	331,072,730
2017	15,246	415,514,484	27,254	49,539	41.3	3,095	3,065	4.4%	155,762	335,987,590
2018	15,246	415,514,484	27,254	49,539	41.3	3,095	2,912	4.5%	158,630	351,446,860
2019	15,246	415,514,484	27,254	49,539	41.3	3,095	2,935	4.2%	149,125	353,214,340
2020	14,997	517,636,452	34,516	58,277	41.3	3,719	2,933	5.0%	143,200	394,263,030
2021	15,209	533,197,122	35,058	61,827	41.3	3,741	2,935	4.6%	195,128	395,028,000

- Sources:
- (1) Source: U. S. Census
 - (a) Year 2011 - 2020 Federal Census
 - (b) Years 2011 through 2019 - 2020 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
Major Employers
Current Fiscal Year and Fiscal Period Nine Years Ago
Schedule 16

2021

Major Employers (1)	Number of Employees	Rank	Employer's Percentage of Total Employment
Staffmark Investment LLC (formerly CBS Personnel)	513	3	1.29%
GE Aviation (formerly Smiths Aerospace)	580	1	1.46%
Vandalia - Butler Schools	561	2	1.41%
All Service Plastic Molding	474	4	1.19%
City of Vandalia	397	5	1.00%
SAIA Burgess, Inc. (formerly Johnson Controls)	327	6	0.82%
Beau Townsend Ford/Nissan	320	8	0.81%
Dayton Freight Lines, Inc.	322	7	0.81%
Kroger Limited Partnership	299	9	0.75%
Adare Pharmaceuticals Inc. (formerly Aptalis Pharmatech)	216	10	0.54%

2012

Major Employers (1)	Number of Employees	Rank	Employer's Percentage of Total Population
Staffmark Investment LLC (formerly CBS Personnel)	1,058	1	2.01%
GE Aviation (formerly Smiths Aerospace)	538	3	1.02%
Vandalia - Butler Schools	573	2	1.09%
City of Vandalia	527	4	1.00%
SAIA Burgess, Inc. (formerly Johnson Controls)	296	6	0.56%
Beau Townsend Ford/Nissan	194	10	0.37%
Kroger Limited Partnership	216	8	0.41%
Adare Pharmaceuticals Inc. (formerly Aptalis Pharmatech)	207	9	0.39%
Delphi Automotive System	461	5	0.87%
Coorstek Medical LLC (formerly IMDS Holding Corp)	264	7	0.50%

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
 Full-Time Equivalent City Government Employees by Function/Program
 Last Ten Calendar Years
 Schedule 17

Function/Program	Calendar Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Council	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	9.0	7.0
Finance	6.5	5.5	5.5	5.0	6.0	6.5	7.0	8.0	7.0	10.0
Tax	8.5	8.5	8.5	8.0	4.5	9.0	5.0	5.0	4.5	4.5
City Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Law	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administration	8.0	6.5	6.5	6.5	7.0	7.0	9.0	8.0	8.0	9.5
Engineer	9.5	9.5	9.5	9.5	7.5	9.0	8.0	6.5	6.5	7.5
Planning	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Court	26.0	26.0	26.0	26.0	24.5	27.5	24.0	24.5	21.5	22.0
Public Building	8.5	7.5	7.5	7.5	7.0	19.0	18.0	18.5	15.0	13.0
Security of Persons and Property										
Police	32.0	32.0	32.0	32.0	32.0	32.0	28.0	30.0	35.0	32.0
Police - Dispatchers/Office/Other	9.0	9.0	9.0	9.0	9.0	12.0	17.5	15.5	12.5	15.5
Fire	37.5	37.5	37.5	37.5	46.5	44.0	43.5	42.5	43.0	42.0
Fire - Secretary - Other	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Leisure Time Activities										
Recreation	123.5	119.0	119.0	119.0	126.0	118.0	111.5	125.5	92.5	70.5
Municipal Pool	8.5	4.5	4.5	4.5	3.0	6.0	2.0	0.5	0.0	0.0
Golf Course	22.5	21.5	21.5	21.5	24.0	32.5	26.0	28.0	18.0	20.5
Transportation										
Service	20.0	18.0	18.0	18.0	18.0	19.0	20.5	21.0	20.0	20.0
Basic Utility Services										
Water	1.0	1.0	1.0	1.0	1.0	2.0	1.0	0.0	0.0	0.0
Wastewater	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0
Total	333.0	318.0	318.0	317.0	328.0	354.5	332.0	344.5	296.5	278.0

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.

Function/Program	Calendar Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Council and Clerk										
Number of Ordinances Passed	36	40	34	26	33	36	26	33	18	16
Number of Resolutions Passed	76	78	60	77	93	103	111	74	64	45
Number of Planning Commission docket items	1	10	15	24	33	44	1	1	14	8
Zoning Board of Appeals docket items	20	25	1	23	16	17	5	12	13	6
Finance Department										
Number of payroll checks issued	23	44	128	81	74	87	104	116	117	212
Number of payroll direct deposits issued	7,451	6,869	9,070	9,283	9,619	9,161	9,854	9,571	9,580	9,061
Number of checks/ vouchers issued	2,370	2,454	2,923	3,143	3,665	3,988	4,426	4,917	4,774	4,339
Amount of checks written (\$000 omitted)	\$15,404	\$14,617	\$15,130	\$39,859	\$16,129	\$15,231	\$18,278	\$20,342	\$19,613	\$16,016
Interest earnings for fiscal year (cash basis)	\$213,417	\$365,776	\$599,852	\$448,460	\$201,158	\$146,071	\$137,269	\$138,696	\$161,018	\$231,689
Number of Budget Adjustments issued	6	8	6	6	6	3	4	7	6	6
Agency Ratings - Moody's Financial Services	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2
Health Insurance Costs vs General Fund Expenditures %	11.80%	10.25%	8.21%	6.31%	6.31%	7.02%	7.94%	6.68%	7.67%	8.55%
General Fund Receipts (cash basis, \$000 omitted)	\$24,716	\$24,819	\$25,501	\$23,795	\$23,592	\$22,808	\$21,971	\$20,829	\$20,856	\$20,496
General Fund Expenditures (cash basis, \$000 omitted)	\$25,434	\$22,124	\$23,743	\$22,681	\$22,261	\$21,673	\$21,131	\$21,980	\$21,885	\$21,111
General Fund Cash Balances (\$000 omitted)	\$21,630	\$21,368	\$18,647	\$15,710	\$14,595	\$13,263	\$12,128	\$11,288	\$12,439	\$13,468
Income Tax Department										
Number of Individual/Business Returns	11,725	10,993	9,194	12,060	12,291	12,949	22,605	24,212	23,466	14,984
Number of business withholding accounts	1,812	1,771	\$1,763	1,768	2,520	2,649	2,331	3,604	3,604	3,296
Amount of Penalties and Interest Collected	\$111,520	\$93,049	\$131,099	\$88,198	\$101,284	\$122,520	\$113,693	\$118,174	\$109,648	\$112,041
Annual number of withholding forms processed	19,338	17,986	17,291	16,435	22,603	21,906	32,757	36,703	44,153	26,641
Annual number of balance due statements forms processed	3,072	2,799	3,315	3,809	4,811	6,257	10,626	10,431	8,759	6,252
Annual number of estimated payment forms processed	2,415	2,483	2,661	2,592	3,023	3,508	5,613	5,779	5,397	3,564
Annual number of reconciliations of withholdings processed	1,812	1,771	1,763	1,768	2,520	2,649	4,617	4,360	4,321	2,640
Engineer Contracted Services										
Dollar amount of Construction overseen by Engineer	\$1,521,009	\$1,350,622	\$1,705,723	\$1,724,536	\$1,325,899	\$1,531,693	\$1,047,864	\$512,644	\$831,792	\$1,266,695
Municipal Court										
Number of Civil Cases	2,210	1,940	2,639	2,143	1,996	1,807	1,628	2,065	2,040	2,040
Number of Criminal/Traffic cases	10,423	10,460	14,070	13,954	14,533	14,471	14,293	14,000	12,398	11,754
Civil Service										
Number of police entry tests administered	6	16	103	17	2	1	1	0	1	1
Number of fire entry tests administered	7	5	14	7	4	1	1	0	0	0
Number of police promotional tests administered	1	0	1	5	0	0	0	0	0	0
Number of fire promotional tests administered			4							
Number of hires of Police Officers from certified lists	0	2	4	2	3	2	0	1	0	0
Number of hires of Fire/Medics from certified lists	1	2	1	4	2	2	0	0	0	0
Number of promotions from police certified lists	0	0	1	0	0	1	0	0	0	0

City of Vandalia, Ohio
 Operating Indicators by Function/Program
 Last Ten Calendar Years
 Schedule 18 (Continued)

	Calendar Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Building Department Indicators										
Construction Permits Issued	47	73	68	72	67	72	71	69	85	83
Estimated Value of Construction	\$23,346,291	\$34,943,369	\$27,602,410	\$10,699,597	\$7,543,900	\$4,680,457	\$21,137,691	\$8,783,595	\$31,879,840	\$12,735,073
Number of permits issued	649	727	788	756	741	739	815	754	750	750
Amount of Revenue generated from permits	\$183,992	\$277,282	\$241,913	\$205,138	\$177,673	\$138,914	\$202,980	\$110,652	\$162,512	\$166,082
Revenue generated from above 1,2,3,4	\$183,992	\$277,282	\$241,913	\$205,138	\$177,673	\$138,914	\$202,980	\$110,652	\$162,512	\$166,082
Security of Persons & Property										
Police										
Total Calls for Services	13,309	12,506	12,996	13,048	14,405	13,545	12,983	13,610	14,029	14,241
Number of traffic citations issued	1,149	470	1,061	1,210	1,394	1,213	1,365	1,342	1,372	1,370
Number of parking citations issued	5	21	48	61	57	103	61	100	101	90
Number of criminal arrests	461	428	559	596	607	626	574	622	678	761
Number of accident reports completed	265	230	257	271	358	339	312	270	259	239
Part 1 Offenses (major offenses)	575	378	397	379	376	400	521	440	418	461
Reserve officers hours worked	0	0	0	0	0	320	235	6	88	786
DUI Arrests	55	41	42	38	77	75	86	101	69	67
Prisoners Processed - Temporary Holdings	29	27	38	41	55	67	78	124	143	179
Property damage accidents	184	153	196	229	286	263	229	210	199	178
Fatalities from Motor Vehicle Accidents	0	0	1	0	0	0	2	0	0	0
Gasoline costs of fleet	\$63,702	\$36,978	\$53,780	\$56,566	\$44,659	\$42,436	\$62,658	\$80,138	\$85,806	\$91,232
DARE youth program	0	0	0	0	0	0	0	0	255	260
Volunteer Service Program	0	0	0	0	0	207	139	164	0	0
Fire										
EMS Calls	2,503	2,138	2,293	2,369	2,554	2,526	2,441	2,199	2,932	2,721
Ambulance Billing Collections (net)	\$505,154	\$444,190	\$509,340	\$485,275	\$530,308	\$451,399	\$521,946	\$500,094	\$499,769	\$472,184
Fire Calls	1,137	1,151	1,177	963	898	1,066	859	1,056	956	754
Fires with Loss	23	24	24	12	15	11	78	30	28	21
Fires with Losses exceeding \$10K	2	7	3	3	1	5	7	5	1	7
Fire Losses \$	\$1,036,150	\$228,650	\$214,625	\$159,300	\$50,275	\$408,852	\$749,186	\$87,850	\$51,300	\$921,550
Fire Safety Inspections	180	125	358	215	339	332	721	801	408	368
Number of times Mutual Aid given to Fire and EMS	543	442	427	149	174	121	96	79	262	247
Number of times Mutual Aid received for Fire and EMS	399	371	455	110	117	83	105	63	150	192
Public Health and Welfare										
Cemetery burials	29	32	31	28	22	29	27	27	16	26
Cemetery cremations	18	14	5	9	15	11	3	18	12	8
Cemetery sale of lots	40	48	28	48	32	30	29	46	64	43
Cemetery receipts	\$35,492	\$38,567	\$29,099	\$35,515	\$31,883	\$27,267	\$25,273	\$30,778	\$37,876	\$30,178

City of Vandalia, Ohio
 Operating Indicators by Function/Program
 Last Ten Calendar Years
 Schedule 18 (Continued)

	Calendar Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Leisure Time Activities										
Recreation										
Recreation Swimming pool receipts	\$54,494	\$0	\$54,465	\$53,230	\$50,196	\$49,242	\$44,568	\$36,525	\$31,896	\$38,150
Recreation Mens & Womens Leagues receipts	\$21,286	\$0	\$33,420	\$34,710	\$38,270	\$39,781	\$40,697	\$42,743	\$46,295	\$41,948
Recreation Programs	\$97,931	\$20,779	\$111,483	\$109,377	\$95,371	\$108,290	\$100,509	\$99,033	\$95,015	\$95,980
Youth Soccer League	\$33,495	\$20,791	\$27,080	\$29,015	\$30,129	\$32,674	\$30,920	\$33,378	\$30,202	\$28,965
Youth Baseball League	\$50,647	\$9,453	\$49,230	\$61,522	\$55,395	\$37,729	\$35,838	\$38,024	\$42,134	\$43,929
Facilities rentals	\$30,850	\$7,871	\$38,164	\$34,537	\$44,631	\$58,113	\$59,922	\$98,894	\$102,826	\$134,581
Total Recreation Department receipts	\$288,703	\$58,894	\$313,842	\$322,391	\$313,992	\$325,829	\$312,454	\$348,597	\$348,368	\$383,553
Community Development										
Grant amounts received due to Economic Development Dept.	\$94,692	\$256,226	\$96,000	\$290,000	\$282,500	\$0	\$25,000	\$500,000	\$500,000	\$475,000
Basic Utility Services										
Refuse disposal per year (in tons) January through December	6,101	6,030	5,950	5,603	5,920	5,615	5,511	5,466	5,509	5,770
Refuse disposal costs per year January through December	\$1,004,602	\$988,564	\$984,848	\$981,035	\$940,552	\$862,134	\$870,856	\$912,886	\$880,000	\$855,695
Annual recycling tonnage (excluding leaf, and compost items)	648	717	726	773	810	718	666	662	719	644
Transportation										
Street Improvements - asphalt overlay (linear feet)	22,328	17,103	7,992	32,584	17,921	21,152	17,773	13,310	15,963	30,121
Street Repair (Concrete, asphalt, crack sealing) (hours)	2,974	2,926	3,178	3,916	2,886	3,361	3,895	3,758	3,750	4,066
Mowing (hours)	1,142	1,028	1,156	1,084	888	690	562	658	962	1,310
Paint Striping (hours)	16	5	12	240	1,098	1,180	784	872	1,118	1,313
Street Sweeper (hours)	1,304	1,225	1,225	592	915	1,084	993	849	758	1,086
Snow & Ice Removal regular hours	502	408	668	400	248	488	844	735	910	376
Sewer and Sanitary calls for service (hours)	416	666	400	636	1,382	124	1,234	794	643	892
Fire hydrants (hours)	520	284	118	140	184	244	356	401	528	220
Catch basin (hours)	1,526	2,798	2,669	1,616	2,762	1,932	2,705	2,489	1,898	2,494
Water and Water calls for service (hours)	3,446	2,596	2,216	2,724	2,337	2,044	2,006	3,039	2,503	2,851
Leaf collection (hours)	1,330	1,184	1,344	1,262	1,476	1,660	1,454	1,792	1,512	1,904
Holiday lights setup (hours)	348	354	275	424	241	240	310	244	384	408
Burial services (hours)	700	744	681	569	584	564	431	516	278	417
Equipment repair/body shop (hours)	3,480	3,412	3,168	2,524	3,557	3,528	3,542	3,738	3,960	3,521
Sign department (hours)	4,011	3,466	3,750	2,784	2,460	2,898	2,764	2,838	3,079	2,112
Building maintenance (hours)	1,544	1,018	651	963	758	1,242	1,178	1,382	1,004	1,334
Other (hours)	3,742	3,708	3,784	3,920	2,429	1,886	1,325	1,365	1,476	1,740
Water Department										
Water Rates per 1st 300 Cu ft of water used (2,250 gallons)	\$15	\$15	\$15	\$15	\$15	\$13	\$13	\$13	\$13	\$13
Avg. number of water accounts billed monthly (Cu. Ft.)	5,396	5,390	5,397	5,412	5,400	5,390	5,425	5,444	5,427	5,418
Total Water Collections Annually (Including P&I)	\$2,312,846	\$2,244,093	\$2,314,668	\$2,261,017	\$2,226,045	\$2,084,024	\$2,074,955	\$2,079,548	\$2,112,547	\$2,196,006
Wastewater Department										
Wastewater Rates per 1st 300 Cu ft of water used	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4
Total flow of wastewater treatment plant (Millions of Gallons)	3,627	3,675	4,583	4,475	4,085	3,655	3,803	2,958	3,540	3,141
Average daily flow (Millions of gallons per day)	10	10	13	12	11	10	8	8	10	9

Source: City of Vandalia

City of Vandalia, Ohio
 Capital Asset Statistics by Function/Program
 Last Ten Calendar Years
 Schedule 19

Function/Program	Calendar Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
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	4	4	4	3	3	3	3	3	2
Inspection Vehicles	5	5	4	5	5	7	7	7	7	8
Municipal Court Vehicles	2	2	2	2	2	2	2	2	2	2
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219
Vehicles	23	21	26	26	26	25	25	21	21	21
Fire										
Stations	2	2	3	3	3	3	3	3	3	3
Number of fire hydrants	802	802	802	802	802	802	802	770	770	770
Square Footage of Building	30,056	30,056	33,443	33,443	33,443	33,443	33,443	33,443	33,443	33,443
Vehicles	14	14	18	17	14	15	15	17	17	17
Recreation										
Number of Parks	11	11	11	11	11	11	11	11	11	11
Number of Pools	1	1	1	1	1	1	1	1	1	1
Number of Golf Courses	1	1	1	1	1	1	1	1	1	1
Number of Tennis Courts	11	11	11	11	11	11	11	11	11	11
Number of Baseball Fields	15	15	15	15	15	15	15	15	15	15
Number of Senior Centers	1	1	1	1	1	1	1	1	1	1
Number of Soccer Fields	12	12	12	12	12	12	12	12	12	12
Square Footage of Recreation Center	58,357	58,357	58,357	58,357	58,357	58,357	58,357	58,357	58,357	58,357
Vehicles	21	23	23	21	21	21	21	20	20	20
Other Public Works										
Streets (miles)	86	86	86	86	86	86	86	86	86	86
Service Vehicles	22	23	26	28	28	26	26	24	24	24
Wastewater										
Sanitary Sewers (miles)	74	74	74	74	74	74	74	74	74	73
Storm Sewers (miles)	79	79	79	78	78	78	78	78	77	76
Vehicles										
Water Department										
Water Lines (miles)	87	87	87	87	87	87	87	87	87	85
Vehicles	1	1	1	1	1	1	1	1	1	1

Source: City of Vandalia

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF VANDALIA

MONTGOMERY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/18/2022

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

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